MAKERERE UNIVERSITY

MAKERERE UNIVERSITY BUSINESS SCHOOL

ASSESSMENT OF EFFECTIVENESS OF TAX COMPLIANCE PRACTICES AT UGANDA REVENUE AUTHORITY

BY

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PLAN B

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DECLARATION

To the best of my knowledge, I, Arinaitwe Joan with my signature hereunder, certify that this report is entirely original with no submissions for publication or credit to any other university or higher education institution.

Signed..... Date 04/12/2025.....

ARINAITWE JOAN

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APPROVAL

In our capacity as the University supervisors, we approve this report for submission.

Signature ..... Date..... 04/12/2025

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Supervisor

DEDICATION

I dedicate this work to my family, whose unwavering sacrifices, boundless love, heartfelt prayers, and constant encouragement have been my greatest source of strength and inspiration.

ACKNOWLEDGEMENT

First and foremost, I want to give thanks and praise to the All-Powerful God for providing me with the resources, wisdom, abilities, fortitude, and blessings I needed to successfully finish my study assignment. Without His assistance and mercy, I would not have been able to complete this research or all of my everyday tasks. Praise be to God! I also want to express my gratitude to my supervisors, Dr. Geofrey Nkuutu, PhD, and Dr. Eva Mpaata, PhD, for their wise advice, thoughts, and comments during the writing of this research thesis. It was a great honor and joy to work and learn under their direction. In a similar vein, I thank the Uganda Revenue Authority respondents for making this research possible. I am particularly appreciative of my husband's love, tolerance, understanding, prayers, and unwavering support in assisting me finish my education. I would also like to thank my parents and siblings for their prayers and support. Lastly, I would want to express my gratitude to everyone who helped me—directly or indirectly—to finish the research project, especially my classmates, who have supported and encouraged me. May God bless you!

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ABSTRACT

The purpose of the study was to evaluate the Uganda Revenue Authority's tax compliance practices. The study focused mostly on URA's tax compliance practices, the difficulties in enhancing those procedures, and the best tactics for successful tax compliance procedures at URA. A quantitative technique using a cross-sectional design was used. Questionnaires were used to gather data from 66 respondents, 60 of whom returned them, yielding a 93.7% response rate. Version 23 of the Statistical Package for Social Sciences was used to analyze the data. According to the findings of the study, URA works to put into effect tax compliance procedures such prompt filing, payment, enforcement, feedback systems, and digitization. The responses from the survey results demonstrate these efforts, which are also supported by past studies on tax compliance. Since the tax compliance practices are only moderately effective, URA needs to make more improvements. According to the survey, the most significant challenges were the intricacy of tax rules, the difficulty of accessing tax compliance education resources for the typical taxpayer, staff members' lack of knowledge about compliance matters, and the frequent delays that people face in collecting their tax refunds. The majority of respondents endorsed and recommended a number of tactics to improve URA's tax compliance practices. Simplifying tax forms and procedures, having outreach programs that effectively target underrepresented communities, holding frequent workshops and seminars to keep taxpayers informed about requirements, recognizing compliant taxpayers in public encourages others to pay taxes, working with educational institutions to increase tax literacy among students, and partnering with local businesses to foster a compliance culture were the most widely supported strategies. The analysis suggests that URA keep improving its current tax compliance procedures. In the future, researchers will examine tax compliance practices in a different setting.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

For most countries, both developed and developing, tax compliance is a key challenge (Palil, 2010). There are numerous researchers that developed different descriptions of tax compliance. Palil (2010), for example, defines tax compliance as the willingness of taxpayers to abide by tax laws, report their income accurately, claim their appropriate deductions and exemptions, and make all of their tax payments on time. Additionally, correct income reporting and cost claims made in compliance with the applicable tax regulations are defined as tax compliance by Sapiei & Kasipillai (2013). Additionally, Sapiei, Kasipillai & Eze (2014) and Abdul & Wang'ombe (2018) use three indicators to characterize tax compliance behavior: actual tax payment, tax return submission, and instances of tax overpayment (a type of tax over compliance). Due to the ongoing COVID-19 outbreak, taxpayers are finding it difficult to make their tax payments on time.

