



**POLAC ECONOMIC REVIEW (PER)
DEPARTMENT OF ECONOMICS
NIGERIA POLICE ACADEMY, WUDIL-KANO**



EFFECT OF CORPORATE INCOME TAX ON DIVIDEND POLICY ON QUOTED DEPOSIT MONEY BANKS IN NIGERIA

Halima Abubakar	Department of Accounting and Finance, Baze University Abuja, Nigeria
Josephine Ene, PhD	Department of Accounting and Finance, Baze University Abuja, Nigeria
Inuwa M. Bala, PhD	Department of Accounting and Finance, Baze University Abuja, Nigeria

Abstract

This study analyses the effect of Corporate Income Tax (CIT) on Dividend Payout Ratio (DPO), Dividend Yield (DY) and Dividend Per Share (DPS) of quoted deposit money banks in Nigeria spanning the period 2019-2023. Using panel data, the study investigates whether DID affect these dividend metrics and will employ Pooled Ordinary Least Squares (OLS), Fixed Effects and Random Effects models. Secondary source of data were financial statements of 5 selected deposit money banks while models of regressions were used to test the relationship between CIT and all the dividend metrics. Across all models, CIT did not significantly increase DPO, DY, or DPS as p values are all greater than the 0.05 significance threshold. Therefore, these results show that tax obligations are not direct determinants of dividend policies in the Nigerian banking sector. Instead, other things, such as profitability, size of firm, regulatory policies and market strategies, are likely to be the more important determiners of a firm's dividend behaviour. The study revealed that dividend policy making by deposit money banks in Nigeria is little influenced by the policy of CIT and therefore, suggests that deposit money banks should orientate their dividend policy for profitability and operational efficiency. It proposes policy changes in the direction of environmentally and shareholder friendly growth but points out that this requires that tax policy be aligned with (corporate) profitability when it comes to dividend distribution.

Keywords: Corporate Income Tax, Dividend Policy, Dividend Payout Ratio, Deposit Money Banks

1. Introduction

Tax is the charge paid by the government on the income from individual and corporate organisations. Tax offered by government is used to provide a social welfare. Corporate income tax is one of the charges made by corporations. TAX is 'a compulsory levy imposed by the government on the subject or upon his property by the government having authority over him or the government (Oluwale, 1991). However, dividend policy lay down some rules as to how a company ought to divide a part of its dividends among its shareholders. Theories of corporate dividend policy information have developed around theories of attracting investors in firms. In making the decision to distribute, calculation is

based on company's earnings and the recommendation of company directors.

In their paper Dividend Irrelevance Theory, Modigliani and Miller (1961) argued that the value of the firm, as well as the firm's investment decisions, is not influenced by dividend policy, not by decisions about dividends. It goes on to say that incorporating this theory into investment strategies can help for long time success in the stock market for their investors. The other theory is Gordon's theory of Bird in the hand by Gordon in 1963 that favors periodic payment in dividend over capital gain. It would not be the value on a firm. A company pays corporate income tax and other statutory charges and

dividend when a profit is made, otherwise, no dividend is paid.

The main factor attributed for a corporate organization to have no single dividend policy is the taxation. These taxes paid by the company can be direct such as: The amounts that include company income tax, education tax, withholding or indirect tax charges. Corporate income tax is usually paid by every corporate organization, in Nigeria, on profit made. Though this, the company performance is affected by this, and their tax planning is created to overcome the liability for tax.

Little has been studied on the nexus between corporate taxation and dividend policy in Nigeria with focus on such areas as impact of tax on dividend policy (NaimatKhana, QuratUIAin Shah Jehanb, AttaullahShahc, 2017); Impact of tax on dividend decision (Oluwaseun, Obisesan, Ariyo & Joseph). Very few studies have also been undertaken to see the effect of tax on dividend policy (Christopher, 2014), determinant of dividend policy (Anwar & Tahayart, 2023). The problem of tax upon dividend policy has not been precisely settled by substance.

