Acta Universitatis Danubius
ŒCONOMICA

Impact of New Tax Act 2026 on Salary Earners in Nigeria

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Abstract: Objectives: The study examined impact of new tax act 2026 on salary earners in Nigeria. **Prior Work:** The inconsistent of previous tax acts with identification of some features encouraged current study. **Approach:** This study used quantitative and descriptive survey design, the data were gathered from questionnaires distributed to the respondents; analyzed through descriptive and inferential statistics. **Results:** The findings disclosed that awareness of salary earners showed B-coefficient = -0.128, (p-value) = 0.133 & standard alpha t = 0.05, perception of salary earners displayed B-coefficient = -0.252 and a p-value = 0.017; recent spending patterns showed B-coefficient = 0.884, a Beta = 0.777, and a significance = 0.000, and recent savings patterns declared that t-value = 11.840 & B-coefficient 0.884. **Implications:** It was concluded that ascertaining awareness and examining perception of salary earners on the new tax law disclosed positive effects as not concurrent to spending and savings. On other side, the impact of new tax act 2026 on spending and savings disclosed insignificant relationship as income earners might find it difficult to save and incur expenditure. **Value:** It was recommended that government should ensure total enforcement on income earners with aim of removing evasion, and revenue derived from the new act 2026 should be used to provide essential items to the members of public.

Keywords: Evasion; Policy; Revenue; Socialization; Citizens

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JEL Classification: H20

1. Introduction

1.1. Background to the Study

The Nation (2026) emphasized on the transformation designed by the federal government of Nigeria regarding new tax policy that applied to regulate economy and promotion of industrialization for the purpose of stabilizing business environment. The new tax law came into existence as a result of disparities in tax computation and payments over the years; this encourages the government to come out in establishing a unitary tax law in the country.

Nigeria tax law reforms (2025) disclosed that Nigeria tax law was signed that contained tax act, tax administration, and joint revenue board of Nigeria and revenue service acts, 2025 which ensured uniformity in the tax regime. It was disclosed that the reform ensured income and capital gain to be taxed together. It also ensured that subsidiary firms operating outside the jurisdiction of the parent, both profit will be taxed together under the new tax policy for the purpose of correcting profit evasion. The new system was also set up to monitor online transactions for tax purposes with the aims of correcting profit evasion.

Solanke et al. (2021) disclosed that tax became major source of revenue used by government to provide social amenities in the society such as petroleum profit tax. This is a sole dependent source of revenue to Nigeria after independence.

This new tax was signed 26th June, 2025 and come into existence from 1st January, 2026 up to date to regulate personal consumption, industrialization and agricultural activities in the country.

The criteria used for the new tax policy are:

- The individual earnings from ₦1 up to ₦800,000 are excluded to pay tax
- The tax payers are entitled to claim 20% reduction from total annual rent that specifically stated at ₦500,000 during computation of chargeable income tax
- It is stated that all essential goods will be charged at 0% such as health care service, school materials and basic food items.

- A compensation of job loss from ₦10 million to ₦50,000 without tax payment.
- No tax payment on the capital invested on the small business except profit derived from the business.
- Small business with annual turnover less than ₦50 million is excluded company income tax.
- A new start up from agricultural business is granted five years tax holiday in order to increase food production.
- All businesses must maintain tax identification number (TIN) while individual tax payer must possess National Identification Number (NIM).
- The Nigeria Revenue Service (NRS) shall replace Federal Inland Revenue Service (FIRS).

The categories of people affected are:

- Those living in Nigeria
- The permanent resident is in Nigeria
- Staying in Nigeria for more up to and more than half a year
- Deriving income from Nigeria
- Rendering service as a diplomat in foreign country.

1.2. Statements of the Problem

As the Nation (2026) said that new tax law came into existence as a result of disparities in tax computation and payments over the years; this encourage the government to come out in establishing a unitary tax law in the country. The study conducted to check out how effective this new tax policy would be honoured by various firms and income earners in Nigeria that prompted questionnaires to be distributed to various income earners specifically federal government workers in Ekiti State.

1.3. Research Objectives

The main objective of this study is to examine the impact of new tax law 2026 on Salary Earners in Nigeria. However, the specific objectives are to:

- ascertain the awareness of salary earners on New Tax law 2026.
- examine perception of salary earners on New Tax law 2026.
- investigate impact of New Tax law 2026 on recent spending patterns of salary earners.
- examine impact of New Tax law 2026 on recent savings pattern of salary earners.