Globally, a study by Torger (2007) found that countries with effective taxpayer education programs such as those implemented in Australia and Canada, generally report higher compliance rates. In the same vein, Hallsworth et al. (2017) found that simple behavioral interventions like reminders and frog messages can significantly increase compliance rates. Countries like UK have employed such strategies effectively to improve tax compliance practices. In Africa, a report by the African Development Bank (2020) indicated that many African countries, a large portion of economic activity occurs outside the formal tax systems, making it difficult for national revenue authority to enforce compliance. This informal sector often remains unregulated and untaxed, leading to substantial revenue losses.

Furthermore, in Uganda with specific attention the tax compliance, the status of effectiveness of tax compliance practices has remained low. For instance, according to the URA report (2020), direct domestic tax revenue collections in June 2020 were UGX 794.73 billion, which represents a performance of 71.88 percent, compared to the target of UGX 1,105.69 billion. The amount collected fell UGX 310.96 billion short of the goal. Compared to the same month in FY 2018/19, UGX 142.24 billion (15.18 percent) less was recorded. Moreover, it is increasingly clear that tax compliance procedures are ineffective. For example, according to the URA Annual Report (2022/203), the Medium Taxpayers Office (MTO) and Small Taxpayer Office (STO) posted shortfalls of UGX 61.39 billion and UGX 470.54 billion, respectively, below their intended performance. Additionally, the average on-time filing ratios for VAT and PAYE were 88.14 and 80.93 percent, respectively, versus the objective of 84.00 and 84.00 percent. The Public Sector Office (PSO) and Small Taxpayers Office (STO) have the majority of the filing gaps. Furthermore, according to the study, the total amount of domestic tax arrears as of the end of FY 2022–2023 was UGX 4,303.64 billion, of which UGX 4,039.87 billion came from non-government arrears. The total amount of government arrears was UGX 263.77 billion, which included UGX 18.27 billion in self-generated arrears and UGX 245.50 billion in obligations. However, non-government arrears accounted for UGX 189.77 billion of the customs arrear's portfolio at the end of FY 2022–2023. Additionally, a number of steps to improve compliance were put into place during FY 2022–2023. In order to discourage, detect, and prevent tax fraud and systemic non-compliance tendencies, these included intelligence gathering, investigation, information sharing, scientific analysis, and forensic document examination. They also looked for chances to increase revenue. Recoverable revenue of UGX 174.64 was discovered as a result of investigations.

Prior research identifies obstacles that reduce the effectiveness of tax compliance procedures. For example, Musimenta (2020) discovers a strong and adverse effect of tax complexity on tax compliance. This suggested that a tax's increased complexity leads to either noncompliance or decreased compliance. According to Sadress et al. (2019), tax compliance was greatly influenced by attitudes toward and adoption of the electronic tax system. Given the difficulties, the study will evaluate their effectiveness, a topic to which prior research has given little consideration.

Furthermore, strategies to improve the effectiveness of tax compliance procedures are also essential. Martíneza et al. (2022) assert that taxes systems need to be made simpler. Fiscal reforms aimed at streamlining the taxation system would be one method to improve the technological efficiency of tax collection. Additionally, according to Night and Bananuka (2020), deployment of an electronic tax system and attitudes toward it enhance tax compliance. This might modify taxpayers' perceptions of the system and encourage them to use it, which would increase tax compliance (Night and Bananuka, 2020). More so, Sayidah and Assagaf (2019) discovered that implementing tax amnesty increases tax revenue in the budget state. Therefore, it is against this practical evidence that the study sought to assess effectiveness of tax compliance practices at Uganda Revenue Authority (URA).

