MAKERERE UNIVERSITY

MAKERERE UNIVERSITY BUSINESS SCHOOL

TAX EDUCATION AND TAXPAYERS' ATTITUDE TOWARDS ELECTRONIC FISCAL RECEIPTING AND INVOICING SOLUTION (EFRIS) ON THE TAX COMPLIANCE AMONG SMALL AND MEDIUM ENTERPRISES IN NAKAWA DIVISION

BY

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A DISSERTATION SUBMITTED TO MAKERERE UNIVERSITY BUSINESS SCHOOL (FACULTY OF GRADUATE STUDIES AND RESEARCH) IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF SCEIENCE IN ACCOUNTING AND FINANCE OF MAKERERE UNIVERSITY

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PLAN A

DECLARATION

I declare that this study is original and has not been submitted before for any award in any institution of higher learning.

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APPROVAL

This dissertation has been submitted to the university with my approval as a university supervisor.

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DEDICATION

I lovingly dedicate this work to my family, whose faith, encouragement, and love have sustained me throughout this journey. I also dedicate this research to all those both financially and emotionally who contributed to its successful completion, offering support in ways seen and unseen.

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I first and foremost give thanks to the Almighty God for granting me life, wisdom, and strength throughout this journey.

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LIST OF ACRONYMS

EFRIS	Electronic Fiscal Receipting and Invoicing Solution
SARS	South African Revenue Service
SMEs	Small and Medium Enterprises
TIN	Taxpayer Identification Number
TRA	Theory of Reasoned Action
URA	Uganda Revenue Authority
VAT	Value Added Tax

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ABSTRACT

This study investigates the factors influencing tax compliance among Small and Medium Enterprises (SMEs) in Nakawa Division, Uganda, focusing on the roles of taxpayer attitudes toward the Electronic Fiscal Receipting and Invoicing System (EFRIS) and tax education. Utilizing a quantitative approach, data were collected from 324 SME owners and managers through structured questionnaires. The findings reveal that both positive attitudes toward EFRIS and comprehensive tax education significantly enhance tax compliance behaviors. Notably, the multiple regression analysis indicates that these two factors collectively explain approximately 50.7% of the variance in tax compliance ($R^2 = 0.507$; Adjusted $R^2 = 0.504$). Among these, taxpayer attitude toward EFRIS emerged as the stronger predictor. These results align with existing literature suggesting that favorable perceptions of digital tax systems and effective educational programs can substantially improve compliance rates. The study recommends that policymakers and tax authorities focus on enhancing the user-friendliness and transparency of EFRIS, while also expanding and diversifying tax education initiatives to foster positive attitudes and behaviors among SMEs. The research contributes to a deeper understanding of the determinants of tax compliance in Uganda's SME sector and offers insights for developing targeted strategies to improve tax compliance rates.

CHAPTER ONE

1.0 Introduction

This chapter contains the Background, statement of the Problem, purpose of the Study, objectives of the study, research Questions, significance of the study, scope of the study and Conceptual Framework

1.1. Background

Tax compliance is a critical issue in public finance, economics, and accounting, as it profoundly impacts government revenue and economic stability (Abdu, 2023). Sithebe (2022) characterizes tax compliance as the readiness of individuals and enterprises to conform to tax regulations, encompassing precise reporting, prompt filing, and complete payment of tax obligations. A thorough comprehension of tax compliance is crucial for policymakers, tax authorities, and researchers seeking to formulate effective measures to improve compliance rates and reduce tax evasion. (Olasunkanmi, 2025). Tax compliance is crucial for governments to obtain the revenue necessary for funding key public services, such as healthcare, education, infrastructure, and national security (Falsetta, 2024). Taxpayer noncompliance leads to tax evasion, which depletes public resources and exacerbates budgetary deficits (Abu Huson, 2024). Compliance with tax legislation affects financial planning, investment decisions, and legal liability risk for firms (Kallianiotis, 2022). Encouraging compliance alleviates uncertainty and fosters a stable economic environment, ultimately helping both businesses and the whole economy (Adeniran, 2024).

The Uganda Revenue Authority (URA) has implemented many initiatives to enhance tax compliance and increase revenue collection. This encompasses the use of digital tax stamps, electronic invoicing systems, voluntary disclosure initiatives, collaborations with local

governments, and the establishment of annual tax appreciation awards (Uganda Revenue Authority, 2024). Notwithstanding these initiatives, tax non-compliance continues to pose a considerable concern nationwide (Vincent, McNabb, & Dietrich, 2023). In the 1980s, the Internal Revenue Service (IRS) and H&R Block formed a successful public-private relationship that helped pioneer electronic tax administration in the United States. This system offers a variety of online services, such as taxpayer identification registration, electronic filing, tax payment, and application for compliance certificates. Similarly, South Africa introduced its official online tax submission system, SARS eFiling, in 2001 to streamline and modernize tax compliance. By the 2015/2016 fiscal year, the platform had become a crucial tool for the South African Revenue Service (SARS), processing approximately 36.80 million electronic submissions and payments. This accounted for an impressive 98.7% of the agency's total transaction volume, highlighting the effectiveness of digital platforms in enhancing efficiency, accessibility, and taxpayer compliance.

To augment compliance and refine the reporting of value-added tax (VAT) on commercial transactions, URA launched the EFRIS on July 1, 2020, with comprehensive deployment commencing on January 1, 2021. Notwithstanding its anticipated advantages, EFRIS encountered considerable opposition. In April 2024, merchants in Kampala, the capital of Uganda, shuttered their establishments for a week in opposition to the system. Although EFRIS aims to enhance VAT collection via improved invoicing and receipt management, businesses have expressed multiple concerns. The issues encompassed insufficient proficiency in system operation, a lack of comprehension regarding its objectives, ambiguous criteria for business registration, and uncertainty about diverse tax responsibilities (Independent, 2024; Jouste, 2024). Furthermore, official statistics indicate that by 2021, merely one million Ugandans were active

taxpayers, highlighting persistent difficulties in broadening the tax base despite advancements in registration initiatives (Oketch, 2021).

Notwithstanding the adoption of EFRIS and ongoing initiatives to improve tax compliance, a substantial gap persists in comprehending the impact of tax education on taxpayers' attitudes about EFRIS and their overall compliance behavior. Despite previous studies highlighting the benefits of electronic invoicing systems (Yeyang, 2024; Heinemann et al., 2025; Bellon et al., 2020), there is a paucity of research investigating the relationship between tax education and taxpayers' propensity to utilize EFRIS. The efficacy of the Uganda Revenue Authority's (URA) taxpayer education programs in clarifying misconceptions, diminishing resistance, and promoting voluntary compliance has not been comprehensively evaluated. Specifically, there is a deficiency of empirical evidence regarding how different taxpayer sectors, particularly small and medium-sized firms (SMEs), perceive the influence of tax education on fostering favorable attitudes toward EFRIS adoption. Addressing these research deficiencies is crucial for formulating more focused and efficacious tax education methods that can enhance compliance and bolster public confidence in the tax system.

1.2 Statement of the Problem

To improve VAT reporting and tax compliance, the Uganda Revenue Authority (URA) launched the Electronic Fiscal Receipting and Invoicing System (EFRIS) on July 1, 2020. This was part of broader efforts that include digital tax stamps, real-time electronic invoicing, voluntary disclosure programs, inter-agency collaboration, and the annual Taxpayer Appreciation Awards (Uganda Revenue Authority, 2024). Despite these measures, tax non-compliance in Uganda remains high (Vincent, McNabb, & Dietrich, 2023).

In April 2024, traders in Kampala staged a week-long business shutdown to protest the Electronic Fiscal Receipting and Invoicing Solution (EFRIS). Though designed to enhance VAT collection, EFRIS has faced resistance due to traders' limited technical skills, lack of awareness, confusion over compliance requirements, and unclear tax obligations (Independent, 2024; Jouste, 2024). Despite efforts to broaden the taxpayer base, only one million Ugandans paid income tax in 2021, underscoring ongoing compliance challenges (Oketch, 2021). Furthermore, despite some progress in expanding the taxpayer register, official data shows that only one million Ugandans paid income taxes in 2021, highlighting persistent challenges in tax compliance (Oketch, 2021).

In light of these challenges, this study highlights the significant influence of tax education and taxpayers' attitudes on the adoption of the Electronic Fiscal Receipting and Invoicing Solution (EFRIS) and overall tax compliance among Small and Medium Enterprises (SMEs) in Nakawa Division

1.3. Purpose of the Study

The study seeks to examine the correlation between tax education and the influence of taxpayers' attitudes towards the Electronic Fiscal Receipting and Invoicing Solution (EFRIS) on tax compliance among Small and Medium Enterprises (SMEs) in Nakawa Division, Kampala.

1.4. Objectives of the study

I. To investigate the correlation between tax education and tax compliance among SMEs in Nakawa Division.

II. To investigate the correlation between taxpayers' perceptions of EFRIS and tax compliance among SMEs in Nakawa Division

III. To examine the combined effect of tax education and taxpayers' attitudes towards EFRIS on tax compliance among Small and Medium Enterprises in the Nakawa Division of Uganda.

1.5 Research Questions

I. What is the correlation between tax education and tax compliance among SMEs in Nakawa Division?

II. What is the correlation between taxpayers' perceptions of EFRIS and tax compliance among SMEs in Nakawa Division?

III. What is the cumulative impact of tax education and taxpayers' attitudes towards the EFRIS on tax compliance among SMEs in Nakawa Division?

1.6 Significance of the study

I. The study provides evidence-based insights to Uganda Revenue Authority (URA) and other policy makers on how tax education and taxpayer attitudes influence EFRIS adoption and tax compliance, helping to shape more targeted and effective tax education programs.

II. The study findings help URA refine the implementation of EFRIS by identifying practical challenges SMEs face and understanding the behavioral factors affecting compliance, contributing to better system design and outreach strategies.

III. The study will highlight gaps in knowledge and misconceptions about EFRIS among SMEs, guiding the development of tailored education materials to improve voluntary compliance.

IV. By identifying the relationship between EFRIS, education, and compliance, the study can demonstrate how improving tax practices supports formal business growth, access to credit, and long-term sustainability for SMEs.

V. It will enrich the existing body of literature on tax compliance behavior in developing economies, especially in the context of digital tax systems and SME participation.

1.7 Scope of the study

1.7.1 Subject Scope

This study focused on three variables, namely; tax education, tax payers' attitude towards EFRIS and tax compliance.