1.4. Research Questions

- What is the level of awareness of salary earners on New Tax law 2026?
- What is the perception of salary earners on New Tax law 2026?
- What is the impact of New Tax law 2026 on recent spending patterns of salary earners?
- What is impact of New Tax law 2026 on recent savings pattern of salary earners?

1.5. Research Hypothesis

$Ho_{1:}$ there is no significant level of awareness of salary earners on New Tax law 2026.

Ho_2: there is no significant relationship between perceptions of salary earners on New Tax law 2026.

$Ho_{3:}$ there is no significant relationship between New Tax law 2026 and spending patterns of salary earners in Nigeria.

Ho_4: there is no significant relationship between New Tax law 2026 and savings patterns of salary earners in Nigeria.

2. Conceptual Focus

2.1. New Tax Law

As the Nation (2026) said that new tax law came into existence as a result of disparities in tax computation and payments over the years; this encourage the government to come out in establishing a unitary tax law in the country. This new tax law divided into places and specifies as follows:

2.2. Nigeria Tax Act (NTA)

It is emphasized on the nature of tax that will be levied on individual and company which based on the income and profit derived at a given period respectively (Nigeria tax law reforms, 2025).

2.3. Nigeria Tax Administration Act (NTAA)

This is act of preparing for tax payment at federal Inland Revenue service and state board of internal revenue through the help of tax experts for the purpose of paying minimum amount of tax (Nigeria tax law reforms, 2025).

2.4. Nigeria Revenue Service Act (NRSA)

These are organs of government responsible for tax collections at any given periods such as federal Inland Revenue board and state board of internal revenue (Nigeria tax law reforms, 2025).

2.5. Joint Revenue Board Act (JRBA)

This body assists both federal Inland Revenue board and state board of internal revenue for tax collections in order to ensure peaceful co-existence, harmonization of policies and conflicts' resolution (Nigeria tax law reforms, 2025).

3. Theoretical Focus

3.1. Economic Deterrence

Becker (1968) discussed and propounded that tax payers responded to tax payment only when coercion was enforced on them. This is a rational decision of tax payer on when to fulfill obligation to relevant tax authority which always based on prevailing economic factors such as tax penalty, fines and rates. This study is anchored on economic deterrent theory.

3.2. Empirical Review

Ya'u et al. (2023) examined economic deterrence theory and environmental regulation on corporate tax evasion: petroleum profit. It was purposely conducted to determine how environmental regulations influenced tax payments. The study was analysed through Structural Equation Modelling techniques and disclosed significant relationship existed between variables.

Solanke et al. (2021) examined Petroleum Profit Tax and Economic Growth in Nigeria and purposely conducted as a result of inconclusively discussion on generation. The data were collected secondary source and analysed through regression panel. The findings disclosed significant relationship between dependent and independent variables.

Solanke et al. (2021) researched on tax penalty and government revenue in Nigeria; it was conducted to determine how revenue could be increased from looped holes created by tax payers. The study used primary data and analysed through panel regression. The findings disclosed positive relationship between tax penalty and government revenue; and recommended for setting up new policies to check mate firms that were involved.

4. Research Methods

This study used quantitative and descriptive survey design for the purpose of gathering information regarding Nigeria's new Act 2025 on Salary Earners. The population focused on income earners in Nigeria with a simple random sampling technique that focused on staff of federal university Oye-Ekiti, State, Nigeria.

The data gathered were gotten from questionnaires distributed to the respondents; analyzed through descriptive and inferential statistics. The descriptive statistics conducted on frequencies, means, and standard deviations, whereas inferential was carried out through regression analysis.

4.1. Data Analysis and Findings

4.1.1. Descriptive Statistics

Table 1

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
AWARENESS	100	1.00	3.80	1.9720	.63311	.568	.241	.335	.478
PERCEPTION	100	1.00	3.40	2.3460	.52173	.142	.241	-.423	.478
ISPENP	100	1.00	3.80	2.3400	.63022	-.099	.241	-.664	.478
ISAP	100	1.00	4.00	2.4260	.71726	.062	.241	-.410	.478
Valid N (listwise)	100								

Source: Researcher's Compilation 2026

The extended descriptive statistics Table 1 provides a deeper understanding of the awareness and perceptions of salary earners regarding the new tax policy, including measures of skewness and kurtosis. Let's break down and interpret these statistics for the four key variables: Awareness, Perception, Impact on Spending Patterns (ISPENP), and Impact on Saving Patterns (ISAP).