1.2 Statement of the problem

In order to improve taxpayer compliance, URA has persisted in implementing a variety of performance administrative procedures. Arrears/debt management, litigation, tax investigation compliance programs, taxpayer segmentation, taxpayer registration, filling ratio monitoring, digital tax solutions, and electronic fiscal receipting invoicing solution (EFRIS) are some of these measures. Nonetheless, during the past few years, tax compliance procedures have consistently proved ineffective. According to the URA report from 2020, direct domestic tax revenue collections in June of that year were UGX 794.73 billion, which was 71.88 percent of the target of UGX 1,105.69 billion. The amount collected fell UGX 310.96 billion short of the goal. Compared to the same month in FY 2018/19, UGX 142.24 billion (15.18 percent) less was recorded. Although the rates were not encouraging, all tax headings under direct taxes performed better than expected throughout the time (URA Annual Report, 2022/2023). Furthermore, the URA Report (2022/2023) said that a number of reasons, primarily related to the Electronic Fiscal Devices project's failure to take off and the delayed implementation of important measures, also had an impact on performance. Thus, it is necessary to evaluate the effectiveness of URA's tax compliance practices.

1.3 Purpose of the study

The study sought to assess effectiveness of tax compliance practices at Uganda Revenue Authority (URA) and suggest strategies for improvement.

1.4 Objectives of the study

i) Assess the level of effectiveness of tax compliance practices in Uganda Revenue Authority.

ii) Identify challenges Uganda Revenue Authority is experiencing in improving effectiveness of tax compliance practices.

iii) To suggest appropriate strategies to be implemented to improve effectiveness of tax compliance practices in Uganda Revenue Authority.

1.5 Research Question

i) How effective are the Uganda Revenue Authority's tax compliance practices?

ii) What obstacles does the Uganda Revenue Authority face in enhancing the effectiveness of its tax compliance practices?

iii) What are the best strategies to use in order to increase the effectiveness of the Uganda Revenue Authority's tax compliance practices?

1.6 Scope of the study

1.6.1 Conceptual Scope

The effectiveness of tax compliance practices, challenges in enhancing their effectiveness, and the strategies for doing so were the primary subject matter of this investigation.

1.6.2 Geographical scope

The study was conducted at the URA Headquarters and its branches. The location was chosen because the headquarters handles issues pertaining to the effectiveness of tax compliance practices.

1.7 Significance of the study

i) The findings of the study would assist policymakers in enhancing the effectiveness of their tax compliance practices.

ii) The findings of the study would provide fresh perspectives on tax compliance practices from emerging nations, particularly Uganda.

iii) The findings of the study would assist policymakers in creating appropriate plans to increase the effectiveness of tax compliance practices.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter focused on the body of research on the effectiveness of tax compliance practices, including studies conducted by various authors in the past, as well as the challenges and solutions for enhancing their effectiveness.

2.1 Effectiveness of tax compliance practices

According to Maxwell (2013), tax compliance is the extent to which the tax-paying community complies with the tax obligations outlined in the relevant legislative and regulatory rules. Economic incentives incorporated into the tax code and the efficiency of identifying and punishing non-compliance are key factors in determining taxpayer compliance, according to Maxwell. Sarker (2013) states that the extent to which a taxpayer conforms (or does not conform) to the tax laws of his or her nation is known as tax compliance. The process by which tax returns that must be filed with the tax authorities are filed on time and accurately in accordance with a nation's tax rules and regulations is known as tax compliance (Friedman, 2011). A number of different scholars have different descriptions regarding to the concept of tax compliance behaviour. For instance, Sapiei, Kasipillai & Eze (2014) and Abdul & Wang'ombe (2018) describes tax compliance behavior using three indicators, namely filing of tax returns, actual tax payment and incidences of tax overpayment (form of tax over compliance).

The effectiveness of tax compliance practices is crucial for ensuring that government can generate tax revenue necessary to fund public services and infrastructure. For instance, effective communication of tax laws and obligations is vital. Tax authorities must provide clear and

accessible information regarding tax regulations, deadlines and procedures to help taxpayers understand their responsibilities.

Further, simplifying tax reforms and processes can significantly improve compliance rates. When taxpayers find the tax system cumbersome or complicated, they may be more likely to evade taxes. Therefore, streamlined processes make it easier for individuals and businesses to comply (Sebastian et al., 2019; Martíneza et al., 2022).