1.7.2 Geographical scope

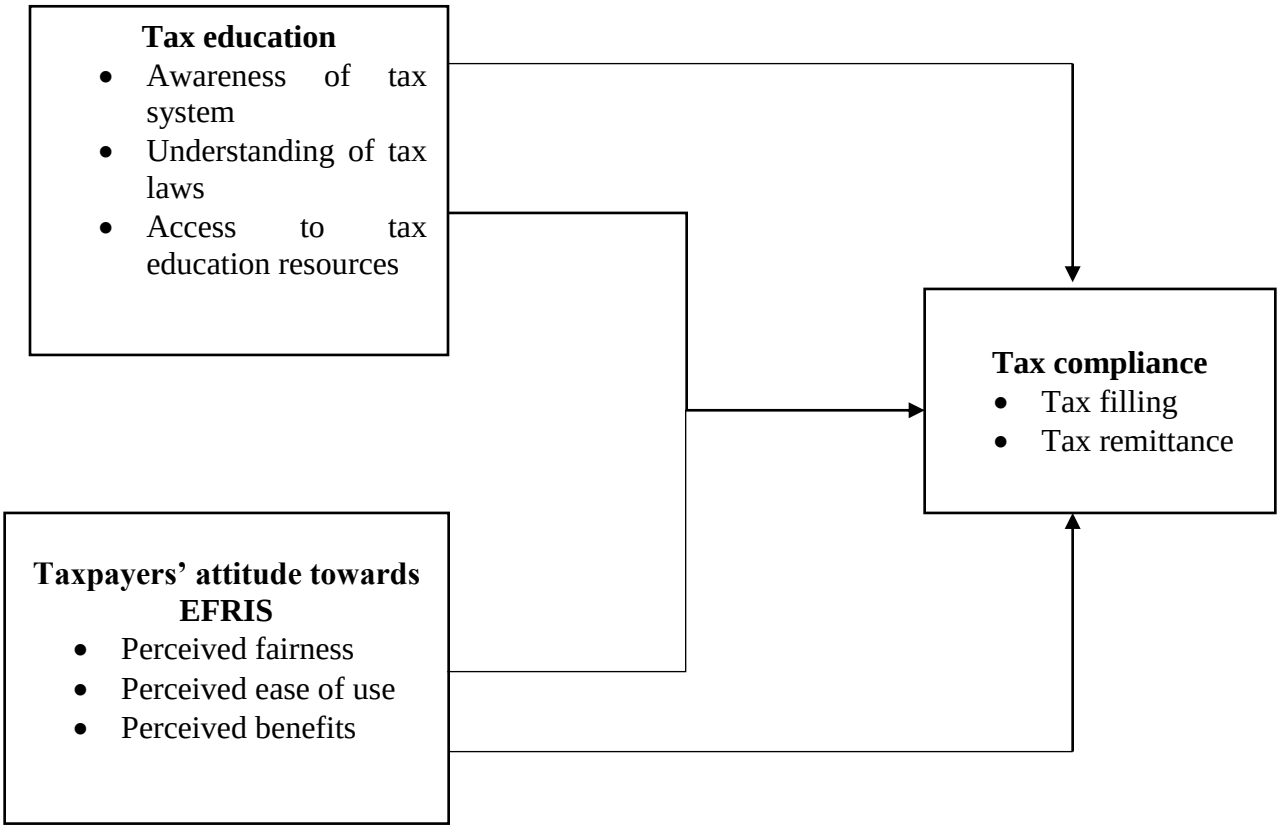
The study was conducted among small businesses in Nakawa Division, selected due to its ranking as one of the divisions with the highest number of small businesses that are not fully complying with tax obligations (Uganda Revenue Authority, 2022).

1.7.3 Time Scope

The investigation was done over a duration of five months from March 2025 to July 2025.

1.8 Conceptual Framework

The conceptual framework provides a diagrammatic depiction of the interrelation of tax education, taxpayers' perceptions of the Electronic Fiscal Receipting and Invoicing Solution (EFRIS), and tax compliance. Within this paradigm, tax compliance is the dependent variable, defined in relation to tax filing and tax remittance (Nkundabanyanga et al., 2017; Twum et al., 2020). Tax education is implemented via awareness of the tax system, comprehension of tax rules, and availability of tax education resources (Hastuti, 2014; Abbas, Tjen, & Wicaksono, 2021). The views of taxpayers towards EFRIS are evaluated based on perceived utility, perceived user-friendliness, and perceived advantages.



Source: (Muturi & Kiarie, 2015; Night & Bananuka, 2020; Nkundabanyanga et al., 2017; Twum et al., 2020).

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This section delineates the theoretical framework, articulating the perspectives and viewpoints of diverse scholars regarding the subject variables and their interrelationships, in accordance with the study's objectives.

2.1 Theoretical Background

This research employed the Theory of Reasoned Action alongside the technology acceptance model to investigate the influence of taxpayers' views and the effect of compliance costs on tax compliance behavior.

2.1.1 Theory of Reasoned Action

The Theory of Reasoned Action (TRA), introduced by Ajzen and Fishbein (1980), asserts that an individual's attitude is influenced by their personal ideas and perceptions on a specific behavior. Attitude is the positive or negative assessment of a "attitude object," which can pertain to an individual, action, or occurrence. In the realm of taxation, taxpayers' attitudes denote their favorable or unfavorable perceptions of tax compliance behavior. Favorable attitudes typically result in tax compliance, but unfavorable attitudes correlate with tax non-compliance (Nkwe, 2013). Concerning the electronic tax system, certain taxpayers may exhibit adverse sentiments, favoring conventional techniques, such as paper-based processes. Negative sentiments against the use of an electronic tax system can provide substantial obstacles to enhancing tax compliance.

The Theory of Reasoned Action (TRA) examines people' behavioral intentions, shaped by personal and social influences (McKerracher & Evans, 2009). This idea posits that behavioral performance is forecasted by individuals' intentions, which subsequently affect actual conduct. Hanno and Violette (1996) suggest that a person's conduct is affected by various elements, including attitudes and subjective norms. The TRA asserts that attitudes directly influence behavioral intention (Zainol & Faridahwati, 2013. This research shows attitude as a crucial factor influencing tax compliance. The research suggests that a person is more likely to comply with tax responsibilities if they perceive the tax system as just and expect personal benefits. Loo et al. (2007) found that positive feelings towards the tax system significantly influence compliance behavior, indicating that favorable perceptions of the system enhance taxpayer compliance. Ajzen (1991) posits that attitudes include individual perspectives on action, which typically affect compliance behavior, since they signify the taxpayer's propensity to respond favorably or unfavorably to a circumstance (Eagly & Chaiken, 1993; Ajzen, 1993). This study employs the Theory of Reasoned Action to elucidate tax compliance, based on the premise that intention and volition are primary predictors of action.

2.2 Tax Compliance

This study defines tax compliance through three essential aspects: punctual payment, precise reporting, and dependability. Timely payment denotes the evaluation of taxes owed for a designated period and the remittance of these taxes to the appropriate tax authorities within the stipulated timeframe. Precise reporting requires meticulous bookkeeping and the delivery of precise financial information by each organization. Reliability denotes the capability of tax authorities to constantly provide exceptional and trustworthy service to taxpayers, guaranteeing precision in all engagements. Tax compliance is a significant global issue owing to deficiencies

in revenue collection, which directly affects governments' capacity to deliver key public services, including social facilities, to citizens (Makula, 2020).

Tax compliance refers to the responsibility of individuals and businesses to meet their tax obligations as set by the laws and regulations of their respective jurisdictions. This includes accurately reporting income, filing tax returns on time, paying the correct amount of taxes, and maintaining proper financial records. Tax compliance is essential for the functioning of government systems, as it provides the revenue needed to fund public services such as education, healthcare, infrastructure, and security. It also promotes fairness and trust within the tax system when all taxpayers contribute their fair share. While many taxpayers comply voluntarily, authorities also implement enforcement measures to address non-compliance, such as audits, penalties, or legal action. Ultimately, strong tax compliance contributes to a stable and sustainable economy

2.3 Tax Education

Tax education enhances taxpayers' understanding and awareness of tax legislation, compliance requirements, and their rights and responsibilities (Akims et al., 2023). The objective of tax education is to enhance tax literacy, promote voluntary compliance, and cultivate public confidence in the tax system. A significant percentage of individuals, in both formal and informal sectors, are uninformed about the tax system and the necessary procedures for filing and remitting taxes (Twum et al., 2020).

Tax education is crucial for nations aiming to expand their tax base and encourage voluntary compliance among taxpayers. This study seeks to assess the extent to which tax training enhances persons' comprehension of tax collecting, specifically about tax laws and regulations.

Previous research has shown that a person's capacity to understand tax legislation and their propensity to comply is intricately connected to their overall tax knowledge (Singh, 2023).

To augment tax revenues, particularly in developing nations, tax authorities should promote voluntary compliance through extensive tax education. This education enhances taxpayers' knowledge and awareness, thereby affecting their compliance behavior. Kurniawan (2020) discovered that tax education had a substantial effect on tax compliance. Palil (2011) similarly underscored that tax awareness is a vital factor in compliance. Moreover, Machogu and Amayi (2013) found that taxpayer education significantly influences compliance decisions, indicating that informing individuals about the social responsibility of tax payment can enhance their willingness to comply, as many taxpayers are intrinsically motivated to fulfill their civic duties.

Studies in Malaysia have emphasized Tax knowledge is a crucial determinant affecting taxpayer compliance behavior. (Damajanti & Karim, 2017; Loo et al., 2009). However, much of the existing research on tax education has predominantly focused on general aspects of the tax system, often overlooking the importance of understanding tax penalties. Marhaini (2012), through the lens of an IRBM officer, highlighted that educating taxpayers about tax penalties substantially contributes to improved compliance. Therefore, it is advisable for the Inland Revenue Board of Malaysia (IRBM) to enhance its educational initiatives by placing greater focus on informing taxpayers about tax legislation, particularly the penalty system

Awareness of tax systems

Various studies have offered different definitions of tax awareness. Hastuti (2014) In It is defined as an individual's capacity to compute, remit, and report taxes with precision. contrast, Zanaria and Lestari (2020) view tax awareness as a cognitive process that entails recognizing the

importance of paying taxes, adhering to tax regulations, and fulfilling tax obligations. Tax awareness is a vital component of tax education, reflecting taxpayers' knowledge, understanding, and engagement with tax policies, procedures, and compliance requirements (De Clercq, 2023). Assessing tax awareness facilitates an evaluation of individuals' understanding of tax legislation, their obligations, the advantages of taxes, and the repercussions of non-compliance (Hamid et al., 2022). Enhanced tax awareness provides taxpayers with the requisite knowledge to precisely calculate, remit, and report their income. Inadequate tax awareness frequently leads to reluctance or failure to fulfill tax responsibilities, whether due to negligence or deliberate avoidance. In Malaysia, low levels of tax awareness have contributed to taxpayers' unwillingness to comply with tax requirements (Saifi et al., 2015). However, enhancing tax literacy through education initiatives can significantly improve awareness, leading to better legal compliance (Hastuti, 2014). Overall, both tax knowledge and tax awareness are critical factors influencing taxpayer behavior and compliance (Rahayu et al., 2017).