This study was accomplished to test the impact of corporate income tax on dividend policy among quoted deposit money bank in Nigeria. The specific objectives are:

- i. To examine the effect of corporate income tax dividend payout of quoted deposit money bank in Nigeria.
- ii. To find out how corporate income tax affects dividend yield of quoted deposit money bank in Nigeria.
- iii. To evaluate the extent to which corporate income tax influence dividend per share of deposit money bank in Nigeria.

Research Hypotheses

H₀₁: Corporate income tax has no significant effect on the dividend payout of quoted deposit money banks in Nigeria.

H₀₂: Corporate income tax does not significantly affect the dividend yield of quoted deposit money banks in Nigeria.

H₀₃: Corporate income tax has no significant influence on the dividend per share of quoted deposit money banks in Nigeria.

This study is significant because it sheds light on the connection between Nigerian quoted deposit money banks' dividend practices and corporate income tax. Policymakers, tax authorities, and financial analysts must thus comprehend the connection between taxation, corporate profitability, and shareholder return. Additionally, the results will assist investors and bank officials in making judgments regarding dividend disbursements and tax planning. This study contributes to the body of knowledge on taxation and corporate finance and could be a reference to future research in the area because it will be useful to scholars and researchers working in these areas.

The effect of corporate income tax on the dividend policies of Nigerian listed deposit money banks is the main topic of this study. It specifically looks at how corporate income tax affects dividend yield, payout, and per-share dividends. In order to identify pertinent patterns and policy changes, the study examines data over a predetermined time period for a subset of deposit money institutions listed on the Nigerian Exchange Group (NGX). The study will encompass the years 2019–2023 in order to accomplish this goal. Using an econometric technique, the study evaluates the connection between business taxation and dividend decisions using financial accounts, tax records, and macroeconomic variables. Because of its important role in financial intermediation and economic stability in Nigeria, the analysis is restricted to the banking industry.

2. Literature Review

2.1 Conceptual Definitions

2.1.1 Corporate Income Tax

The government levies a direct tax known as the Corporate Income Tax (CIT) on the net income or profit of businesses and other business organizations. It is a

vital source of public income that finances the development of infrastructure and necessary services (OECD, 2022). International tax rivalry, economic conditions, and fiscal policies all have an impact on the structure and rate of CIT, which differs from nation to nation (James & Alley, 2021). Effective corporate tax regimes should strike a balance between generating revenue and providing incentives for foreign investment and business expansion, according to the World Bank (2023). According to recent studies, digitization can improve overall tax administration efficiency by increasing CIT compliance and decreasing tax evasion (Zucman, 2022).

2.1.2 Dividend Policy

The strategic process by which a business decides how much of its earnings should be paid out as dividends and how much should be kept for reinvestment is known as dividend policy (Baker & Weigand, 2021). Theories of dividend policy, such as the bird-in-the-hand theory by Gordon (1963) and the dividend irrelevance theory by Miller and Modigliani (1961), offer varying perspectives on how dividend policy affects firm value. According to recent research, companies with stable dividend policies tend to attract long-term investors and increase shareholder wealth (Tran et al., 2023).

2.1.2.1 Measures of Dividend Policy

Dividend-Per-Share: The percentage of earnings that is distributed to shareholders as a dividend in accordance with the current share proportion is known as the dividend-per-share, or DPS. The total dividend paid divided by the number of outstanding shares yields the amount per share. Strong financial standing translates into significant dividends per share and, most importantly, a dedication to giving shareholders their money back.

Dividend-Pay-Out: The dividend is the percentage of profits distributed to the company's shareholders.

Dividend Yield: An indicator of a company's financial health and confidence in its ability to pay dividends, dividend yield is a financial ratio that shows how much of a company's dividend its shareholders are receiving

divided by the company's share price. It is similar to the current market price divided by the dividend per share.