N: Number of respondents (100 for all variables), **Minimum**: Lowest score observed (ranging from 1.00 to 1.00 across variables), **Maximum**: Highest score observed (3.80 for Awareness and ISPENP, 3.40 for Perception, and 4.00 for ISAP), **Mean**: Average score, **Standard Deviation**: Measure of variability or dispersion, **Skewness**: Measure of asymmetry in the distribution of scores, **Kurtosis**: Measure of the "tailedness" of the distribution.

Awareness (AWARENESS)

Mean (1.9720): Indicates that, on average, respondents demonstrate moderate awareness of the new tax policy. **Standard Deviation (0.63311)**: Suggests variability in awareness levels, with some individuals being much more aware than others. **Skewness (0.568)**: A positive skewness indicates that the distribution of awareness scores is slightly asymmetric, with a longer tail on the right. This suggests that while most individuals have low to moderate awareness, a few individuals have very high awareness scores. **Kurtosis (0.335)**: A positive kurtosis indicates a distribution that is relatively flat compared to a normal distribution, suggesting fewer extreme values (outliers) than expected. This aligns with the notion that most respondents fall within a similar range of awareness.

Perception (PERCEPTION)

Mean (2.3460): Indicates a generally positive perception of the new tax policy, though still below the midpoint of the scale. **Standard Deviation (0.52173)**: Reflects less variability in perception compared to awareness, indicating that respondents generally share similar views. **Skewness (0.142)**: The near-zero value indicates that the distribution is relatively symmetrical, suggesting that perceptions about the tax policy are balanced without a significant inclination toward either positive or negative views. **Kurtosis (-0.423)**: A negative kurtosis suggests a flatter distribution than normal, indicating that there are more moderate perceptions and fewer extreme views. This implies that while some respondents may have strong opinions, the majority hold moderate views.

Impact on Spending Patterns (ISPENP)

Mean (2.3400): Suggests a moderate perception of the tax policy's impact on spending behaviors. **Standard Deviation (0.63022)**: Similar to awareness, indicating variability in responses regarding spending impact. **Skewness (-0.099)**: The slight negative skew suggests that the distribution is fairly symmetrical, but with a tendency for respondents to provide slightly lower scores regarding the impact on spending. **Kurtosis (-0.664)**: A negative kurtosis indicates a flatter distribution, suggesting that responses are more concentrated around the mean with fewer extreme values.

Impact on Saving Patterns (ISAP)

Mean (2.4260): Indicates a slightly higher perceived impact of the tax policy on saving patterns compared to spending. **Standard Deviation (0.71726)**: Shows a

wider variability, highlighting that respondents have differing views on how the policy affects their savings. **Skewness (0.062)**: This value is close to zero, indicating a symmetrical distribution of saving impact perceptions, suggesting that opinions are evenly distributed. **Kurtosis (-0.410)**: A negative kurtosis suggests a flatter distribution, indicating that while there are some notable opinions, most responses are moderate.

Awareness vs. Perception: The skewness indicates that awareness is more positively skewed, suggesting that while many respondents are less aware, a few have high awareness levels. In contrast, perception is more symmetrical, indicating a more balanced view of the tax policy among respondents.

ISPENP vs. ISAP: The kurtosis for ISPENP is more negative than for ISAP, suggesting that perceptions regarding the impact on spending are more concentrated around the mean than those regarding saving. The skewness also indicates a slight tendency for respondents to feel less impacted by spending changes compared to saving changes.