Understanding the tax laws

According to Nurbekova (2024), understanding tax laws refers to a taxpayer's ability to comprehend the legal framework governing taxation, encompassing knowledge of tax obligations, entitlements, rates, exemptions, and penalties. Akinsola (2025) highlights this understanding as a fundamental component of tax education, noting its significant role in fostering tax compliance and curbing tax evasion. A thorough understanding of tax legislation encompasses knowledge of various tax categories and their implementations. For example, direct taxes like Income Tax and Corporate Tax are remitted directly by people and corporations according to their income. Conversely, indirect taxes like Value Added Tax (VAT), Excise Duty, and Customs Duty are levied on goods and services, ultimately impacting consumers.

A comprehensive understanding of tax law requires knowledge of fundamental taxpayer responsibilities. This involves obtaining a Taxpayer Identification Number (TIN), filing tax returns by specified deadlines, and paying taxes on income, profits, or business activities. Taxpayers are required to maintain accurate financial records and invoices, utilize official systems such as Uganda's Electronic Fiscal Receipting and Invoicing System (EFRIS) for VAT compliance, and submit precise tax declarations while avoiding revenue underreporting. Compliance requires adherence to the Uganda Revenue Authority (URA) regulations concerning allowable deductions and exclusions.

In addition to regulations, taxpayers must be apprised of any tax benefits and incentives. This includes understanding relief programs, tax exemptions for startups and agricultural enterprises, and progressive tax policies aimed at reducing the financial strain on low-income individuals. Comprehending tax penalties and legal ramifications is essential. Non-compliance, such as tardy payments or failure to file returns, may result in penalties, interest accumulation, legal proceedings, or possible business dissolution. Moreover, taxpayers must understand the official processes for resolving tax disputes to ensure fair treatment and protect their rights.

Access to tax education materials

Access to tax education materials pertains to the availability and dissemination of resources that aid taxpayers in comprehending their obligations, rights, and compliance mandates (Frimpong, 2023). Comprehensive tax education improves tax literacy, promotes voluntary compliance, and fosters faith in the tax system. These resources comprise written publications, including taxpayer guides, pamphlets, brochures, and posters that delineate tax requirements, alongside formal tax laws and regulations. Furthermore, digital and internet resources are essential in

disseminating tax information. Government websites, such the Uganda Revenue Authority (URA), offer printable guidelines, whereas online tax portals include tools such as filing systems, tax rate calculators, and frequently asked questions (FAQs). Webinars and e-learning courses on tax compliance are offered, in conjunction with social media campaigns that elucidate tax procedures. URA and other agencies provide workshops and training programs, including seminars on electronic tax systems such as EFRIS, as well as community outreach projects targeting informal sector taxpayers.

Media-based education encompasses radio and television shows dedicated to tax awareness, newspaper articles and columns elucidating tax regulations, in addition to YouTube tutorials and podcasts addressing tax compliance. URA taxpayer service centers provide personalized support services, including in-person assistance, call centers, helplines for inquiries, and advisory services from tax advisors or accountants.

2.3 Attitude of tax payers to EFRIS

The attitude of taxpayers towards the Electronic Fiscal Receipting and Invoicing System (EFRIS) varies depending on several factors, such as awareness, ease of use, and trust in tax authorities. In Uganda, where EFRIS has been implemented by the Uganda Revenue Authority (URA), initial reactions among some taxpayers particularly small and medium-sized enterprises (SMEs) included resistance due to limited digital literacy, fear of increased tax obligations, and concerns about the cost of compliance (URA, 2021). However, as businesses become more familiar with the system and recognize its benefits such as improved record-keeping, reduced paperwork, and fewer tax disputes many begin to adopt a more positive attitude (Mugerwa, 2022). Continuous taxpayer education, transparent communication, and technical support are

essential in shaping these attitudes and encouraging voluntary compliance (Turyakira & Tumusiime, 2023).

Ajezen (1991) posits that attitudes pertain to an individual's subjective assessments of behaviors. Attitudes are frequently regarded as influencing compliance behavior, as they reflect a taxpayer's inclination to react positively or negatively to a specific circumstance. Bruns, Fochmann, Mohr, & Torgler, B. (2023). Attitudes are crucial for the aspects of power and trust. Positive perceptions will foster trust in authorities, hence improving voluntary tax compliance. Conversely, perceptions of the authorities will be essential for interpreting the exercise of authority as either benevolent or evil. Diverse approaches are available to operationalize and quantify attitudes about taxation, encompassing comprehensive evaluations of government and state (Schmölders, 1960), subjective perceptions of tax evasion (Porcano, 2010), and ethical perspectives on tax evasion. Haruna, (2023). The perceived justice of the tax system is a primary concern frequently articulated by citizens on tax fairness (Hasan, 2023; Rawlings, 2013; Taylor, 2013). Taxpayers are personally concerned with the equity of their results and desire treatment that corresponds with their merits, efforts, and needs. When an individual's tax liability exceeds that of similar individuals, tax compliance is likely to diminish. Subsequent sociological and psychological research has demonstrated that the fairness and equity of a tax system influence compliance rates (Akol, 2019; de la Feria, 2023). The concept of "exchange equity," wherein taxpayers perceive inadequate rewards from the government in relation to their tax contributions, may influence compliance. The electronic tax system is a contemporary method for tax authorities to engage with taxpayers. Okunogbe and Santoro (2023).

2.4 Tax education and tax compliance

Adekoya (2019) conducted a study in Lagos State, Nigeria, revealing that taxpayer education substantially influences tax compliance. The report recommends that the Lagos State government augment its taxpayer awareness campaign by instituting requisite rules and instruments to raise taxpayer education and elevate tax compliance and revenue creation.

The research conducted by Akintoye and Onuoha (2019) revealed a substantial positive association between tax education and overall tax revenue, with radio and television recognized as the most effective channels. Their recommendation was for the Nigerian government to create an autonomous entity to enhance tax education and awareness.

Kurniawan's 2020 study demonstrated that tax education significantly affects personal tax compliance by improving tax awareness. The study utilized a mixed-methods approach, analyzing data from 100 participants enrolled in evening programs at Politeknik Negeri Batam. The indirect effect of tax knowledge was significant.

The research conducted by Swee, Claudia, and Kassimand (2021) demonstrated that the level of taxpayers' tax knowledge positively impacts their ethical perspective, hence influencing their tax compliance behavior. The research utilized a cross-sectional survey approach and deployed SPSS version 21 to analyze data from 606 participants in Peninsular Malaysia.

The study by Lizzy and Joel (2021) shown a good association between taxpayer education and tax compliance among informal sector enterprises in Nigeria, indicating that State Boards of Internal Revenues should consistently implement taxpayer education and awareness initiatives.

Trawule, Gadzo, and Quarm (2022) investigated the correlation between tax education and tax compliance among entrepreneurs using a hierarchical regression model. Tax education and compliance facilitation are beneficial for achieving dedicated tax adherence. They advocated for the simplification of tax legislation and the compulsory incorporation of fundamental tax education in schools to reduce compliance costs.

H1: Tax education has a positive effect on tax compliance

2.5 Tax payer attitude and tax compliance

Taxpayers' attitudes regarding tax payments are thought to affect their compliance with tax obligations. Fallan (2016) posits that a taxpayer's disposition towards the tax system affects their propensity for tax avoidance or compliance. Chan et al. (2010) discovered that taxpayers in Hong Kong exhibit a less favorable disposition towards the tax system, resulting in diminished compliance levels. Business owners are frequently classified as a high-risk demographic for tax compliance owing to their considerable capacity for evasion. Oriviska and Hudson (2012) assert that a significant percentage of those who gain from tax cheating support these viewpoints. These studies exhibit a contextual constraint stemming from their execution in prosperous economies; it remains uncertain whether subjective.

Alma (2022) demonstrates that attitudes may elucidate the likelihood of taxpayers participating in tax evasion or adhering to tax obligations. A taxpayer may employ a non-linear change of probability to enhance the perceived danger of a tax audit, so creating a clear disincentive to tax evasion. The risk-dependent anticipated utility method is an analogous strategy for altering probability. This pertains to the rank-dependent anticipated utility of a statistically comparable

analysis of model behaviors against non-model behaviors in tax evasion (Saka, Waiswa & Kangave, 2018).

Waiswa, (2020) and Akol (2019) assert that the incidence of tax evasion in Uganda surpasses that of other East African nations. In scenarios where taxpayers possess option regarding compliance, such as with income taxes, Ugandans appear to exhibit lower compliance rates compared to their East African peers. Uganda's domestic tax revenue is inferior relative to that of neighboring countries. They assert that inadequate measures have been implemented to enhance taxpayer morale. The IMF (2019) underscores prevalent apprehensions regarding the inefficient allocation of tax revenue, inadequate or absent governmental services, and the exclusion of particular socioeconomic groups from tax responsibilities according to their affiliations or standing within the government. The URA demonstrates significant insecurity, and corruption is a prevalent issue among tax collectors.

H2 Tax payer attitude is positively related to tax compliance

2.6 Combined effect of tax education and Taxpayers' attitude towards the electronic tax system towards tax compliance

Research has increasingly concentrated on the relationship between tax education and taxpayers' perceptions of computerized tax systems, particularly in relation to improved tax compliance. The transition to digitalization in tax administration requires a comprehensive study of the impact of educational programs and taxpayer perceptions on compliance behaviors.

Nguyen and Tran (2022) investigated the influence of Vietnamese enterprises' opinions of computerized tax systems on their tax compliance. It indicates that positive views significantly enhance compliance, with the deployment of e-tax systems serving as a mediating variable.

Akinyemi and Adebayo (2024) examine the impact of user-friendliness, convenience, and perceived cost savings of e-tax systems on tax compliance. The findings suggest that these traits improve compliance behaviors.

Bananuka and Night (2019). This research examines the mediating role of an electronic tax system in the link between views of the system and tax compliance. This study analyzes Ugandan small firms and posits that the implementation of electronic tax systems mediates the correlation between taxpayers' attitudes and compliance, underscoring the significance of both perception and system utilization.