2.2 Theoretical Framework

The following theories were used to establish the theoretical basis for this study's analysis of how corporate income tax affects dividend policy variables: Bird-in-the-hand theory (1963) and Miller and Modigliani (1961)

The Theory of Dividend Irrelevance (1961)

Miller and Modigliani developed this hypothesis in the 1960s. The idea assumed that there is a perfect capital market and that a firm's dividend policy is irrelevant. According to the theory, a company's dividend policy and share price value are unrelated, meaning that a company's value is based on its financing and investment choices within an ideal capital structure rather than its dividend policy. They maintained that since the market is flawless, the wealth of the shareholders is unaffected by the share price or the cost of capital. According to the hypothesis, there are no disparities in dividend policies since investors can tailor their portfolios to suit their interests and generate "homemade" dividends.

Theory of Birds in the Hand

Gordon (1963) created this theory which states that dividend payments are preferred by investors above the potential for much larger financial returns. Lintner and Gordon claim that because investors view potential capital gains as hazardous, they are discounted at a rate that is higher than the company's earnings. According to the hypothesis, an organization's consistent dividend payments have an effect on stock price and investor behavior. According to the notion, a company's capital structure should solely consist of equity and no debt, corporations should not be required to pay cooperative income tax, and a firm's retention ratio should always remain constant. Additionally, according to the notion, a company's cost of capital is unaffected by its dividend policy. The effect of inflation on dividends is not taken into account by the hypothesis. However, Miller and Modigliani's (1961) framework of irrelevant theory will be used to relate this investigation.

2.3 Empirical Review

The variables influencing Nigerian banks dividend policies is investigated by Abimbola, Mamdouh, and Bayonle (2024). Secondary data was obtained from the chosen banks' annual reports from 1987 to 2022. Results of DPR with 12 coefficients of 0.628 indicate a positive and large correlation with GDP.

In relationship with Nigerian listed Deposit Money Banks' dividend policies and company income tax, Obisesan, Ariyo and Adewole (2023) investigate the causal relationship for the sampled banks. The linear representation is used in this study. Five quoted deposit money banks panel data set from 2012 to 2020 were merged. Results of the study revealed that dividends per share of Nigerian deposit money institution have a favorable relationship with profit after taxes with a specific coefficient estimate of .0936993 ($p < 0.005$).

Etheldreda (2020) investigated how corporate taxes and earnings affected the SRI-KEHATI Index company's dividend policy. The study's sample was purposive sampled based on the consistency of the companies that appeared in the SRI-KEHATI index from 2014 to 2017. Financial statement information is quantified using a method borrowed from previous studies. Empirical work reveals that corporate taxes have low influence on the outcome of the proxy for dividend policy, the dividend payout ratio. The return of assets profitability your business should be monitored by an investor.

Naimat, Khana and QuratUlAin, AttaullahShahc (2017) examined the relationship pertaining to the application of capital gains taxation and the dividend payout pattern in a special case of the Pakistani market. The static and dynamic panel data models (generalized methods of moments) were applied to examine the dividend payment behavior of a sample of 284 non-financial companies listed on the OMX between 2006 and 2014. And the findings of the regression say that in the market of the Pakistani firm, profitability, leverage and the payout of the preceding year are most important in bringing dividend. Dividend payments are not subject to much capital gains tax.

Christopher (2013) examined variables that affected the dividend payout policy of the Lebanese Banks shown in the Beirut Stock Exchange. Two models and seven hypotheses were tested using OLS and dynamic panel regressions in this work. Unbalanced panel dataset of audited financial statements of listed banks for 2005 to 2011 were used with seven factors, and dividend payout percentages from previous years to achieve goals. Empirical results indicated that dividend payment policies are detrimental to potential growth and profitability but advantageous to growth in company size, risk, and dividends in earlier years.