4.1.2. Correlations Analysis

Table 2

		AWARENESS	PERCEPTION	ISPENP	ISAP
AWARENESS	Pearson Correlation	1	.502**	.035	-.177
	Sig. (2-tailed)		.000	.728	.078
	N	100	100	100	100
PERCEPTION	Pearson Correlation	.502**	1	.204*	-.082
	Sig. (2-tailed)	.000		.042	.420
	N	100	100	100	100
ISPENP	Pearson Correlation	.035	.204*	1	.736**
	Sig. (2-tailed)	.728	.042		.000
	N	100	100	100	100
ISAP	Pearson Correlation	-.177	-.082	.736**	1
	Sig. (2-tailed)	.078	.420	.000	
	N	100	100	100	100

***. Correlation is significant at the 0.01 level (2-tailed).*

**. Correlation is significant at the 0.05 level (2-tailed).*

Source: Researcher's Compilation 2026

The correlation matrix provides insights into the relationships between the four key variables: Awareness, Perception, the Impact on Spending Patterns (ISPENP), and

the Impact on Saving Patterns (ISAP). Let's analyze the correlations and their significance to understand how these variables interact.

Correlation Coefficient (Pearson Correlation): Ranges from -1 to +1, indicating the strength and direction of a linear relationship between two variables. **Significance (Sig. (2-tailed))**: Indicates whether the observed correlation is statistically significant.

4.2. Detailed Interpretation of Correlations

4.2.1. Awareness and Perception

Pearson Correlation: **0.502.** This indicates a moderate positive correlation between awareness and perception. As awareness of the new tax policy increases, the perception of the policy also tends to improve. **Significance**: **.000.** The correlation is statistically significant at the 0.01 level, suggesting that the relationship is unlikely to be due to chance.

4.2.2. Awareness and ISPENP

Pearson Correlation: **0.035**

This correlation is very low, indicating almost no relationship between awareness and the impact of the tax policy on spending patterns.

Significance: **.728.** The correlation is not statistically significant, suggesting that awareness does not meaningfully influence how respondents perceive the impact on their spending.

4.2.3. Awareness and ISAP

Pearson Correlation: **-0.177.** This indicates a weak negative correlation between awareness and the impact on saving patterns. Higher awareness might be associated with a lower perception of impact on saving, but the relationship is weak. **Significance**: **.078.** This correlation approaches significance but does not reach the 0.05 threshold, indicating that it is not statistically significant.

4.2.4. Perception and ISPENP

Pearson Correlation: **0.204**This indicates a weak positive correlation between perception and ISPENP. A more favorable perception of the tax policy is associated with a slightly greater perceived impact on spending patterns. **Significance**: **.042.**

This correlation is statistically significant at the 0.05 level, indicating that a positive perception does have a measurable influence on perceived spending impact.

4.2.5. Perception and ISAP

Pearson Correlation: **-0.082.** This indicates a very weak negative correlation, suggesting that perception may have little to no impact on saving behaviors. **Significance**: 0**.**420. This correlation is not statistically significant, suggesting that perception does not significantly affect how salary earners view the impact on their savings.

4.2.6. ISPENP and ISAP

Pearson Correlation: **0.736.** This indicates a strong positive correlation between the perceived impact on spending and the perceived impact on saving. When salary earners feel that the tax policy impacts their spending, they also tend to feel it impacts their savings similarly. **Significance**: **.000.** This correlation is statistically significant at the 0.01 level, confirming a robust relationship between the two impact measures.

Moderate Correlation between Awareness and Perception: Higher awareness leads to more positive perceptions of the tax policy, indicating that effective communication about the policy can enhance public sentiment. **Weak Relationships**: The correlations between awareness and both ISPENP and ISAP are weak and not statistically significant, suggesting that simply being aware of the policy does not equate to feeling its effects on spending or saving. **Significance of Perception on ISPENP**: The positive correlation between perception and ISPENP suggests that improving public perception could lead to a greater recognition of the policy's impact on spending. **Strong Correlation between ISPENP and ISAP**: The strong correlation between perceived impacts on spending and saving indicates that salary earners view these areas as interconnected; changes in one area are likely reflected in the other.

4.3. Regression Results

Table 3

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.779[a]	0.606	0.594	0.45701

a. Predictors: (Constant), ISPENP, AWARENESS, PERCEPTION

Source: Researcher's Compilation 2026

The Model Summary provides key statistics for a regression analysis, allowing us to evaluate the relationship between the predictors (ISPENP, AWARENESS, and PERCEPTION) and the dependent variable, which is likely related to salary earners' behaviors or attitudes regarding the new tax policy. Here's a breakdown of the results:

Model (1): This indicates the first regression model being analyzed.

R (0.779): This is the correlation coefficient, reflecting the strength and direction of the linear relationship between the predictors and the dependent variable. An R value of 0.779 suggests a strong positive correlation, indicating that as the predictors increase, the dependent variable also increases.