Kwarteng, A., & Agyemang, B. (2023). Tax literacy, governmental trust, and voluntary tax compliance in small and medium-sized enterprises in Ghana. This study on Ghanaian SMEs emphasizes tax knowledge and governmental trust as crucial elements affecting voluntary tax compliance, highlighting the importance of education and institutional trust.

Siregar, H., & Pratama, A. (2023). The quality of the e-tax system and tax compliance intentions: The mediating effect of user happiness. Data. This research highlighted that the quality of e-tax systems affects taxpayers' compliance intentions, with user happiness acting as a mediating element, so underscoring the significance of system design and user experience.

The analyzed data collectively confirms that both tax education and taxpayers' perceptions of electronic tax systems significantly impact tax compliance. Furthermore, the synergistic interaction of these two elements establishes a self-reinforcing cycle: informed taxpayers are more inclined to value and interact with digital tax systems, and their favorable experiences with these systems further promote compliant behavior. Consequently, policymakers and tax

authorities seeking to enhance compliance should strategically prioritize investments in public tax education and the improvement of electronic tax platforms' quality and perception.

The examined research collectively substantiates that both tax education and taxpayers' opinions of electronic tax systems substantially influence tax compliance. Moreover, the synergistic effect of these two factors creates a self-perpetuating cycle: informed taxpayers are more likely to appreciate and engage with digital tax systems, and their positive experiences with these systems further encourage compliant behavior. Therefore, for policymakers and tax authorities aiming to improve compliance, prioritizing investment in public tax education and enhancing the quality and perception of electronic tax platforms should be strategic priorities.

. Hence

H3: Tax education and tax payers' attitude towards the electronic tax system positively influence tax compliance.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter provides a detailed account of the research methodology covering the study's design, target population, sampling procedures, data sources and collection tools, measurement of variables, validity and reliability considerations, data processing and analysis techniques, ethical safeguards**.**

3.1 Research design

The study employed a cross-sectional and quantitative approach, indicating that data were collected and analyzed at a single point in time. This design was chosen because it allowed the researcher to assess the prevalence of all study variables simultaneously (Sedgwick, 2014). The cross-sectional method was advantageous due to its speed and ease of implementation. The quantitative technique was preferred because it enabled a larger sample size, thereby expanding the study's breadth and supporting the generation of statistical summaries to help generalize the findings (Scarte, 2018).

3.2 Study Population

The study's intended audience included 17,573 small and medium taxpayers operating in the wholesale and retail industry within Nakawa Division. This list had been obtained from the Domestic Taxes Department of the URA. Small and medium taxpayers were defined in the study as firms with annual revenues ranging from UGX 10 million to UGX 100 million. The focus on wholesale and retail firms was justified by URA (2021) data, which identified this subsector as the primary contributor to revenue collection goals. Investigating SME tax compliance was deemed important because SMEs significantly contributed to economic development, job

creation, and revenue generation in developing countries such as Uganda. However, SMEs had often exhibited low tax compliance due to factors including informality, limited financial literacy, and complex tax systems. Understanding the reasons behind non-compliance was seen as essential for enabling policymakers to design effective strategies to broaden the tax base, reduce informality, and improve funding for public services. Moreover, such studies were expected to help identify the barriers faced by SMEs and to provide data useful for developing tailored support systems such as simplified tax regimes, training, and digital tools to enhance voluntary compliance and foster sustainable business growth.

3.4 Sampling Design

Using the sample size determination table developed by Krejcie and Morgan (1970), 391 SMEs were selected from a population of 17,573. Simple random sample without replacement was used in the study, which only looked at businesses in the wholesale and retail sectors. This approach was adopted because it minimized selection bias by guaranteeing that each SME in the population had an equal chance of being selected. Access to the chosen participants was made easier by the acquisition of an extensive list of small and medium taxpayers. Because they were directly involved in day-to-day operations, in charge of accounting and tax matters, and had sufficient knowledge of the company's tax issues, the data collection was restricted to one respondent per SME, specifically the owner, finance manager, or financial controller.

3.5 Data sources and collection Instrument

The research utilized primary data collected through standardized questionnaires composed exclusively of closed-ended items. The questionnaires were administered using a 6-point Likert scale ranging from 1 (Strongly Disagree) to 6 (Strongly Agree) to allow respondents to express their level of agreement or disagreement clearly. The use of this scale ensured consistency and clarity in participant responses. Closed-ended questions were preferred due to their convenience, efficiency, and straightforward analytical potential, which benefitted both respondents and researchers. These fixed-alternative questions were standardizable, easy to administer, and quick and cost-effective to analyze statistically

3.6 Measures of the study

Table 3.1 Measures of the study

Variable	Measurement	Meaning	Sample item scale
Tax compliance	Tax filling	It is a legal requirement for individuals and businesses to ensure tax compliance and avoid penalties. Qadri, & Darmawan, (2021)	I always file my taxes on time.
	Tax remittance	Tax remittance is the process of paying taxes to the government after collecting or deducting them from income, sales, or transactions. Haabazoka & Chiti (2024)	I always remit my taxes on time.
Tax education	Awareness of tax system	This pertains to the accessibility and extent of resources that assist taxpayers with comprehending their tax obligations, rights, and compliance mandates.	I comprehend the several categories of taxation, including income tax, value-added tax, corporation tax, and pay-as-you-earn tax.

	Understanding the tax laws	This refers to a taxpayer's ability to comprehend the legal framework that governs taxation, including tax obligations, rights, rates, exemptions, and penalties	I have a good understanding of the tax laws applicable to me or my business.
	Access to tax education materials	This pertains to the accessibility, ease of acquisition, and caliber of resources that assist individuals and enterprises in comprehending tax legislation., compliance requirements, and filing procedures.	Tax education materials are easily accessible to me
Tax payers' attitude towards the EFRIS	Perceived fairness	This refers to an individual's subjective judgment about whether a system, process, or outcome is just, unbiased, and equitable. It is based on a person's experiences, expectations, and comparisons with others	The system treats small and large businesses fairly
	Perceived ease of use	This refers to how effortless and user-friendly a system, tool, or technology is perceived to be. It is a key factor in technology acceptance and impacts whether people willingly adopt and use a system.	I am familiar with how to use EFRIS for my business transactions
	Perceived benefits	This refer to an individual's belief about the positive outcomes or advantages of using a system, service, or policy. These benefits	EFRIS has improved the accuracy of my financial records

		can be tangible (financial savings, efficiency) or intangible (convenience, compliance confidence)	

3.7 Validity and Reliability

3.7.1 Reliability

According to Field (2009), a measure's reliability is its ability to minimize measurement mistakes by yielding consistent results under the same circumstances. Cronbach's alpha (α), a commonly used indicator of reliability, was used in this study to evaluate the scales' internal consistency. Nunnally (1978) indicates that a Cronbach's alpha coefficient of 0.70 or above is often adequate for fundamental research, demonstrating sufficient internal consistency This cutoff is also supported by DeVellis (2003), who claims that an alpha value of 0.70 is sufficient to show that the item scales are reliable and consistent. All of the constructs in this study had Cronbach's alpha values of 0.70 or higher, indicating that the measuring tools were reliable. Using SPSS, Cronbach α coefficients were calculated, as indicated in Table 3.2.

Table 3.2 Reliability

Global variable	Items (n)	Average Interitem Covariance	Cronbach's Alpha
Tax Compliance	21	0.60	0.887
Taxpayers' Attitude Toward EFRIS	29	0.55	0.776
Tax Education	28	0.40	0.880

Source: primary data 2025

3.7.2 Validity

This study evaluated both content and convergent validity to confirm the instrument's efficacy in measuring the intended constructs. Content validity was assessed using the Content Validity Index (CVI), with expert evaluators rating each questionnaire item for relevance and clarity. Convergent validity was examined via factor analysis, which verified that items intended to measure the same construct were statistically associated and loaded significantly onto the same factor.

3.7.3 Content Validity

Validity refers to the degree to which an instrument measures what it is intended to measure and is one important way to minimize measurement error (Field, 2009). In this study, content validity was evaluated to determine how well individual questionnaire items represented the underlying constructs (Field, 2009). A panel of four experts including auditors, accountants, and tax professionals from both practice and academia assessed the relevance of each item using a six-point scale: 1 = strongly disagree, 2 = somewhat disagree, 3 = disagree, 4 = agree, 5 = somewhat agree, and 6 = completely agree. To compute the Content Validity Index (CVI), the researcher dichotomized these ratings, treating 1–3 as "not usable" and 4–6 as "usable." The CVI was then calculated as the proportion of items rated "usable" by the expert panel, relative to the total number of items (Amin, 2005). Each variable in the study achieved a CVI above 0.7, confirming that the instrument possesses acceptable content validity.

3.8 Data processing and Analysis

Data cleaning is a critical early step in the research process, ensuring the accuracy, completeness, and reliability of a dataset prior to analysis. In this study, once data were collected, the researcher diligently cleaned and classified the responses into relevant categories before importing them into the data editor of IBM SPSS (Version 23) for analysis. A six-point Likert scale was used to organize and analyze the responses systematically**.** During the cleaning process, particular attention was paid to identifying and addressing missing values and outliers. Proper handling of missing data is essential neglecting it can lead to biased parameter estimates, reduced statistical power, and ultimately invalid conclusions. SPSS offers several built-in options for handling missing data, such as listwise deletion (which excludes entire cases with any missing value) and pairwise deletion (which uses available data on a variable-by-variable basis)

By thoroughly cleaning the dataset removing outliers, verifying data consistency, and addressing missing values the study aimed to enhance both the validity and reliability of the findings. Documenting these steps assures transparency and strengthens the credibility of subsequent analyses.

3.9 Ethical Considerations:

Ethical considerations are paramount in research involving human participants, as they safeguard participants' rights, dignity, and welfare. In this study, these principles were diligently upheld throughout the research process. To facilitate access to research sites and participants, the researcher obtained an official Letter of Introduction from the Faculty of Graduate Studies and Research (FGSR) at Makerere University Business School serving as institutional endorsement and aiding proper identification of the researcher and research purpose. Additionally, the study strictly observed confidentiality and anonymity: participant identities were not disclosed, and informed consent was secured before administering questionnaires.

Moreover, participants were clearly informed that their involvement was entirely voluntary. They were made aware of their right to decline participation at any point without facing any negative repercussions, aligning with the broader ethical principle of informed consent and respect for autonomy as outlined in foundational frameworks such as the Belmont Report's tenet of voluntariness. By emphasizing confidentiality, voluntary participation, and institutional endorsement, the study upheld ethical best practices and protected participants' welfare throughout the research process.