Study Gap

The empirical analysis identifies a research gap on the impact of corporate income tax on dividend policy, specifically in Nigerian deposit money banks. Although earlier research has examined the relationship between profitability and dividends (Obisesan et al., 2023) and the factors influencing dividend policy (Abimbola et al., 2024), it has not thoroughly examined the precise role of corporate income tax as a predictor. The direct impact of corporate income tax on dividend policies in Nigerian banks has also not been sufficiently examined in larger studies on corporate taxes (e.g., Etheldreda et al., 2020) and taxation patterns in other markets (Naimat et al., 2017), which have found taxes to be either negligible or concentrated on capital gains.

Previous studies have focused on economic conditions, business size, and profitability indicators as the main factors influencing dividend policies; frequently, this has involved the use of static models (Christopher, 2013) or generalized approaches across different markets. None have specifically looked at how corporate income tax affects deposit money banks' dividend policies (payout, yield, and dividend per share) in the particular regulatory and economic environment of Nigeria. This disparity highlights the necessity of conducting a targeted study to determine whether and how corporate income tax affects dividend payout, dividend yield, and dividend per share in this industry between 2019 and 2023.

3. Methodology

3.1 Research Design

This study employs the ex-post facto research methodology. The study's population consisted of 25 deposit money banks that were listed on the Nigerian Exchange Group as of December 2023. Twenty-five listed banks were chosen for the study using a deliberate selection technique. From 2019 through 2023, the 25 banks have completed yearly reports and details regarding the regular payment of taxes and profits.

3.2 Method of Data Analysis

Data analysis is done using panel regression and descriptive statistics. The necessary preliminary test for collinearity occurrences in the model is also included in the study.

Use the variance inflation factor, correlation matrix, and Skewness test to look for multicollinearity. When examining the results of panel regression, the Hausman specification test is utilized to differentiate between fixed effect and random effect. Therefore, the individual statistical significance test (T-test) and the overall statistical significance test (F-test) are used when drawing inferential conclusions. Every analysis is carried out at a 5% level of significance using STATA 13 software.

3.3 Model Specification

Table 1: Descriptive Statistics

	Year	Corporate_Income_Tax	Dividend_Payout_Ratio	Dividend_Yield	Dividend_Per_Share
count	25	25	25	25	25
mean	2021	116.1198	28.04196	6.136435	2.623194
Std	1.443376	42.7827	11.93182	2.711822	1.242642
min	2019	53.08767	11.37554	2.044177	0.614386
25%	2020	77.51068	17.39418	3.589725	1.89942
50%	2021	106.181	29.80708	6.341569	2.72208
75%	2022	141.7779	36.50089	8.523691	3.780532
max	2023	195.4865	48.62528	9.895095	4.492457

Source: Author's Computation (2024)

To help with model specification, the study modifies the model from Hutagaol-Martowidjojo et al.'s (2019) work. The following describes the model that Hutagaol-Martowidjojo et al. (2019) used:

$$\text{Dividend payout ratio} = f(\text{Corporate income tax}) \dots \dots \dots (1)$$

The modified linear regression models for each goal are listed below to help direct this investigation:

$$DPO_{it} = \beta_0 + \beta_1 CIT_{it} + \epsilon_{it} \quad (2)$$

$$DY_{it} = \beta_0 + \beta_1 CIT_{it} + \epsilon_{it} \quad (3)$$

$$DPS_{it} = \beta_0 + \beta_1 CIT_{it} + \epsilon_{it} \quad (4)$$

Where:

- DPO_{it} = Dividend Payout Ratio for bank i at time t
- DY_{it} = Dividend Yield for bank i at time t
- DPS_{it} = Dividend Per Share for bank i at time t
- CIT_{it} = Corporate Income Tax for bank i at time t
- β_0 = Intercept
- β_1 = Coefficient of Corporate Income Tax
- ϵ_{it} = Error term

4. Results and Discussion

4.1 Descriptive Statistics

The data for Corporate Income Tax, Dividend Payout Ratio, Dividend Yield, and Dividend Per Share for the 2019–2023 period is summarized in Table 1's descriptive statistics. The average corporate income tax is around 116.12 million, but there is a lot of variation (standard deviation: 42.78), which suggests that different banks have different tax requirements. With a median of 29.81% and a wide range from a minimum of 11.38% to a maximum of 48.63%, dividend payout ratios indicate a modest central trend but a wide spread. With an average dividend yield of 6.14%, banks typically provide shareholders with competitive returns. With a standard deviation of 1.24 and an average of 2.62, the dividend

per share reflects variations in bank earnings distributions.