Furthermore, providing educational resources and outreach program help increase taxpayer awareness and understanding of the tax system. Organizing workshops, seminars and online resources can empower taxpayers to fulfill their obligations (Martíneza et al., 2022).

2.2 Challenges to improve effectiveness of tax compliance practices

Complex tax regulations: Tax codes can be complicated and difficult for taxpayers to understand. This complexity can lead to unplanned non-compliance. Another, tax complexity is one of challenges for improving tax compliance practices. For instance, according to Musimenta's (2020) analysis of the relationship between knowledge requirements, tax system complexity, and tax compliance. They suggest that the degree of tax expertise, tax system complexity, and compliance expenses of taxpayer’s impact how well they adhere to tax regulations in terms of filing tax forms and making remittances (Musimenta, 2020). Furthermore, Ghani, Hamid, Sanusi, and Shamsuddin (2020) investigated the relationship between tax compliance among Malaysian self-employed individuals and the determinants of tax compliance, specifically tax knowledge, tax compliance costs, tax morale, and tax complexity. They discovered a negative correlation between tax complexity and tax compliance (Taing & Chang, 2021).

Lack of technology and data integration: Many revenue authorities struggle with outdated technology and systems. Integrating modern data analytics tools can be expensive and require specialized training for staff. Irefe-Esema & Akinmade (2020) finds that complexity of the electronic platforms makes registration, filling and reporting compliance very difficult in Nigeria. Furthermore, in their research on the relationship between isomorphic forces, adoption of the electronic tax system, and attitude toward the system, Sadress et al. (2019) discovered that both adoption and attitude toward the system had a significant impact on tax compliance for small business enterprises (SBEs) in a developing nation. Similarly, Cenamor, Parida, and Wincent (2019) looked into how entrepreneurial SMEs might use digital platforms to improve performance. They discovered that the ability of digital platforms to use networks has a favorable indirect impact on the performance of entrepreneurial SMEs. The ability to deploy ICT-based resources in conjunction with other internal and external resources makes digital platform capabilities essential in this regard (Mikalef & Pateli, 2017).

Presence of informal economy: The informal economy consists of economic activities that are not regulated by the government and typically do not adhere to tax laws such as unregistered businesses, street vendors, and freelance workers who do not report their income (Kim and Han, 2019). In this regard, identifying and monitoring informal economic activities is challenging for tax authorities. Individuals and businesses operating in this sector may be difficult to reach making it hard for revenue authorities to enforce tax compliance (Shafer et al., 2018).

Inadequate taxpayer education and awareness: It's possible that many taxpayers are unaware of their responsibilities or the advantages of compliance. successful educational initiatives. Yuniarta and Purnamawati (2020) investigated how tax compliance is impacted by education. According to Yuniarta and Purnamawati (2020), education has a favorable impact on tax

compliance. Tax knowledge entails disseminating information and raising awareness about government tax policies and initiatives, whereas education level might be linked to years of formal schooling and obtained credentials. After reviewing the literature on compliance, Yuniarta et al. (2020) discovered that educated taxpayers seem to collaborate more with tax authorities because they recognize the importance of collecting money to fund public services.

Lack of public trust in taxation authority: According to Cevat (2014), tax morale was positively correlated with taxpayer confidence in the government, parliament, the legal system, and tax administration. If this confidence is sufficiently strong, people will be more devoted to public management and will be more inclined to pay taxes. Additionally, Tusubira (2018) studied Ugandan small and medium-sized business tax compliance and discovered that, even in cases when the tax system is unjust, corporate SME taxpayers are prepared to pay their corporate taxes after gaining confidence in the government and tax authorities. Furthermore, Gobena and Van Dijke (2016) and Gangl *et al.* (2013) reaffirms that when taxpayers have trust in the government tax system this automatically enhances theire adherence to tax obligations and verse vice (Jimenez and Iyer, 2016). Additionally, Jimenez and Iyer (2016) indicate that trust in government improves perceived fairness of the tax system and compliance decisions.