CHAPTER FOUR

ANALYSIS, PRESENTATION AND INTERPRETATION OF RESULTS

4.0 Introduction

This chapter presents the analysis, presentation, and interpretation of the study's findings in alignment with its objectives. It is organized into six distinct sections: Section 1 introduces the chapter and frames its focus; Section 2 reports the response rate; Section 3 details the demographic characteristics of the sample; Section 4 addresses the analysis of study variables in relation to each research objective; Section 5 presents additional findings or supplementary analyses; and Section 6 concludes with a synthesis and transition to the following chapter**.**

4.1 Objectives of the study

i. To examine the relationship between tax education and tax compliance among SMEs in Nakawa Division
ii. To examine the relationship between the taxpayers' attitude to EFRIS and tax compliance among SMEs in Nakawa Division
iii. To examine the combined effect of tax education and Taxpayers' attitude towards EFRIS on tax compliance among Small and Medium Enterprises Nakawa Division in Uganda.

4.2 Response Rate

Of the intended sample of 391 respondents, 324 provided usable data, yielding a response rate of 83%, which is considered outstanding. According to Creswell (2004), response rates above 50% are regarded as "good," while those between 70% and 80% are deemed "excellent." Accordingly, the response rate achieved in this study falls within the "excellent" category. Detailed results are available in Table 4.1 below.

Table 4.1 Showing the response rate

Target Sample	391	100%
Achieved target	324	83%
Declined/not reach out to	67	17%

Source: primary data 2025.

4.3 Descriptive characteristics of respondents

The demographic characteristics of the respondents encompassed a variety of key attributes such as gender, age, highest educational attainment, tax registration status, prior tax penalties, business type, among others detailed comprehensively in Table 1. The table below (Table 1) presents the full distribution of these characteristics.

Table 4.2: Descriptive statistics of respondents' socio-demographic and business characteristics (n = 324)

Variable	Category	Frequency (N=324)	Percent (%)
Gender	Female	91	28.1
	Male	233	71.9
Age	Less than 30	32	9.9
	31-40 years	97	29.2
	41-50 years	113	34.8
	Above 50	82	25.2
Education	O level	163	50.3
	Advanced level	109	33.6
	Undergraduate	52	16.1
Are you a registered taxpayer?	Yes	259	79.9
	No	65	20.1
Have you ever faced a Penalty?	Yes	170	52.5
	No	154	47.5
Years in Business	5–10 years	144	44.4
	Less than 5	99	30.6
	10–15 years	62	19.1
	Above 15	19	5.9
Business Type	Sole proprietorship	150	46.3
	Partnership	102	31.5
	Private company	72	22.2
Our firm has ever been audited by URA officials	Yes	166	51.2
	No	158	48.8
Have you ever attended a tax training workshop?	Yes	182	56.2
	No	142	43.8
Are you aware of EFRIS?	No	165	50.9
	Yes	159	49.1

Source: primary data

Table 4.2 presents the descriptive statistics summarizing the socio-demographic and business characteristics of the 324 respondents. The sample was predominantly male (71.9%), with females representing 28.1%. Regarding age distribution, the largest proportion of respondents (31.4%) fell within the 41–50-year range, followed by 29.2% aged 31–40 years. In terms of educational attainment, half of the respondents (50.3%) had completed O-Level, 33.6% had reached A-Level, while 16.1% held undergraduate degrees.

Concerning tax compliance, a significant majority (79.9%) were registered taxpayers, whereas 20.1% had not registered. More than half of the respondents (52.5%) reported having previously incurred tax-related penalties. Business experience varied, with 44.4% operating their enterprises for 5–10 years, 30.6% for less than 5 years, and only 5.9% having over 15 years of experience. In terms of ownership structures, sole proprietorships were most common (46.3%), followed by partnerships (31.5%) and private companies (22.2%).

Additionally, 51.2% of respondents indicated that their firms had been audited by Uganda Revenue Authority (URA) officials, and 56.2% had participated in tax training workshops, reflecting moderate exposure to capacity-building initiatives. Awareness of the Electronic Fiscal Receipting and Invoicing System (EFRIS) was nearly balanced, with 50.9% of respondents unaware and 49.1% aware highlighting the need for enhanced sensitization and education on digital tax systems.

Table 4.3: Descriptive statistics for tax compliance, taxpayers' attitude, and tax education (n = 324)

Statistic	N	Mean	SD	Min	Max	Kurtosis	Skewness
Tax Compliance	324	4.706	0.812	2	6	3.88	-1.16
Taxpayers' Attitude	324	5.013	0.77	2	6	5.34	-1.45
Tax Education	324	4.817	0.667	3	6	4.42	-1.12

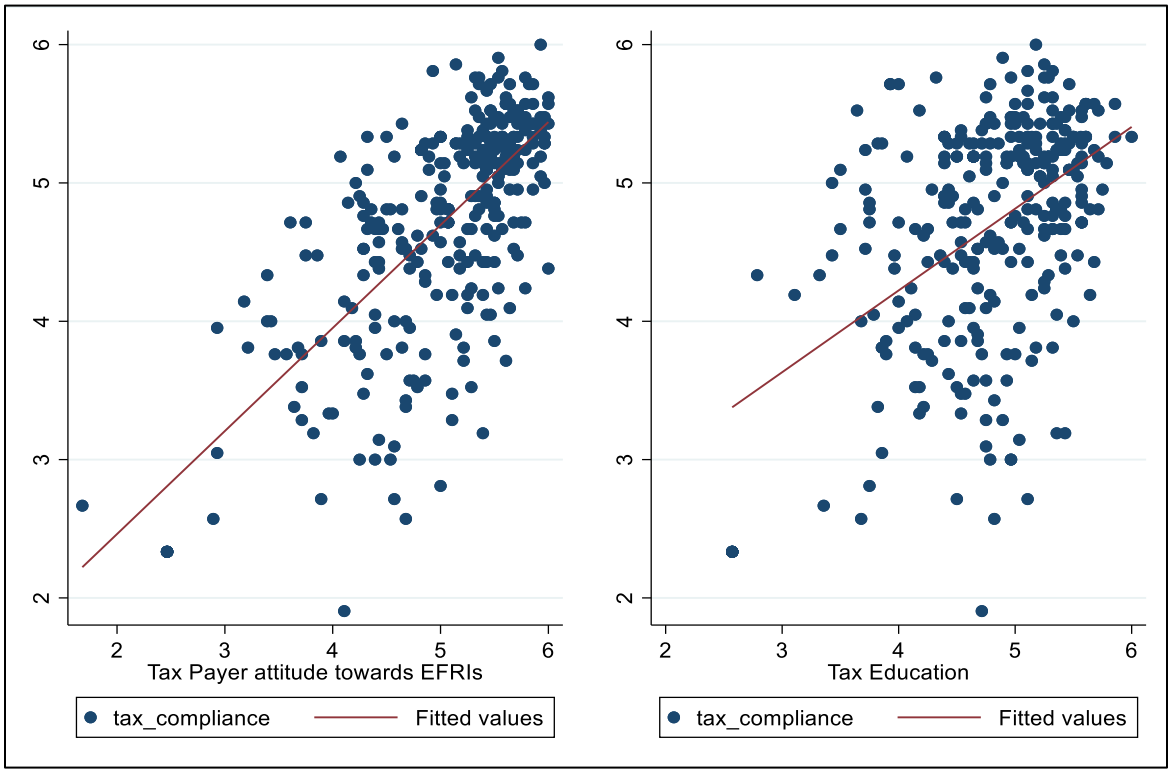
Table 3 presents descriptive statistics for three key variables of tax compliance, taxpayers' attitude toward EFRIs and tax education. The average scores indicate generally high levels across all constructs, with taxpayers’ attitude having the highest mean of 5.013, followed by tax

education (4.817) and tax compliance (4.706), on a scale ranging from 1 to 6. The standard deviations show moderate variability, with tax compliance having the largest spread (SD = 0.812), suggesting slightly more diverse responses compared to tax education (SD = 0.667). The minimum and maximum values confirm that the full range of the scale was used, indicating good response dispersion. All three variables exhibit negative skewness (ranging from -1.12 to -1.45), meaning that most respondents scored toward the higher end of the scale. Additionally, the kurtosis values (3.88 to 5.34) are all above 3, indicating distributions that are more peaked than a normal distribution, suggesting a concentration of responses around the mean. Overall, the statistics suggest that participants generally hold favourable views toward tax compliance, education, and attitudes, with relatively low variability and distributions skewed toward strong agreement or high engagement.

4.4 Inferential statistics

To gain an initial overview of the relationships between the study variables, graphical visualizations were created prior to performing formal statistical tests. These graphs reveal an upward trend that slopes from left to right, which is indicative of a positive association among tax compliance, taxpayers' attitudes toward EFRIS, and tax education. In such plots, as one variable increases (along the horizontal axis), the corresponding variable rises as well (along the vertical axis), signifying a direct, positive relationship.

Figure 1: A graphical representation of the relationships between study variables



4.5 Testing of correlations

A Pearson product-moment correlation analysis was employed to assess the strength and direction of the linear relationships between the predictor variables tax education and taxpayers' attitudes toward EFRIS and the outcome variable, tax compliance. Bivariate Pearson correlation coefficients (*r*) were computed to quantify these associations, providing empirical evidence of whether increases in tax education and favorable attitudes toward EFRIS correspond with higher levels of tax compliance.

To address the study's research questions, Pearson's product-moment correlation analysis was conducted to assess the strength and direction of the linear relationships between the predictor variables tax education and taxpayers' attitudes toward Electronic Fiscal Receipting and

Invoicing Systems (EFRIS) and the outcome variable, tax compliance. The Pearson correlation coefficient (*r*) was calculated for each bivariate pairing to determine whether increases in tax education and more favorable attitudes toward EFRIS are associated with improved tax compliance. These results offer valuable insights into how digital tax tools and educational interventions may influence taxpayer behavior

Table 4.4: Results of correlations analysis

Variable	1	2	3	4	5	6	7	8	9	10	11
Tax compliance(1)	1										
Tax remittance (2)	0.75*	1									
Tax filling (3)	0.83*	0.25*	1								
Tax payer attitude towards EFRIs(4)	0.71*	0.31*	0.78*	1							
Perceived fairness(5)	0.72*	0.27*	0.83*	0.88*	1						
Perceived benefits(6)	0.65*	0.31*	0.69*	0.88*	0.76*	1					
Perceived ease of use(7)	0.49*	0.22*	0.52*	0.84*	0.56*	0.58*	1				
Tax education(8)	0.49*	0.27*	0.49*	0.59*	0.49*	0.51*	0.53*	1			
Aware of tax laws(9)	0.53*	0.23*	0.58*	0.74*	0.64*	0.66*	0.63*	0.67*	1		
Understand tax laws(10)	0.45*	0.23*	0.47*	0.61*	0.47*	0.51*	0.58*	0.82*	0.58*	1	
Access tax education(11)	0.24*	0.18*	0.20*	0.19*	0.18*	0.17*	0.16*	0.80*	0.24*	0.38*	1

***** Correlation significant at 0.01 level of significance***

Interpretation

Table 4.4 presents correlation coefficients among key study variables, with significant relationships marked by an asterisk (*) at $p < 0.05$. Focusing on the relationships between tax education, tax payers' attitude towards EFRIS and tax compliance among SMEs in Nakawa division .