Significant differences in dividend and corporate income tax measures point to varying tax loads and strategies across banks, which may be impacted by management practices, size, or profitability. Further research is necessary to comprehend factors like corporate income tax, profitability, or external economic conditions, as seen by the vast range of dividend payout ratios and dividends per share, which show variations in how banks' balance reinvestment and shareholder returns.

Table 2: Correlation Matrix

	Corporate_Income_Tax	Dividend_Payout_Ratio	Dividend_Yield	Dividend_Per_Share
Corporate_Income_Tax	1	-0.08318	0.167613	-0.00396
Dividend_Payout_Ratio	-0.08318	1	-0.18259	-0.05712
Dividend_Yield	0.167613	-0.18259	1	0.066757
Dividend_Per_Share	-0.00396	-0.05712	0.066757	1

Source: Author's Computation (2024)

The correlations between Corporate Income Tax, Dividend Yield, Dividend Payout Ratio, and Dividend Per Share are displayed in the correlation matrix in Table 2. Corporate Income Tax has a weakly positive association with Dividend Yield (0.167613) and a weakly negative correlation with Dividend Payout Ratio (-0.08318) and Dividend Per Share (-0.00396). Dividend Yield and Dividend Per Share have the strongest association (0.066757), while the correlations between the dependent variables (Dividend Payout Ratio, Yield, and Per Share) are likewise minimal.

Regression analysis is required to identify any causal linkages, as the poor correlations imply that there is little linear association between corporate income tax and the dividend metrics. The dependent variables' weak correlations suggest that they represent distinct aspects of dividend policy, which, when examined independently, can enhance the study. These findings demonstrate the intricacy of variables affecting dividend policies that go beyond their obvious tax ramifications.

Table 3: Regression Results for Panel Data Analysis

	Coefficient (CIT)	P-value (CIT)	R-squared	Observations
Pooled OLS DPO	-0.0232	0.692628	0.006919	25
Pooled OLS DY	0.010624	0.423219	0.028094	25
Pooled OLS DPS	-0.00012	0.985012	1.57E-05	25
Fixed Effects DPO	-0.03209	0.625393	0.055612	25
Fixed Effects DY	0.006637	0.61015	0.283522	25
Fixed Effects DPS	0.00058	0.927853	0.168277	25

Random Effects DPO	-0.0232	0.692628	0.006919	25
Random Effects DY	0.010624	0.423219	0.028094	25
Random Effects DPS	-0.00012	0.985012	1.57E-05	25

Source: Author's Computation (2024)

The regression results in Table 3 revealed that the coefficient of Corporate Income Tax (CIT) is consistently modest and statistically insignificant (p -values > 0.05) across all models and dependent variables (Dividend Payout Ratio, Dividend Yield, Dividend Per Share). R-squared values are often low, indicating that the models explain only a tiny amount of the variance in the dependent variables. The Fixed Effects model for Dividend Yield has a comparatively higher R-squared (0.283522), suggesting some explanatory power when accounting for bank-specific characteristics, although the effect of CIT remains statistically negligible.

The data imply that Corporate Income Tax has a negligible direct impact on the dividend policy of quoted deposit money banks in Nigeria over the period investigated. This could indicate that other factors, like as profitability, business size, or regulatory rules, have a more substantial influence in shaping dividend decisions. These findings underscore the need for a larger examination of the determinants of dividend policies in the sector.

