

THE EFFECTIVENESS OF ENVIRONMENTAL TAXATION IN NIGERIA IN COMPARISON WITH OTHER EUROPEAN COUNTRIES

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Crude oil is a main benefit resource of Nigerian economy however the a crude oil production makes a significant environmental pollution. The major tax revenue of Federal Government of Nigeria is the Petroleum Profit Tax which is an income tax for oil sectors. In our study we look over the environmental problems in Nigeria and the economic theory of environmental taxes. Similarly, the method for the data collection will be through secondary sources and the use of linear regression to analyse the data. After that we analyse the regulation of Petroleum Profit Tax and we make a compare with Hungarian environmental taxes. With Nigerian oil consumption data and Hungarian excise tax rate, we examine a difference between a potential tax revenue level and the real Petroleum Tax revenue data. Based on our analysis we determine the effectiveness of environmental taxation in Nigeria.