4.5.1 The relationship between tax compliance and tax education among SMEs in Nakawa Kampala

The results indicate a statistically significant positive correlation between tax compliance and tax education ($r = 0.486$, $p < 0.01$), suggesting that as tax education among SMEs improves, their

level of compliance also increases. Although the strength of this relationship is moderate, the findings highlight that knowledge of tax laws, understanding of tax procedures, and access to educational materials play a crucial role in shaping compliant behavior among small and medium enterprises.

Specifically, the correlation ($r = 0.486$, $p < 0.01$) demonstrates that SMEs in Nakawa, Kampala, with greater awareness of tax obligations and procedures tend to exhibit higher levels of voluntary compliance. Since this relationship is statistically significant, it is unlikely to have occurred by chance. However, the moderate strength of the correlation also suggests that while tax education is a key determinant, other factors such as enforcement mechanisms, administrative simplicity, compliance costs, and public trust in tax authorities—also influence compliance outcomes. Therefore, improving tax compliance in Nakawa is best achieved through an integrated approach that combines enhanced tax education programs with simplified procedures, stronger enforcement, and trust-building initiatives between SMEs and tax authorities.

4.5.2 The relationship between tax compliance and taxpayer attitude towards EFRIs among SMEs in Nakawa Kampala

The results reveal a strong and statistically significant positive correlation between tax compliance and taxpayers' attitudes toward the Electronic Fiscal Receipting and Invoicing System (EFRIS) among SMEs in Nakawa, Kampala ($r = 0.706$, $p < 0.01$). This indicates that a more favorable perception of EFRIS is closely associated with higher levels of voluntary tax compliance. When SMEs view EFRIS as fair, beneficial, and easy to use, they are more likely to fulfill their tax obligations willingly. Positive attitudes shaped by user experience, perceived fairness in transaction tracking, and trust in the system emerge as powerful drivers of compliance.

EFRIS plays a critical role in Uganda's tax administration by enabling automated invoice generation, real-time monitoring, and digital record-keeping. These features enhance transparency, reduce opportunities for tax evasion, and streamline business operations. The findings suggest that improving SMEs' perceptions of EFRIS through user-friendly system

designs, comprehensive taxpayer training, and effective communication of its benefits can significantly enhance compliance rates.

Importantly, deploying digital tax tools alone is insufficient; cultivating positive taxpayer experiences and trust in the system is equally vital. Policymakers should therefore adopt a dual approach: continuing to enhance the technical functionality of EFRIS while simultaneously promoting awareness, usability, and confidence among SMEs. This combined strategy would maximize the compliance impact of digital tax platforms and strengthen overall tax administration.

4.6 Regression Analysis Results

To address the third objective, multiple regression analysis was conducted to quantify the variance in tax compliance explained by the independent variables tax education and taxpayers' attitudes toward EFRIS as outlined in the conceptual framework. This approach provided estimates of both the combined impact of these predictors and their individual contributions to explaining tax compliance. The results, summarized in Table 4.3, illustrate the proportion of variance accounted for by the model (the coefficient of determination, R^2) as well as the individual effects (regression coefficients) of each independent variable

Table 4.5: Multiple Regression Analysis Showing the Influence of Taxpayer Attitude and Tax Education on Tax Compliance

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	0.668	0.249		2.685	0.008		
Tax payer attitude towards EFRIS	0.677	0.051	0.642	13.272	<0.001	0.657	1.522
Tax education	0.134	0.059	0.11	2.278	0.023	0.619	1.613
Model Fit statistics							
F-statistics	164.9						
P-value	<0.001						
R-Squared	0.507						
Adjusted R-Squared	0.504						
Dubin Watson	1.816						

Dependent Variable: *Tax Compliance; N=324*

Interpretation of the results

The multiple regression analysis examining the combined effects of taxpayers' attitudes toward the Electronic Fiscal Receipting and Invoicing System (EFRIS) and tax education on tax compliance among SMEs in Nakawa Division, Uganda, produced significant results. The model demonstrated that both predictors contributed meaningfully to explaining variations in tax compliance. Specifically, taxpayers' attitudes toward EFRIS exhibited a strong and positive effect on compliance, with an unstandardized coefficient (B = 0.677), a standardized Beta coefficient ($\beta = 0.642$), $t = 13.272$, $p < 0.001$. This implies that, holding tax education constant, a one-unit increase in favorable attitude toward EFRIS corresponds to a 0.677-unit increase in tax compliance. The relatively high Beta coefficient highlights that taxpayers' attitudes toward EFRIS are the strongest predictor within the model. These findings are consistent with prior studies, which similarly emphasize that positive perceptions of electronic tax systems foster higher voluntary compliance. This suggests that policies aimed at improving user experience, promoting trust, and enhancing perceived fairness in EFRIS operations can significantly strengthen compliance behavior among SMEs.

Tax education was also found to have a significant positive effect on tax compliance, with an unstandardized coefficient ($B = 0.134$), a standardized Beta coefficient ($\beta = 0.110$), $t = 2.278$, $p = 0.023$. Although its effect is more modest compared to taxpayers' attitudes toward EFRIS, these results still support the conclusion that SMEs with greater awareness of tax laws, procedures, and access to educational materials are more likely to comply with tax obligations. This underscores the complementary role of tax education alongside attitude in fostering compliance behaviors.

Importantly, diagnostics for multicollinearity revealed acceptable tolerance values (both above 0.2) and Variance Inflation Factors (VIFs) well below common thresholds (*VIF* = 1.522 and 1.613), indicating no serious multicollinearity between the predictors. In general, VIF values above 10 or sometimes even above 5 are regarded as indicative of problematic multicollinearity. Correspondingly, tolerance values below 0.2 or 0.1 would raise concern. The diagnostic results in this study comfortably fall within the acceptable range, suggesting that the estimates of both tax education and taxpayer attitude are reliable and not inflated due to predictor interdependence.

The regression model demonstrated overall statistical significance ($F = 164.9$, $p < 0.001$), explaining approximately 50.7% of the variance in tax compliance ($R^2 = 0.507$; Adjusted $R^2 = 0.504$). This strong model fit indicates that the combined influence of taxpayers' attitudes toward EFRIS and tax education substantially predicts compliance behavior among SMEs. The closeness of the adjusted R^2 to R^2 further suggests that both predictors genuinely contribute explanatory power reflecting a reliable and parsimonious model. Additionally, the Durbin Watson statistic of 1.816 falls within the acceptable range of approximately 1.5 to 2.5, implying no significant autocorrelation in the regression residuals. In summary, these findings underscore that enhancing both tax education and positive attitudes toward EFRIS can jointly and significantly elevate voluntary tax compliance among SMEs in Nakawa Division.

CHAPTER FIVE

DISCUSSION, CONCLUSION, AND RECOMMENDATION OF FINDINGS

5.0 Introduction

This chapter delivers an in-depth discussion of the study's findings, structured around the research objectives. It further presents the study's conclusions, practical implications, recommendations, limitations, and potential directions for future research, all organized for clarity and coherence.

5.1 Discussion of findings

5.1.1 Relationship between Tax education and tax compliance

The results show a statistically significant positive correlation between tax compliance and tax education. Respondents from Nakawa Division consistently reported high levels of awareness and understanding of tax laws**,** including knowledge of applicable laws, tax types (income tax, VAT, corporate tax, PAYE), filing obligations, tax rates, penalties, and record-keeping processes. They also confirmed adequate access to tax education materials, such as guides, brochures, online content, and practical examples. These findings align with cross-national evidence indicating that robust tax knowledge especially awareness of rights, responsibilities, sanctions, and procedural requirements significantly enhances tax compliance among SMEs (Salawati et al., 2021; Magasha et al., 2025). In Malaysia and Ghana, for example, knowledge of tax obligations and understanding calculation and filing processes were found to be among the strongest predictors of voluntary compliance. Similarly, in Tanzania's Shinyanga municipality, tax knowledge and strong record-keeping practices explained a substantial portion of compliance behavior. These parallels reinforce the view that when SMEs are well informed through clear, accessible, and practical education they are more likely to meet their tax obligations accurately

and on time. Therefore, your questionnaire results in Nakawa provide a solid foundation for recommending sustained investment in user-friendly tax education materials and proactive outreach to maintain and enhance SME compliance.

The study results aligns with prior research across the East African region. For instance, Odongo and Munene (2021) reported an even stronger positive correlation ($r = .756$, $p < .001$) among SMEs in Kisumu County, Kenya, reinforcing the idea that increased tax knowledge significantly boosts compliance (Odongo & Munene, 2021). Similarly, Amoit (2015) found that tax seminars, clinics, and media campaigns in Tororo District, Uganda, positively influenced the frequency, accuracy, and timeliness of SME tax returns (Amoit, 2015). In Kampala's Rubaga Division, Lwanja (2015) observed a near-perfect correlation ($r = .989$, $p < .01$), emphasizing that effective taxpayer education campaigns and simplified procedures foster voluntary compliance (Lwanja, 2015). Within Nakawa itself, Tembo (2014) demonstrated that tax awareness initiatives directly predicted higher SME compliance, highlighting the combined impact of education and ethical attitudes (Tembo, 2014). Taken together, these studies corroborate our results by showing that while tax education alone may not fully explain compliance behavior, it remains a critical component. Consequently, our findings support a policy approach in Nakawa that pairs comprehensive tax education through workshops, media outreach, and simplified guides with procedural improvements, enforcement, and trust-building to maximize SME compliance.