4.2 Test of Hypotheses

Table 4: Hypothesis Testing Results for Panel Data Models

Model	Coefficient ($\hat{\beta}_1$)	P-value ($\hat{t}^2_1$)	Significant ($\hat{t}_{\pm}=0.05$)
Pooled OLS DPO	-0.0232	0.692628	No
Pooled OLS DY	0.010624	0.423219	No
Pooled OLS DPS	-0.00012	0.985012	No
Fixed Effects DPO	-0.03209	0.625393	No
Fixed Effects DY	0.006637	0.61015	No
Fixed Effects DPS	0.00058	0.927853	No
Random Effects DPO	-0.0232	0.692628	No
Random Effects DY	0.010624	0.423219	No
Random Effects DPS	-0.00012	0.985012	No

Source: Author's Computation (2024)

Table 4 presents the results of the hypothesis testing, which show that the coefficient (β_1) for Corporate Income Tax (CIT) is statistically insignificant (p -value > 0.05) for all models and dependent variables (Dividend Payout Ratio, Dividend Yield, and Dividend Per Share) for Pooled OLS, Fixed Effects, and Random Effects models. This insignificance indicates that there is no evidence to support a meaningful association between CIT and the dividend-related indicators over the time examined.

4.3 Discussion of Findings

Hypothesis 1: Corporate Income Tax significantly affects Dividend Payout Ratio (DPO).

The dividend payout ratio is not considerably impacted by corporate income tax, which is consistent with a study by Etheldreda, Robiyanto, and Harijono (2020) that found corporation taxes had no effect on the dividend payout ratio for companies in the SRI-KEHATI Index. Likewise, there was no discernible correlation between

dividend payments and capital gains tax, according to Naimat et al. (2017). The conclusion, however, is at odds with that of Obisesan et al. (2023), who found that profit after taxes had a favorable effect on dividends, demonstrating that taxes had an indirect effect on payout ratios through profitability. The gap underscores the possible heterogeneity in tax consequences between industries and localities, underlining that tax policies may be less powerful in directly setting payout ratios in Nigerian deposit money banks.

Hypothesis 2: Corporate Income Tax significantly affects Dividend Yield (DY).

The insignificance of Corporate Income Tax's effect on Dividend Yield is comparable with Etheldreda et al. (2020), where corporate taxes were deemed inconsequential for dividend policy. It also corresponds with Christopher Maladjian (2013), which found that other factors, such as business size and risk, more heavily affect dividend policies. This finding contrasts against Obisesan et al. (2023), where profitability and tax-related measures were indirectly associated to dividend outcomes. The data imply that Dividend Yield in Nigerian banks is determined more by operational and market dynamics than by tax obligations, presumably due to strategies to maintain consistent yields independent of tax variations.

Hypothesis 3: Corporate Income Tax significantly affects Dividend Per Share (DPS).

In line with Naimat et al. (2017), who discovered that tax considerations have no direct impact on dividend behavior in non-financial firms, there is no discernible correlation between corporate income tax and dividends per share. It also echoes the findings of Etheldreda et al. (2020), where corporate taxes were not a key driver of dividend practices. However, this result is not in accordance with Obisesan et al. (2023), which revealed that profitability measures affected dividend per share. The disparity underlines that dividend decisions in Nigerian deposit money institutions may prioritize retained earnings, regulatory rules, or profitability over direct tax consequences, reflecting sector-specific practices and resistance to tax variances.

5. Conclusion and Recommendations

This study investigated the influence of Corporate Income Tax on dividend policy metrics Dividend Payout Ratio, Dividend Yield, and Dividend Per Share of listed deposit money banks in Nigeria from 2019 to 2023. Across all panel data models (Pooled OLS, Fixed Effects, and Random Effects), the results consistently demonstrated that Corporate Income Tax did not significantly influence any of the dividend policy indicators, with p-values over the 0.05 significance threshold. These data imply that tax obligations, while an important part of financial planning, do not play a direct role in influencing dividend decisions for Nigerian deposit money institutions. Instead, other factors, like as profitability, business size, regulatory rules, and market tactics, are likely more relevant in shaping dividend behavior.