2.3 Strategies to improve effectiveness of tax compliance practices

Simplification of tax codes: Streamlining tax regulations to make easier to understand can reduce unintentional non-compliance. Simplified forms and clear guidelines can help taxpayers navigate their obligations easily. Sebastian et al. (2019) emphasize the need of simplifying tax regulations, which are commonly ascribed to a lack of understanding regarding its ramifications. Martíneza et al. (2022) suggest streamlining tax systems to improve compliance. To address this, tax administrators have implemented educational programs that provide practical advice and support.

Serem, Kinanga, and Ondiba (2017) investigated the effect of tax system simplicity on tax compliance among rental income earners in Eldoret town and recommended that the government, through various bodies, simplify the tax system so that tax payers can understand it and thus comply with tax payments.

Enhanced educational and outreach programs: Conducting regular workshops, webinars, and informational campaigns can educate taxpayers about their rights and obligations. Utilizing various media channels can reach a broader audience. For example, Bornman and Ramutumbu (2019) find three elements of tax knowledge were identified, namely, general, procedural and legal tax knowledge that may assist tax authorities in designing targeted tax education outreach programmes for taxpayers and improve their understanding of taxpayer behavior to influence the compliance behavior of its taxpayer population. Additionally, Martíneza et al. (2022) indicated that the implementation of civic tax education policies and programs, particularly aimed at young adults and, specifically, taxpayer education programs could provide a viable channel for improving tax morale, that is, the intrinsic willingness to pay taxes (OECD, 2021).

Leveraging technology and data analytics: Implementing advanced data analytics can help identify patterns of non-compliance and target enforcement actions more effectively. Technologies such as artificial intelligence can aid in predicting compliance issues. For instance, Night and Bananuka (2020) indicate that adoption of electronic tax system and attitude towards electronic tax system are enhance tax compliance. Government through tax authorities may wish to improve tax compliance by sensitizing taxpayers about the benefits of electronic tax systems which may positively change taxpayers' attitude towards electronic tax system and embrace the system and thus tax compliance (Night and Bananuka, 2020). Tax authorities need to focus on increasing

electronic tax system usage and ensure that there is further training of taxpayers on the importance of tax compliance as well (Night and Bananuka, 2020).

Robust enforcement framework: Developing a fair but firm enforcement strategy can deter non-compliance. This includes timely audits, penalties for non-compliance and clearly outlining the consequences of failing to adhere to tax laws. For example, Sayidah and Assagaf (2019) discovered that introducing tax amnesty boosts tax revenue in the budget state. Voluntary compliance will improve as a result of the tax amnesty scheme, as taxpayers who were previously unregistered will be registered. As a result, they will be unable to evade and avoid their tax duties (Darussalam 2014). Furthermore, Olaoye and Ekundayo (2019) urge that the government strengthen tax audits by employing more qualified workers and providing intermittent training in order to increase tax compliance in the state. Also, audited papers that suggest illicit activity should not be treated lightly. Tax evaders and avoiders should face significant consequences in order to discourage others from following in their footsteps (Olaoye and Ekundayo, 2019).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The research employed quantitative technique and a cross-sectional design. In order to enable an analysis of the research issue, this approach involved collecting data at a specific time. A thorough understanding of the phenomenon being studied was made possible by the quantitative data collecting and analysis approach, which will also confirm the efficacy of the research tools (Amin, 2005).

3.2 Study Population

The research considered 80 staff from the Uganda Revenue Authority (Human Resource Manual, 2023), selected from compliance unit. This group was selected because it includes employees who are engaged in enhancing tax compliance practices at the Uganda Revenue Authority.

3.3 Sample Size

According to Saunders et al. (2012), the sample size is the number of responses representing the population under study. Based on the table developed by Krejcie & Morgan (1970) to determine sample size, 66 out of 80 total employees were the sample size.

3.4 Sampling Techniques

The respondents were selected for the study using a random sampling technique. After assigning a number to each respondent, the responses were selected at random. Saunders et al. (2019) claim that this method minimizes bias while guaranteeing that every member being selected. The lottery approach was used to choose 66 employees from the compliance section. This sample technique was chosen because it is the most straightforward, reduces biases, and gives every responder in

the sampling frame an equal chance of being chosen (Saunders et al., 2019). Uganda Revenue Authority served as the unit of analysis. In contrast, individual staff members involved in tax compliance served as the unit of inquiry. As a result, the study focused on the opinions of specific staff members about the effectiveness of tax compliance practices as a whole.

