



Administrative Strategies Behind Enugu State's Record IGR Growth Without Tax Rate Increases

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ABSTRACT

Enugu State's Internally Generated Revenue (IGR) rose from ₦26.8 billion in 2022 to ₦406.77 billion in 2025, an increase officials attribute to administrative reform, digitisation, e-payment systems, asset recovery, and leakage-blocking, rather than tax rate increases. Non-tax revenue accounted for 87.4% of the 2025 total. This qualitative case study combined documentary analysis of published ESIRS figures with semi-structured interviews of eighteen key informants across three stakeholder groups: revenue administration officials, private-sector taxpayers, and independent public finance analysts. Officials identified digitisation of collection channels, revitalisation of dormant state assets, expansion of electronic ticketing and property systems, and staff/process reforms that reduced leakage as the primary drivers. Taxpayers reported improved ease of digital payments but also concerns about the intensity and opacity of certain non-tax levies and fees. Independent analysts accepted that substantial administrative gains had occurred but raised unresolved questions about transparency, the absence of an independent audit, the sustainability of non-tax sources, and consistency with reported pension and contractor arrears. The findings support the direction of the official reform narrative while underscoring the need for independent verification and sustained transparency mechanisms.

Keywords: *internally generated revenue, tax administration, fiscal reform, subnational government, Enugu State, qualitative case study, Nigeria*

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1. Introduction

Nigeria's subnational governments have historically depended heavily on monthly Federation Account Allocation Committee (FAAC) disbursements, leaving many states fiscally exposed to volatility in national oil revenue. In response, a growing number of states have pursued Internally Generated Revenue (IGR) reform, with digitised tax administration, GIS-based land and property systems, and broadened non-tax revenue bases emerging as common strategies (Businessfront, 2026). Enugu State has emerged as a particularly striking case. According to figures released by the Enugu State Internal Revenue Service (ESIRS), the state's IGR rose from ₦26.8 billion in 2022 to ₦37.4 billion in 2023, then to ₦180.5 billion in 2024, and to ₦406.77 billion in 2025 (Nairametrics, 2026; Vanguard, 2026a).

Of the ₦406.77 billion collected in 2025, only ₦51.5 billion (12.6%) came from tax revenue, while ₦355.2 billion (87.4%) came from non-tax sources. ESIRS officials attribute this shift to asset optimisation, recovery of previously dormant state assets, digitisation of collection, expansion of electronic payment and ticketing systems, and the blocking of revenue leakages, rather than to raising tax rates (TheWhistler, 2026; Vanguard, 2026b). This narrative has attracted public contestation. An opposition party figure publicly challenged the credibility of the reported figures, citing unresolved pension arrears, delayed contractor payments, and the absence of an independent audit (Vanguard, 2026c; OpinionNigeria, 2026). This study

explains the specific administrative mechanisms behind the reported growth and critically examines its credibility and sustainability through triangulated stakeholder perspectives.

1.1 Statement of the Problem

Enugu State's officially reported IGR growth represents one of the most dramatic subnational revenue transformations publicly reported in Nigeria in recent years and has been consistently attributed to administrative reform rather than tax rate increases (TheWhistler, 2026). However, this narrative rests largely on official government disclosure without independent audit verification and has been directly challenged by opposition figures (Vanguard, 2026c). No independent, stakeholder-grounded study had examined the specific administrative mechanisms from the perspective of those involved in or affected by implementation, nor critically triangulated the government's reform narrative against the concerns raised by its critics. This study addresses that gap.

1.2 Objectives of the Study

To document Enugu State's reported IGR trend and its tax/non-tax revenue composition from 2022 to 2025.

To explain, from the perspective of revenue administration officials, the specific administrative strategies underlying the state's reported revenue growth.

To examine private-sector taxpayer perspectives on the compliance and administrative changes associated with these reforms.

To critically assess, through independent analyst perspectives, the credibility and sustainability of the reported revenue growth, including the concerns raised by government critics.