R Square (0.606): This value represents the proportion of variance in the dependent variable that can be explained by the predictors. An R^2 of 0.606 means that approximately 60.6% of the variance in the dependent variable is explained by ISPENP, AWARENESS, and PERCEPTION. This is a substantial proportion, indicating that the model has good explanatory power.

Adjusted R Square (0.594): This statistic adjusts R^2 for the number of predictors in the model. The adjusted R^2 of 0.594 suggests that, even after accounting for the number of predictors, about 59.4% of the variance in the dependent variable is still explained. This indicates that the model remains robust despite the inclusion of multiple predictors.

Standard Error of the Estimate (0.45701): This value indicates the average distance that the observed values fall from the regression line. A standard error of 0.45701 suggests a reasonable level of accuracy in the predictions made by the model.the model demonstrates a strong relationship between the predictors and the dependent variable, with a significant portion of variance explained. These results suggest that ISPENP, AWARENESS, and PERCEPTION are meaningful contributors to understanding the behaviors or attitudes of salary earners regarding the new tax policy. Further analysis could help refine the model and enhance its predictive capabilities.

ANOVA (Variance Analysis)

Table 4

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	30.882	3	10.294	49.286	.000[b]

Residual	20.051	96	.209		
Total	50.932	99			

a. Dependent Variable: ISAP
b. Predictors: (Constant), ISPENP, AWARENESS, PERCEPTION
Source: Researcher's Compilation 2026

The ANOVA (Analysis of Variance) table provided is the "heartbeat" of regression analysis. It tells us whether the independent variables—**AWARENESS**, **PERCEPTION**, and **ISPENP**—actually do a statistically significant job of predicting your dependent variable, **ISAP**.

Overall Statistical Significance

The most critical value to look at first is the **Sig.** column (the p-value). In your model, this value is **.000**.In social science and most statistical research, we look for a p-value less than **.05**. Since your value is effectively zero, we can conclude that the model is **highly statistically significant**. This means that the relationship between your predictors and the outcome is likely not due to random chance. You have enough evidence to reject the null hypothesis that your predictors have no effect on ISAP.

The F-Statistic

Your **F-value is 49.286**. The F-test is a ratio of the variance explained by your model to the variance that remains unexplained. **High F-value:** Indicates that the "explained" part of the model is much larger than the "error" part. **Interpretation:** An F-ratio of nearly 50 is quite robust, suggesting that the combination of Awareness, Perception, and ISPENP provides a strong framework for understanding the movement in ISAP.

Sum of Squares (SS) & Partitioning Variance

The "Sum of Squares" column shows how the total variation in your dependent variable is divided: **Regression SS (30.882):** This represents the "explained" variation. It is the amount of change in ISAP that can be attributed to your three predictors. **Residual SS (20.051):** This is the "unexplained" variation or error. It represents factors affecting ISAP that are not included in your model (e.g., other variables or measurement noise).

Total SS (50.932): This is simply the sum of the two. If you divide the Regression SS by the Total SS (30.882 / 50.932), you get approximately **0.606**. This means your model explains about **60.6%** of the variance in ISAP (this is your R^2 value).

Degrees of Freedom (df)

The **df** column helps us understand the structure of your data:**Regression (3):** This corresponds to your three predictors (ISPENP, AWARENESS, PERCEPTION). **Residual (96):** This is calculated based on your sample size minus the number of predictors and the constant ($N - k - 1$). Since 96 + 3 + 1 = 100, we can see your total sample size was **100**.

A multiple regression analysis was conducted to examine the effect of Awareness, Perception, and ISPENP on ISAP. The ANOVA results indicate that the overall model is statistically significant ($F(3, 96) = 49.286$, $p < .001$). These results suggest that the three predictors collectively contribute significantly to the prediction of ISAP, explaining a substantial portion of its variance."

Co-efficients[a]

Table 5

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.200	.255		4.703	.000
	AWARENESS	-.128	.084	-.113	-1.516	.133
	PERCEPTION	-.252	.104	-.183	-2.419	.017
	ISPENP	.884	.075	.777	11.840	.000

a. Dependent Variable: ISAP

Source: Researcher's Compilation 2026

This **Coefficients** table 5 is the "magnifying glass" of regression analysis. While the ANOVA told us the model works overall, this table tells us **which** specific variables are doing the heavy lifting and in what direction they are pushing the outcome.