5.1.2 Relationship between Tax payers' attitude and tax compliance

There is a strong and statistically significant positive correlation between tax compliance and taxpayer attitude towards EFRIS. This indicates that SMEs with more favorable attitudes toward the Electronic Fiscal Receipting and Invoicing System (EFRIS) are more likely to comply with

tax regulations. Collectively, these findings suggest that SMEs are more likely to adopt and comply with EFRIS when they perceive it as fairly administered, beneficial to operations, and user-friendly**.** Therefore, tax authorities should continually invest in transparent policies, reliable system performance, comprehensive training, and responsive support channels. This holistic approach will reinforce positive attitudes and sustain high levels of compliance.

Local evidence corroborates this pattern: Nsibambi (2021) documented that perceived usefulness ($\beta = .374$, $p < .001$) and ease of use ($\beta = .258$, $p = .010$) significantly predicted EFRIS uptake among Nakawa SMEs, reinforcing the importance of usability and fairness (Nsibambi, 2021). Similarly, Mugema (2018) in Kampala demonstrated that perceived equity and transparency in e-invoicing platforms accounted for over 58% of variance in SME tax compliance behavior. Internationally, studies in Tanzania (Philipo, 2018) and Ethiopia (Adem et al., 2024) consistently found that perceived fairness and system usability directly influenced voluntary compliance. Furthermore, a study in Indonesia by Wulandari and Dasman (2023) confirmed that TAM constructs particularly perceived usefulness significantly predict taxpayer compliance even when mediated by digital literacy.

Globally, for instance, a study among SMEs in Tanzania's Dodoma Municipality found that perceptions especially fairness and equity substantially influenced compliance behavior (Philipo, 2018). In Pakistan, Shafique et al. (2020) reported a significant direct relationship between fairness perceptions and compliance, though the moderating effect of e-tax system adoption was insignificant. In Ethiopia, Adem et al. (2024) confirmed that trust in tax authorities and perceptions of equity are key psychological drivers of voluntary compliance, supporting the "slippery slope" framework. Meanwhile, in Ghana's Gushegu Municipality, positive attitudes

toward electronic tax systems were shown to directly enhance compliance, mediated partly by system adoption (Bugzuu, 2023). Additional regional evidence includes Tanzania (Elly, 2015), where SME compliance was significantly associated with perceptions of fairness, system simplicity, and penalty equity.

These findings are consistent with theoretical perspectives such as the Theory of Planned Behavior, which positions attitude as a strong predictor of intention and behavior (Hikmah et al., 2022), and with global instinctive models like Kleven et al. (2011), which emphasize the importance of fairness and enforcement. Collectively, this evidence reinforces your study's conclusion in Nakawa: fostering positive attitudes through fair treatment, transparent policies, accessible enforcement, and reliable e-tax systems is essential for improving SME tax compliance.

The strong and statistically significant relationship between positive attitudes toward EFRIS and tax compliance among SMEs in Nakawa ($r = .706$, $p < .01$) echoes broader empirical research from the region. For example, Ondara et al. (2016) found that favorable perceptions of e-tax systems such as ease of filing, time savings, and security are strongly linked to voluntary compliance in Uganda, a relationship mediated by actual system adoption. Similarly, Muturi and Kiarie (2015) reported that Kenyan SMEs who perceived online filing systems as user-friendly and beneficial were significantly more compliant with tax obligations. These findings align closely with our results, highlighting that it's not just the deployment of electronic platforms that matters, but how taxpayers perceive and experience them.

Moreover, qualitative evidence from Uganda suggests that sensitization efforts markedly improve attitudes and subsequent use of EFRIS. URA's awareness campaigns in Jinja, for

instance, transformed early misconceptions initially seen as an added tax burden into recognition of EFRIS as a tool that streamlines operations, enhances record-keeping, and simplifies filing. This supports the notion that user-friendly interfaces, hands-on training, and clear communication are pivotal in cultivating trust and system acceptance. This aligns with the Technology Acceptance Model (TAM), which posits that perceived ease of use and usefulness are key determinants of technology adoption and subsequent behavioral change. Taken together, boosting SME compliance in Nakawa requires more than technical solutions it demands sustained efforts to foster positive attitudes through improved user experience, targeted training, and strategic awareness campaigns.

5.1.3 Combined effect of tax education and tax payers' attitude on Tax compliance

Questionnaire results from SMEs in Nakawa Division reveal that both tax education (awareness of tax laws, procedures, obligations, and access to materials) and positive attitudes toward EFRIS (perceived fairness, benefits, and ease of use) strongly influence tax compliance. Firms that are well-informed about tax obligations and trust in the fairness and reliability of EFRIS exhibit higher compliance behaviors, such as accurate filing and timely payments.

In Kenya, Gitonga and Kilonzi (2022) found that when combined, electronic taxpayer education, print media outreach, and stakeholder sensitization programs (such as seminars, workshops, and roadshows) had a significantly positive effect on tax compliance among SMEs. Among these modes, stakeholder sensitization emerged as the strongest predictor, followed by electronic taxpayer education and then print media education. Questionnaire results from SMEs in Nakawa Division reveal that both tax education (awareness of tax laws, procedures, obligations, and access to materials) and positive attitudes toward EFRIS (perceived fairness, benefits, and ease

of use) strongly influence tax compliance. Firms that are well-informed about tax obligations and trust in the fairness and reliability of EFRIS exhibit higher compliance behaviors, such as accurate filing and timely payments.

Empirical evidence supports this synergistic effect. In Kenya, Gitonga and Kilonzi (2022) found that combined modes of taxpayer education including electronic, print, and stakeholder engagement accounted for 68% of variance in SME compliance, with electronic education and stakeholder training emerging as the most influential ($\beta = .242$ and $\beta = .349$, respectively) Similarly, a Tanzanian study by Philipo (2018) and research in Mwanza Region revealed that both tax education and taxpayer attitudes significantly predicted compliance, with the model (including both factors) producing a highly significant F-test ($p < .001$) . In Uganda, Mwesigye and Kijjambu (2024) demonstrated that taxpayer perceptions partially mediate the relationship between tax education and filing compliance, further suggesting that education enhances compliance through shaping attitudes. Additionally, a study in Rwanda revealed that taxpayer education improved perceptions of fairness and trust key prerequisites for adopting digital systems like EFRIS which, in turn, boosted compliance.

Collectively, these findings indicate that tax education and positive attitudes toward EFRIS work together to enhance tax compliance: education builds knowledge and technical capacity, while favorable attitudes (stemming from perceptions of fairness, usability, and benefit) motivate consistent use and compliance. Accordingly, planners should deploy integrated strategies combining targeted tax education, user-friendly digital platforms, transparent communication, and robust support to maximize the effectiveness of EFRIS and cultivate sustained voluntary compliance among SMEs in Nakawa accounted for 68% of variance in SME compliance, with

electronic education and stakeholder training emerging as the most influential ($\beta = .242$ and $\beta = .349$, respectively) Similarly, a Tanzanian study by Philipo (2018) and research in Mwanza Region revealed that both tax education and taxpayer attitudes significantly predicted compliance, with the model (including both factors) producing a highly significant F-test ($p < .001$). In Uganda, Mwesigye and Kijjambu (2024) demonstrated that taxpayer perceptions partially mediate the relationship between tax education and filing compliance, further suggesting that education enhances compliance through shaping attitudes. Additionally, a study in Rwanda revealed that taxpayer education improved perceptions of fairness and trust key prerequisites for adopting digital systems like EFRIS which, in turn, boosted compliance. On the education front, research from Kenya demonstrates that various forms of taxpayer education electronic training, stakeholder sensitization, and print media campaigns collectively explain as much as 68% of variance in SME tax compliance (Gitonga & Kilonzi, 2022) . This underscores how education and attitude reinforce each other: education builds knowledge and confidence, while positive user experiences with systems like EFRIS translate knowledge into action.

Together, these findings suggest a complementary mechanism: tax education provides foundational knowledge and procedural clarity, while positive attitudes toward EFRIS shaped by user-friendly design, fair system metrics, and trust enhance the likelihood that SMEs will apply that knowledge in digital platforms.

5.2 Conclusion

This study set out to examine the relationship between tax education tax payers' attitude and tax compliance among small and medium enterprises in Nakawa. Based on data collected from 324 SMEs. The findings from the multiple regression analysis underscore that taxpayer attitudes

toward EFRIS have a more pronounced impact on tax compliance among SMEs than tax education alone. This aligns with recent national evidence highlighting how Digital Public Infrastructure initiatives like EFRIS have driven a notable 12% rise in VAT collections, reduced fraud, and boosted transparency in Uganda's tax administration.

5.2.1 Relationship between tax education and tax compliance

The analysis confirms a statistically significant positive correlation between tax education and compliance among SMEs in Nakawa Division ($r = .486$, $p < .01$). This result aligns with Tembo (2014), who similarly found that tax awareness strongly predicted compliance in Nakawa. Regional studies further reinforce this finding: in Rubaga Division, tax education had an exceptionally high correlation with compliance ($r = .989$, $p < .01$), and Mbarara City ($r = .704$) These consistent outcomes underscore tax education's vital role in fostering voluntary compliance.

5.2.2 Relationship between taxpayer attitude toward efris and tax compliance

Our results clearly show that taxpayers' favorable attitudes toward EFRIS have a strong positive impact on compliance ($B = 0.677$, $\beta = .642$, $p < .001$). This supports global research emphasizing that perceptions of fairness, usability, and benefits in electronic systems are key drivers of compliance (e.g., Philipo, 2018; Adem et al., 2024). In Uganda's context, the broader implementation of EFRIS and other digital public infrastructure has already yielded notable gains. Real-time transaction tracking via EFRIS led to a nearly 12% increase in VAT collections and enhanced transparency in fiscal operations. Additionally, East African tax authorities have reported up to a 50% uplift in VAT revenue following the introduction of e-invoicing systems

including EFRIS in Uganda, underscoring the potential impact of positive user experience and system trust. Together, these findings affirm that, beyond technical training, shaping taxpayer perceptions is crucial. Emphasizing system transparency, user-friendliness, and fairness can significantly enhance adoption and compliance.

5.2.3 Combined effect of tax education and attitude toward EFRIS

The multiple regression model shows that the dual influence of tax education and positive EFRIS attitudes explains approximately 50.7% of variance in tax compliance ($R^2 = .507$, $F = 164.9$, $p < .001$). Attitude toward EFRIS is the dominant factor, followed by tax education. Similar synergistic effects are observed regionally: Gitonga & Kilonzi (2022) reported that digital and print-based taxpayer education collectively explained 68% of variance in SME compliance in Kenya and Tanzanian studies highlight how attitudes mediate the relationship between education and compliance (Philipo, 2018). This confirms that integrated strategies combining knowledge-building and attitude shaping are most effective in enhancing SME compliance behavior.