3.5 Data Collection Sources and Instruments

Primary data was used in the study. A survey questionnaire with a 5-point Likert scale was utilized to collect main data.

Data was collected a structured questionnaire that participants filled out on their own. Respondents are required to respond to the researcher's questions in a specific order in order for data to be collected for this questionnaire (Saunders et al., 2019). This method was chosen because it saves time, makes it simple to collect data from a big sample, and assesses the opinions of respondents (Devault, 2020). The researcher was also able to ask perceptive questions thanks to this technology. Questionnaires that are self-administered can be completed successfully, affordably, and efficiently (Mugenda & Mugenda, 2013). To ensure that they are exhaustive and exclusive of each other with regard to the research variables, the questionnaire's questions were closed-ended.

3.6 Validity and Reliability of research instrument

According to Amin (2005), validity is the capacity to measure what is intended to be tested and produce accurate results, or the capacity to produce results that are consistent with theoretical or conceptual values. A credible research tool is one that assesses what it is supposed to assess. The questionnaire's validity was evaluated by supervisors and field-tested to make sure it met the intended goals. Reviewers appraised each item as either applicable or inappropriate after evaluating its relationship to the study's goals. The validity of the study was assessed using the Content Validity Index (C.V.I). Every CVI value was higher than 0.7, as seen in Table 3.1.

Cronbach's Alpha was used to assess the questionnaire's reliability. An instrument is deemed reliable if it regularly produces the same results when evaluating traits or concepts from the same respondents, even by different researchers. Improved test reliability is linked to increased confidence and scores that are more in line with what would be obtained if the test were given again (Wade, 2015). The greater the internal consistency and reliability, the closer Cronbach's alpha is to 1 (Sekaran, 2003). The reliability of the research tool was assessed using the Cronbach's coefficient Alpha value. If an instrument's results are greater than 0.7, it is considered valid (Nunnally, 1978).

Table 3.1: Reliability and Validity Results

Details	**Items**	**Cronbach Alpha**	**CVI**
Effectiveness of tax compliance practices at URA	18	0.849	0.824
Challenges faced in improving tax compliance practices at URA	12	0.853	0.797
Strategies for improving tax compliance practices at URA	12	0.819	0.783

Source: Primary data

3.7 Data processing and analysis

The data collected in the field was assessed manually, with the aid of a computer, with respect to editing, coding, and answer presentation (Creswell, 2003). Data analysis continued at every stage of the inquiry. For quantitative data analysis, the Statistical Package for Social Scientists (SPSS) Version 23 was utilized, which permits the use of means, frequencies, and percentages.

3.8 Ethical Considerations

Confidentiality, a critical ethical issue that needed to be addressed in practice, was the subject of this investigation. Respondents were entitled to the privacy of all personal data they submitted. In order to avoid plagiarism while citing other studies, the researcher also took ethical considerations like intellectual property ownership and copyright respect into account. By considering people as anonymous, the researcher considered anonymity. Names and other identifying information were not included in the tool. The scholar acquired the participants' consent for participation in the research, emphasizing that their involvement was voluntary. Participants were assured of confidentiality, and the study was the only use of the data they provided.

CHAPTER FOUR

PRESENTATION, INTERPRETATION AND ANALYSIS OF FINDINGS

4.0 Introduction

This chapter covers the presentation, analysis, and interpretation of the results according to the study's objectives specified in the first chapter. The objectives were to examine the effectiveness of tax compliance practices at the Uganda Revenue Authority (URA), explore the challenges faced in improving effectiveness of tax compliance practices at URA, and suggest appropriate strategies for improving tax compliance practices at URA.