The Strongest Predictor: ISPENP

The most striking result here is ISPENP. Significance (p = .000): This is highly significant (well below the .05 threshold).Beta (0.777): The Standardized Beta allows you to compare variables on the same scale. At 0.777, ISPENP is by far the most influential factor in your model.

B-Coefficient (0.884): This means for every 1-unit increase in ISPENP, the dependent variable (ISAP) is expected to increase by 0.884 units, assuming all other variables stay the same. This shows a very strong, positive relationship.

The Significant "Negative" Impact: PERCEPTION

PERCEPTION also has a significant impact on ISAP, but it's moving in the opposite direction.

Significance (p = .017): This is statistically significant (p < .05). B-Coefficient (-.252): The negative sign indicates an inverse relationship. For every 1-unit increase in Perception, ISAP actually decreases by 0.252 units. This is an interesting finding—it suggests that as perception increases, the outcome variable drops.

The Non-Significant Variable: AWARENESS

AWARENESS is the "odd one out" in this model.Significance (p = .133): Because this value is greater than .05, we conclude that Awareness does not have a statistically significant unique contribution to predicting ISAP in this specific model.Even though the coefficient is negative (-.128), the high p-value means we cannot rule out that this result happened by pure chance.

The Constant (Intercept)

The Constant (1.200) is the predicted value of ISAP if all your independent variables (Awareness, Perception, ISPENP) were zero. With a p-value of .000, the intercept is statistically different from zero.

5. Discussion of Findings

Objective 1: Ascertain the awareness of salary earners about the New Tax law

Based on the Coefficients table, the variable AWARENESS yielded a B-coefficient of -.128 with a significance value (p-value) of . 133.In statistical terms, because the p-value (0.133) is greater than the standard alpha threshold of 0.05, we conclude that Awareness does not have a statistically significant unique impact on ISAP. While the negative coefficient suggests that higher awareness might slightly correlate with a lower perception of purchasing power, the lack of significance means we cannot reliably say this relationship exists in the broader population of salary earners. From a policy perspective, this implies that simply "knowing" about the tax policy isn't the primary driver of how it affects a worker's financial reality. Awareness is a

precursor, but it is the actual application of the tax (the deductions) rather than the knowledge of it that shifts the needle.

Objective 2: Examine the perception of salary earners on the new tax law

The variable PERCEPTION shows a B-coefficient of -.252 and a p-value of .017. Since 0.017 < 0.05, this objective reveals a statistically significant negative impact. This suggests that for every unit increase in a salary earner's perception (likely moving from a "neutral" to a more "critical" or "intense" view of the policy), their perceived financial stability (ISAP) drops by 0.252 units. This indicates a psychological or qualitative burden: salary earners who perceive the tax law as more aggressive or poorly structured report a significantly more negative impact on their financial lives. The negative Beta (-0.183) confirms that perception acts as a "drain" on the perceived adequacy of their salary. These findings highlight the feeling of being overtaxed is almost as impactful as the tax itself.

Objective 3: Investigate the impact of new tax law on recent spending patterns

The variable ISPENP (Impact on Spending and Saving Patterns) is the most dominant factor in your study, with a B-coefficient of .884, a Beta of .777, and a significance of .000. Regarding spending; this result indicates a strong, positive, and highly significant relationship. As the influence of the tax policy on spending patterns increases (ISPENP), the reported impact on the salary earner's overall financial situation (ISAP) increases dramatically. In practical terms, this suggests that the "New Tax Policy" has forced a total reorganization of how salary earners spend. Because the Beta is so high (0.777), we can infer that the change in spending behavior is the primary "channel" through which the tax policy is felt. When taxes go up, discretionary spending likely goes down, and this shift is the most visible evidence of the policy's effect.

Objective 4: Examine the impact of new tax law on recent savings patterns

This objective is also covered by the ISPENP variable, as spending and savings are two sides of the same coin in your model. The high t-value of 11.840 confirms that the impact on savings patterns is not just present, but overwhelming. The data suggests that the new tax policy has a "transformative" effect on savings. With a B-coefficient of .884, for every unit of change in the tax-related savings pattern, there is a nearly equal shift in the overall impact on the earner. This suggests that the tax policy is likely eating into the "surplus" or "disposable income" that would traditionally go toward savings. Since ISPENP is the strongest predictor in the entire

model, your study concludes that the true impact of the New Tax Policy is found in how it forces earners to sacrifice their future security (savings) and current lifestyle (spending) to meet tax obligations.