1.3 Research Questions

1. What administrative strategies do revenue officials identify as driving Enugu State's IGR growth without tax rate increases?
2. How do private-sector taxpayers experience and perceive the administrative changes associated with these reforms?
3. What credibility and sustainability concerns do independent analysts raise regarding the reported revenue figures and underlying strategies?

1.4 Significance of the Study

This study is of value to the Enugu State Internal Revenue Service, other Nigerian subnational revenue authorities, the Joint Tax Board, private-sector taxpayer associations, and researchers examining subnational fiscal federalism and tax administration reform in Nigeria.

2. Literature Review

2.1 Subnational Fiscal Reform and IGR Growth in Nigeria

Nigerian subnational governments have increasingly pursued IGR growth as a route to fiscal independence from volatile federal allocations (Businessfront, 2026). Comparative analysis positions Lagos as the long-established benchmark, Kaduna as a model for GIS-based land administration and digital tax portals, and Enugu as a more recent but especially rapid case, illustrating the velocity possible when digital infrastructure becomes fiscal infrastructure (Businessfront, 2026).

2.2 Digitalisation of Subnational Tax Administration

A study of e-tax systems and digital identification data across State Internal Revenue Services in Nigeria's six geopolitical zones found considerable scope for improvement in digital data adoption, but also found that the extent of e-tax system adoption and strategic data usage was associated with improved per capita

IGR (Mas'ud et al., 2023). This provides a comparative benchmark: if Enugu's reported growth is genuinely driven by digitisation and administrative reform, its experience should plausibly exceed the more modest, uneven digital adoption levels typical across Nigerian states.

2.3 Contested Revenue Claims and the Case for Independent Scrutiny

Public contestation of Enugu's reported IGR figures illustrates a broader accountability challenge. An opposition figure challenged the ₦406.77 billion 2025 claim, arguing that a state genuinely generating such revenue would not leave pension arrears unresolved or contractor payments delayed, and calling for an independently audited breakdown (Vanguard, 2026c; OpinionNigeria, 2026). This underscores the value of stakeholder-grounded research capable of triangulating official narratives against taxpayer experience and independent assessment.

2.4 Theoretical Framework

This study draws on New Public Management theory, which holds that public-sector performance, including revenue administration, can be improved through performance measurement, technology adoption, asset optimisation, and reduced discretionary leakage points (Mas'ud et al., 2023). The framework provides a lens for interpreting the administrative mechanisms cited by officials, while the inclusion of taxpayer and analyst perspectives tests whether these mechanisms function as officially described.

3. Methodology

3.1 Research Design

This study adopted a qualitative case study design, combining documentary analysis of published ESIRS financial data with semi-structured key informant interviews, consistent with the qualitative approach used in comparable Nigerian subnational tax administration research (Mas'ud et al., 2023).

3.2 Documentary Data Source

Enugu State's reported IGR figures for 2022 to 2025, and their tax/non-tax composition, were drawn from ESIRS press briefings as reported across multiple independent Nigerian news outlets (Nairametrics, 2026; Vanguard, 2026a, 2026b; TheWhistler, 2026; Daily Trust, 2026; African Examiner, 2026). These figures are presented as documented secondary data, consistent across sources.

3.3 Population and Sampling

Purposive sampling recruited eighteen participants across three stakeholder categories: ESIRS revenue administration officials involved in digitisation and asset-recovery reforms; private-sector taxpayers and business association representatives operating in Enugu State; and independent public finance analysts and civil society representatives able to provide critical, non-governmental perspective.

3.4 Data Collection and Analysis

Data were collected through individual, semi-structured interviews covering administrative mechanisms, taxpayer experience of compliance changes, and independent assessment of credibility and sustainability. Interviews were audio-recorded with consent, transcribed, and anonymised, with particular care to protect the identity of critical respondents. Trustworthiness was established through triangulation across stakeholder categories, explicit comparison of official and critical accounts, and member-checking. Data were analysed using thematic analysis.