The results align with some empirical studies, such as Etheldreda et al. (2020) and Naimat et al. (2017), which found taxes to be insignificant in influencing dividend policies, but contrast with studies like Obisesan et al. (2023) that linked profitability and tax-related metrics to dividend outcomes. This underlines the peculiar dynamics of Nigerian deposit money institutions, where sector-specific tactics and regulatory frameworks may soften the influence of tax responsibilities on dividend policy. Policymakers and bank management must evaluate these insights to better understand the considerations that drive dividend decisions.

Based on the findings, the study recommends that:

- i. Banks should focus on boosting profitability and operating efficiency rather than overemphasizing tax rules when establishing payout ratios.
- ii. Policymakers should also create incentives to align tax policies with profitability growth to indirectly improve dividend payouts.
- iii. Management of quoted deposit money banks should prioritize sustaining steady yields by boosting shareholder value through strategic

investments and risk management. Regulators could propose rules that ensure constant returns, regardless of tax variations.

- iv. Banks should match their dividend policies with retained earnings and sustainable growth

References

- Abimbola O.A.; Al-Faryan, M.A.S.; Bayonle, L.O.K. (2024). Determinants of dividend payout ratio of Nigerian deposit money banks, *International Journal of Management, Economics and Social Sciences (IJMESS)*, ISSN 2304-1366, IJMESS International Publishers, Jersey City, NJ, Vol. 13, Iss. ½, pp. 1-24, <https://doi.org/10.32327/IJMESS/13.1-2.2024.1>
- Baker, H. K., & Weigand, R. A. (2021). Corporate dividend policy revisited: New evidence on determinants. *Journal of Financial Research*, 44(2), 325-345.
- Christopher, M. (2013). Determinants of the Dividend Policy: An Empirical Study on the Lebanese Listed Banks
- Etheldred, G.S., Robiyanto, R., Harijono, H. (2020). An analysis of the relationship between earnings and corporate taxes on dividend policy of companies in sri-kehati index, *journal of management and entrepreneurship research P-ISSN 2723-1658, E-ISSN 2723-1666* Available at <http://ejournal.unisnu.ac.id/jmer/> Volume 01, Issue 1, p. 1-12 DOI: <https://doi.org/10.34001/jmer.2020.6.01.1-1>
- Gordon, M. J. (1963). Optimal investment and financing policy. *The Journal of Finance*, 18(2), 264-272.
- objectives. Policymakers can explore introducing tax incentives for reinvested profits to encourage sustainable banking practices and shareholder returns.
- James, S., & Alley, C. (2021). The influence of tax policies on corporate decision-making. *Journal of Tax Research*, 19(1), 45-63.
- Kou, G., Xu, Y., Santoro, G., & Vinuesa, R. (2022). Fintech and corporate dividend policy: Emerging trends and future directions. *Technological Forecasting and Social Change*, 175, 121350.
- Miller, M. H., & Modigliani, F. (1961). Dividend policy, growth, and the valuation of shares. *The Journal of Business*, 34(4), 411-433.
- Naimat U.K., Qurat Ul Ain Shah Jehanb, Attaullah, S. (2017). Impact of taxation on dividend policy: Evidence from Pakistan, *Research in International Business and Finance*
- OECD. (2022). *Corporate taxation in a globalized world: Trends and challenges*. Organisation for Economic Co-operation and Development.
- Tran, D. T., Vu, T. N., & Vo, X. V. (2023). Dividend policy and firm performance: Evidence from emerging markets. *Emerging Markets Review*, 57, 100876.
- World Bank. (2023). *World Development Report 2023: Taxation and economic growth*. World Bank Publications.
- Zucman, G. (2022). Tax havens and corporate income tax avoidance: New insights and policy solutions. *Journal of Economic Perspectives*, 36(4), 25-42.