5.1. Summary

Ascertain the awareness of salary earners about the New Tax law

The B-coefficient of -.128 with a significance value (p-value) of .133.In statistical terms, because the p-value (0.133) is greater than the standard alpha threshold of 0.05, it is concluded that Awareness does not have a statistically significant unique impact on ISAP. Awareness is a precursor, but it is the actual application of the tax (the deductions) rather than the knowledge of it that shifts the needle.

Examine the perception of salary earners on the new tax law

The B-coefficient of -.252 and a p-value of .017; since 0.017 < 0.05, this objective revealed a statistically significant negative impact. This suggests that for every unit increase in a salary earner's perception (likely moving from a "neutral" to a more "critical" or "intense" view of the policy), their perceived financial stability (ISAP) drops by 0.252 units. The negative Beta (-.183) confirms that perception acts as a "drain" on the perceived adequacy of their salary. These findings highlight the *feeling* of being overtaxed is almost as impactful as the tax itself.

Investigate the impact of new tax law on recent spending patterns

The B-coefficient of 0.884, a Beta of 0.777, and a significance of 0.000, regarding spending; this result indicates a strong significant relationship. As the influence of the tax policy on spending patterns increases (ISPENP), the reported impact on the salary earner's overall financial situation (ISAP) increases dramatically. In practical terms, this suggests that the "New Tax Policy" has forced a total reorganization of how salary earners spend. Because the Beta is so high (0.777), when taxes go up, discretionary spending likely goes down, and this shift is the most visible evidence of the policy's effect.

Examine the impact of new tax law on recent savings patterns

The high t-value of 11.840 confirms that the impact on savings patterns is not just present, but overwhelming. The data suggests that the new tax policy has a "transformative" effect on savings. With a B-coefficient of .884, for every unit of

change in the tax-related savings pattern, there is a nearly equal shift in the overall impact.

6. Conclusion

The study examined impact of new tax act 2026 on salary earners in Nigeria with identification of some features; it was disclosed that ascertaining awareness and examining perception of salary earners on the new tax law disclosed positive effects as not concurrent to spending and savings. On other side, the impact of new tax act 2026 on spending and savings disclosed insignificant relationship as income earners might find it difficult to save and incur expenditure.

7. Recommendations

It is recommended that government should ensure total enforcement on income earners with aim of removing evasion, and revenue derived from the new act 2026 should be used to provide essential items to the members of public.

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Appendix 1

QUESTIONNAIRE

Please tick (✓) the option that best represents your opinion.

Options: Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD)

Section A: Awareness of Salary Earners about the New Tax law

S/N	ITEMS	SA	A	D	SD
1	I am aware of the introduction of the new tax law.				
2	I understand the major provisions of the new tax law.				
3	I know how the new tax policy affects my salary.				
4	I have received adequate information about the new tax law.				
5	I clearly understand the purpose of the new tax law.				

Section B: Perception of Salary Earners on the New Tax law

S/N	ITEMS	SA	A	D	SD
6	I believe the new tax law is fair to salary earners.				
7	The new tax law is beneficial to the economy.				
8	The new tax law places too much burden on salary earners.				

9	I support the implementation of the new tax law.				
10	The new tax law was properly communicated to salary earners.				

Section C: Impact of the New Tax law on Spending Pattern

S/N	ITEMS	SA	A	D	SD
11	The new tax law has reduced my disposable income.				
12	I have changed my spending habits because of the new tax law.				
13	I now spend less on non-essential items due to the new tax law.				
14	The new tax law has affected my ability to meet my daily expenses.				
15	I plan my spending more carefully since the introduction of the new tax law.				

Section D: Impact of the New Tax law on Saving Pattern

S/N	ITEMS	SA	A	D	SD
16	The new tax law has reduced the amount I save monthly.				
17	I have adjusted my savings plan because of the new tax law.				
18	It is now more difficult for me to save due to the new tax law.				

19	The new tax law has affected my long-term savings goals.				
20	I am reconsidering my investment plans because of the new tax law.				