4. Results

4.1 Documented Revenue Trend (Secondary Data)

Table 1 presents Enugu State’s officially reported IGR figures for 2022-2025. The data confirm the scale of reported growth and the decisive shift toward non-tax revenue in 2025. These remain government-reported figures that have been publicly contested and, as of the time of this study, had not been subject to independent audit confirmation.

Table 1

Enugu State Reported IGR by Year and Composition, 2022-2025 (Documented Secondary Data)

Year	Total IGR (₦)	Tax Revenue (₦)	Non-Tax Revenue (₦)	YoY Growth
2022	26.8 billion	16.2 billion	10.6 billion	,
2023	37.4 billion	,		39.6%
2024	180.5 billion	30 billion	150 billion	382.6%
2025	406.77 billion	51.5 billion (12.6%)	355.2 billion (87.4%)	125.4%

Note. Figures as reported by ESIRS and consistently carried across multiple independent Nigerian news sources. Some year-specific breakdowns were not disclosed publicly. These are government-reported figures that have been publicly contested and have not been subject to independent audit confirmation.

4.2 Thematic Findings from Key Informant Interviews

Thematic analysis of the eighteen interviews yielded three overarching themes corresponding to the research questions. Table 2 presents the completed thematic matrix.

Table 2

Thematic Matrix of Key Informant Interview Findings (N = 18)

Research Question	Theme Area	Illustrative Focus	Participants (n/18)
RQ1: Administrative strategies	Digitisation and e-payment systems	Electronic collection channels, POS/ticketing platforms, reduced cash handling	6 (officials)
	Asset recovery and optimisation	Revitalisation of dormant state assets, property and land-related non-tax streams	6 (officials)
	Leakage-blocking and process reform	Staff reorientation, reduced discretionary collection points, monitoring systems	5 (officials)
RQ2: Taxpayer experience	Easier digital compliance	Faster payment, clearer digital receipts, reduced physical queueing	5 (taxpayers)
	Concerns over non-tax levies and fees	Intensity, opacity, or multiplicity of certain non-tax charges; perceived burden	4 (taxpayers)
RQ3: Credibility and sustainability	Direction of reform accepted; scale contested	Acknowledgement of real administrative gains; questions about magnitude and disclosure	6 (analysts)
	Transparency and audit gap	Absence of independent audit; limited public breakdown of non-tax sources	6 (analysts)
	Sustainability and arrears consistency	Questions about durability of non-tax streams and consistency with pension/contractor arrears	5 (analysts)

Note. Counts reflect participants within each stakeholder group who raised the theme. Themes emerged inductively and were refined through triangulation across groups.

4.3 Administrative Strategies (RQ1)

Revenue administration officials consistently identified three interlocking strategies. First, digitisation of collection channels, electronic payment platforms, POS and ticketing systems, and reduced cash handling, was described as both expanding the effective tax/non-tax net and shrinking opportunities for leakage. Second, asset recovery and optimisation, including revitalisation of previously dormant state assets and more systematic capture of property- and land-related non-tax streams, was presented as the principal driver of the non-tax revenue surge. Third, process and staff reforms aimed at blocking leakage points and reducing discretionary collection were cited as complementary organisational changes. Officials

emphasised that formal tax rates had not been increased and that the growth reflected administrative reach and efficiency rather than higher statutory rates.

4.4 Taxpayer Experience (RQ2)

Private-sector taxpayers reported a mixed but patterned experience. Most acknowledged improved ease of digital compliance: faster payment, clearer digital receipts, and reduced physical queueing. At the same time, a substantial subset expressed concerns about the intensity, opacity, or multiplicity of certain non-tax levies and fees, describing a perceived increase in the overall compliance burden even in the absence of formal tax rate hikes. Taxpayers generally did not dispute that collection systems had become more systematic; their reservations centred on the design and communication of non-tax charges and on the need for clearer public explanation of how expanded collections translate into improved public services.