5.3 Recommendations

Policymakers should prioritize integrated frameworks that merge knowledge-building with attitude transformation. As our study and regional evidence (Gitonga & Kilonzi, 2022) show, combining digital and print-based education with outreach programs explains a significant share of SMEs' compliance behavior. Therefore, policy should mandate multi-channel taxpayer education, including stakeholder workshops, print media, and digital platforms. In parallel, resource allocation must support enhancements in EFRIS usability through simplified interfaces and transparent communication of benefits since favorable attitudes towards digital systems strongly predict compliance. Additionally, subsidizing digital infrastructure and connectivity for

SMEs, particularly in underserved areas, should be institutionalized to ensure equitable access and foster inclusive formalization efforts

The URA should continue its dual strategy of **"**carrot and stick" to reinforce both compliance and positive perceptions of EFRIS. First, ramp up the current initiatives such as the "MPA Receipt Yange" campaign and mobile, portal, and desktop-based invoicing channels that lower entry barriers and actively encourage use Second, enhance real-time monitoring combined with supportive field engagement by local associations, as has proven effective in the supermarket sector. Third, develop robust feedback mechanisms and helpdesk services to address user concerns and build confidence in data privacy protections. Finally, implement periodic user training and updates paired with recognition schemes to reinforce trust and drive sustained adoption.

SMEs should proactively engage with tax education programs and embrace EFRIS not just as a compliance requirement but as a tool for business growth. Training workshops, online tutorials, and user-friendly resources are available through URA-supported outreach. By participating, SMEs can improve record-keeping, simplify VAT processes, and avoid penalties each with real financial benefits. Additionally, taxpayers are encouraged to request e-receipts for every transaction to support transparency and strengthen accountability. Over time, EFRIS adoption can enhance access to procurement opportunities, credit facilities, and formal economic platforms underscoring its utility beyond tax reporting. By aligning policy, administration, and taxpayer engagement, Uganda can harness the combined power of tax education and positive system perceptions to improve SME compliance, deepen formal sector participation, and boost domestic revenue mobilization.

5.4 Limitations of the study

Cross-Sectional Design**.** Because the research used a cross-sectional design, data were collected at a single point in time. Consequently, while relationships (e.g., between EFRIS attitude and compliance) can be observed, causality cannot be confidently inferred. Longitudinal or experimental designs would be needed to establish temporal precedence and causal effects.

Self-Reported Measures. Tax compliance, attitudes, and educational exposure were all measured through self-report surveys. These are subject to social desirability bias, recall errors, or intentional under-/over-reporting particularly for sensitive behaviors like tax compliance. This may affect the accuracy of the findings.

Excluded Variables. Although the model explained 50.7% of the variance in compliance, almost half remains unexplained. Other potentially important predictors such as enforcement intensity, peer behaviors, firm profitability, access to accountants, or ICT infrastructure were not included, and may have influenced results.

Limited Geographic Scope. The study focused solely on SMEs within Nakawa Division. While results are meaningful locally, they may not generalize to other regions in Uganda especially rural areas or different industry sectors where EFRIS adoption, enforcement practices, or taxpayer profiles differ.

5.5 Areas of further research

The study's exclusive focus on Nakawa Division limits the broader applicability of its findings. Future research should replicate the study across other divisions of Kampala such as Makindye, Kawempe, and Central Division as well as in entirely different districts and rural settings across Uganda. This broader geographic spread will help determine whether factors like institutional strength or economic vibrancy influence EFRIS (Electronic Fiscal Receipting and Invoicing

System) effects on tax compliance. Similar cross-context comparisons have been advocated in related literature to improve generalizability and understand local variations.

Being cross-sectional, the study cannot establish causality or capture behavioral dynamics over time. Future research should adopt longitudinal panel designs to track the evolution of EFRIS attitudes and compliance behaviors. Additionally, implementing quasi-experimental designs such as leveraging the staggered rollout of EFRIS can help isolate causal effects. Indeed, ongoing research utilizing this staggered firm adoption approach is intended to shed light on VAT compliance, trading networks, and revenue dynamics.

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Appendix i: Questionnaire on Tax compliance

Makerere University Business School

Dear Respondent,

I am a student at Makerere University Business School obtaining a Master's degree in Business Administration conducting a research project on tax compliance among small and medium firms. The information gathered for this research will solely serve academic reasons, and the advice proposed would significantly enhance tax compliance among SMEs.

Thank you

PART I SECTION A:

RESPONDENT PROFILE

1. Gender:

Male		Female	

2. Your age:

Less than 30yrs		31 to 40 years		41 to 50 years		Above 50years	

3. Your level of education

O level		Advanced level		Undergraduate		Master's Degree	

4. Are you a registered taxpayer?

Yes		No	

5. Have you ever undergone an audit or faced penalties for erroneous tax filing?

Yes		No	

6 What is the duration (in years) of the company's operation in the industry?

Less than 5yrs		5-10 yrs.		10-15yrs		Above 15	

7 Type of business operation

Sole proprietorship		Partnership		Private company	

8 Have you ever been audited by URA?

Yes		No	

9 Have you ever participated in a tax training workshop?

Yes		No	

10 Are you cognizant of the Electronic Fiscal Receipting and Invoicing System (EFRIS)?

Yes		No	

SECTION B: MAIN STUDY VARIABLES

Instruction: Please tick in the box as appropriate, your response

1-strongly disagree, 2=disagree, 3-slightly disagree, 4-slightly agree, 5=agree and 6-Strongly Agree

TAX COMPLIANCE

	Tax remittance	**1**	**2**	**3**	**4**	**5**	**6**
1	I always remit my taxes on time.						
2	I find it simple to compute the accurate tax amount to remit.						
3	I receive reminders or notifications about upcoming tax remittance deadlines.						
4	The tax authority provides enough support to ensure compliance with tax remittance.						
5	I have never faced penalties for late tax remittance.						
6	understand my tax remittance obligations as a taxpayer.						
7	The tax authority provides clear guidelines on how to remit taxes.						
8	I know the penalties for late or non-remittance of taxes.						
9	I am aware of the various options available for tax remittance, including bank transfers, mobile payments, and online platforms.						
	Tax filling	1	2	3	4	5	6
1	I am well informed about my tax obligations.						
2	I frequently file my tax returns using EFRIS?						

3	I have ever filed taxes late or failed to file?						
4	The tax filing process is clearly explained by tax authorities						
5	I am aware of the deadlines for filing taxes.						
6	I know the penalties for late or incorrect tax filing						
7	I always file my taxes on time.						
8	I consult a tax professional or accountant to assist with my tax filing						
9	I uphold accurate financial documentation to substantiate my tax submissions.						
10	I ensure that all my tax payments are accurate and complete						
11	I experience technical issues when using the e-filing system.						

TAX PAYERS ATTITUDE TOWARDS EFRIS

	Perceived fairness	1	2	3	4	5
1	The system treats small and large businesses fairly					
2	EFRIS is applied equally to all businesses, regardless of size					
3	The tax policies related to EFRIS are clear and non-discriminatory.					
4	The penalties for non-compliance with EFRIS are fair and reasonable					
5	The cost of implementing EFRIS is fair and manageable for businesses					

6	The system is reliable, with minimal downtime and errors					
7	The process of using EFRIS is simple and user-friendly.					
8	EFRIS reduces opportunities for tax evasion, making taxation more equitable					
9	The technical support provided for EFRIS users is adequate.					
	Perceived benefits	1	2	3	4	5
1	EFRIS has improved the accuracy of my financial records.					
2	The system has reduced errors in receipting					
3	EFRIS has helped me streamline my business operations.					
4	The system has made tax filing and reporting easier					
5	Using EFRIS has reduced my business's risk of tax penalties.					
6	The system has improved transparency in my business transactions					
7	The system facilitates sales tracking for businesses.					
8	The system makes it easier for businesses to track expenses					
9	The system has reduced errors in invoicing					

	Perceived ease of use	1	**2**	3	4	5
1	I am familiar with how to use EFRIS for my business transactions.					
2	I received adequate training on how to operate EFRIS.					

3	The government has provided sufficient information about EFRIS usage.					
4	I can easily access guidelines and support materials for using EFRIS.					
5	I do not require external assistance to use EFRIS effectively.					
6	I am familiar with how to use EFRIS for my business transactions.					
7	The EFRIS system is easy to navigate.					
8	The interface of EFRIS is user-friendly and intuitive.					
9	I can quickly generate invoices and receipts using EFRIS.					
10	The steps for submitting tax returns through EFRIS are clear and straightforward.					
11	The system provides clear prompts and instructions for users.					

TAX EDUCATION

	Awarness of tax laws	1	2	3	4	5
1	I am aware of the tax laws that apply to me or my business.					
2	I understand the different types of taxes (e.g., income tax, VAT, corporate tax, PAYE).					
3	I know the tax obligations for individuals and businesses.					
4	I am familiar with the process of filing and remitting taxes.					
5	I am aware of the tax rates and how they are determined.					

6	I am aware of the tax laws that apply to me or my business.					
7	I understand the different types of taxes (e.g., income tax, VAT, corporate tax, PAYE).					
	Understanding the tax laws	1	2	3	4	5
1	I am familiar with the different types of taxes (e.g., income tax, VAT, corporate tax, PAYE).					
2	I understand how tax rates are determined for individuals and businesses.					
3	I know how to compute my tax payable .					
4	I understand the difference between tax exemptions, deductions, and credits.					
5	I understand my tax filing obligations and deadlines.					
6	I am aware of the penalties for late tax filing or non-compliance.					
7	I know how to correctly submit my tax returns.					
8	I keep proper financial records to support my tax filings.					
9	I am familiar with the process of appealing tax decisions or disputing tax assessments.					
	Access to tax education materials					
1	Tax education materials are easily accessible to me.					
2	I have access to a wide range of tax-related resources (e.g., guides, brochures, articles).					

3	The tax authority provides sufficient educational materials to help me understand tax laws.					
4	The tax education materials are written in a way that is easy to understand.					
5	The materials provide clear and accurate information about my tax obligations.					
6	The educational content is organized in a logical and easy-to-follow format.					
7	The materials explain tax laws in simple terms for non-experts.					
8	Tax education materials include practical examples that help in understanding the tax filing process					
9	The tax education materials are written in a way that is easy to understand.					
10	The materials provide clear and accurate information about my tax obligations.					
11	Tax education materials are available online and can be easily accessed.					

Thank you for your participation

Appendix ii: Krejcie and D. W. Morgan table for Sample Size (S) determination

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	301	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384

From: R.V. Krejcie and D. W. Morgan (1970)