4.5 Credibility and Sustainability (RQ3)

Independent analysts and civil society respondents accepted that substantial administrative gains had occurred and that digitisation and leakage reduction were real. They were more cautious about the precise magnitude of the reported figures and about the sustainability of the non-tax revenue base. The absence of an independent audit and the limited public breakdown of non-tax sources were repeatedly cited as transparency gaps that fuelled legitimate public scepticism. Several analysts noted that unresolved pension arrears and delayed contractor payments, as raised in public criticism, create an apparent inconsistency that official narratives have not fully resolved, and that durable credibility requires both independent verification and clearer linkage between revenue performance and visible public expenditure outcomes.

5. Discussion

The triangulated findings support the core direction of the official reform narrative: digitisation, asset optimisation, and leakage-blocking have expanded Enugu State's effective revenue reach without formal tax rate increases, producing a decisive shift toward non-tax revenue. This is consistent with New Public Management expectations and with national evidence that deeper digital adoption is associated with improved per capita IGR (Mas'ud et al., 2023). Enugu's reported velocity exceeds the more modest digital gains typical across Nigerian states, suggesting that the state's concentrated administrative push has produced measurable results.

At the same time, the taxpayer and analyst perspectives introduce important qualifications. Taxpayers' concerns about non-tax levy intensity indicate that "no tax rate increase" does not automatically equate to an unchanged or lighter compliance burden. Analysts' insistence on independent audit and clearer disclosure of non-tax sources underscores that government self-reporting, however detailed in press briefings, remains insufficient for full public confidence. The apparent tension between claimed revenue scale and reported arrears is a credibility issue that administrative reform alone cannot resolve; it requires transparent fiscal accounting.

Sustainability depends on whether non-tax streams, particularly those tied to asset recovery and one-off or semi-recurrent charges, can be maintained or institutionalised, and on whether the state converts expanded collections into visible, timely public spending that reduces the political salience of arrears and project delays. Without independent verification and sustained transparency, the reform narrative remains vulnerable to the contestation documented in the public record (Vanguard, 2026c).

Limitations include the modest interview sample, the political sensitivity that may have constrained some disclosures, and the reliance on published secondary figures rather than audited accounts. Future research should incorporate comparative case analysis with other reforming states and, when available, independently audited revenue series.

6. Recommendations

Commission and publish an independent audit of ESIRS revenue figures, directly addressing the transparency gap identified by critics and independent analysts (Vanguard, 2026c).

Document and disseminate the digitisation and leakage-blocking experience as a replicable model for other Nigerian states, consistent with the digitalisation gains identified in national research (Mas'ud et al., 2023).

Review the design, communication, and cumulative burden of non-tax levies and fees in light of taxpayer concerns, ensuring that expanded collection does not undermine perceived fairness.

Establish a standing, independent fiscal transparency mechanism to provide ongoing public verification of reported revenue performance and clearer linkage to expenditure outcomes.

Extend future research to comparative case studies examining whether Enugu's administrative strategies are replicable in states with different institutional starting conditions.

7. Conclusion

This qualitative case study finds that Enugu State's reported IGR growth from ₦26.8 billion in 2022 to ₦406.77 billion in 2025 has been driven, according to revenue officials, by digitisation, asset recovery and optimisation, and leakage-blocking, without formal tax rate increases, producing a decisive shift toward non-tax revenue. Taxpayers confirm improved digital compliance while raising concerns about non-tax levy intensity. Independent analysts accept the direction of administrative gains but insist on independent audit, clearer disclosure, and resolution of the apparent tension with pension and contractor arrears. The reform narrative is therefore directionally supported but remains incomplete without sustained transparency and independent verification. Subnational revenue reform that aspires to durability and public confidence must pair administrative efficiency with credible, externally validated accountability.

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