4.1 Response Rate

A sample of 66 Uganda Revenue Authority personnel was the focus of the investigation. Nonetheless, 62 of the 66 surveys that were sent were returned, yielding a 93.9% response rate that is appropriate for making accurate and trustworthy inferences. Kothari (2004) states that a 50% response rate is sufficient and that a 70% or higher response rate is excellent. This suggests that the 93.9% response rate in this instance is excellent based on this claim.

Table 4.1: Response Rate

Targeted respondents	Attained respondents	Response rate
66	62	93.9%

Source: Primary data

4.2 Background information of the respondents

The study gathered background data on gender, age, marital status, greatest level of education, position, and prior work experience with the company. Table 4.1 summarizes the findings of this background data on the respondents.

Table 4.2: Showing Background information of Respondents

Description		Freq	Perc	Valid Perc	Cum Perc
Gender	Male	27	43.5	43.5	43.5
	Female	35	56.5	56.5	100.0
	Total	62	100.0	100.0	
Age Bracket	18-25 years	2	3.2	3.2	3.2
	25-35 years	27	43.5	43.5	46.8
	35-45 years	26	41.9	41.9	88.7
	45-55 years	7	11.3	11.3	100.0
	Total	62	100.0	100.0	
Martial Status	Single	29	46.8	46.8	46.8
	Married	22	35.5	35.5	82.3
	Co-habiting	2	3.2	3.2	85.5
	Widow	9	14.5	14.5	100.0
	Total	62	100.0	100.0	
Qualification	Bachelor	39	62.9	62.9	62.9
	Masters	16	25.8	25.8	88.7
	Professional	7	11.3	11.3	100.0
	Total	62	100.0	100.0	
Position	Manager	32	51.6	51.6	51.6
	Officer	19	30.6	30.6	82.3
	Supervisor	11	17.7	17.7	100.0
	Total	62	100.0	100.0	
Working experience	< 10 years	13	21.0	21.0	21.0
	10-20 years	41	66.1	66.1	87.1
	> 20 years	8	12.9	12.9	100.0
	Total	62	100.0	100.0	

Source: Primary data

According to the results in Table 4.2, women make up 56.5% of the respondents, while men make up 43.5%. This implies that URA's workforce is primarily female and that the conclusions are primarily shaped by female viewpoints. Although both male and female participants contribute to the efficacy of tax compliance procedures, URA-Uganda's female respondents are noticeably more involved in these procedures.

According to the results in Table 4.2, the highest percentage of respondents (43.5%) are between the ages of 25 and 35, with 41.9% falling into the 35–45 age range. 3.2% of the respondents are between the ages of 18 and 25, and 11.3% are between the ages of 45 and 55. This suggests that most responders are middle-class aged (25-35 years), yet all age groups are represented, implying that most staff are in the middle age bracket, aligning with the active and energetic profile of URA employees capable of effectively improving tax compliance practices.

Results in Table 4.2 show that the largest group of respondents (46.8%) were single, followed by 35.5% in the married group. 14.5% of the respondents are widow, while 3.2% were co-habiting. This indicates that a majority of respondents are single implying that they were flexible in handling tax compliance issues.

According to the results of the analysis of the respondents' educational backgrounds, 62.9% have a bachelor's degree, 25.8% have a postgraduate degree, and 11.3% have a professional degree. This demonstrates the literacy of those involved in URA's tax compliance. The educational background shows that URA's staff is well-educated and capable of comprehending and using complex tax compliance procedures. The workforce can offer trustworthy insights into tax compliance methods because of their active age and educational backgrounds.

The majority of respondents (66.1%) had between 10 and 20 years of work experience, followed by those with less than 10 years (21.0%) and those with more than 20 years (12.9%). This suggests that most respondents have sufficient tenure at URA, indicating they are well- positioned to offer credible and informed feedback regarding the effectiveness of tax compliance practices due to their extensive experience.

The above results reveal that most respondents were managers (51.6%), followed by 30.6% as officer, and 17.7% as supervisor. This indicates that the study includes a balanced representation of various positions, offering a comprehensive perspective on how tax compliance practices are perceived and implemented throughout the organization.

4.3 Descriptive Statistics Results

The descriptive statistics pertaining to the effectiveness of URA's tax compliance practices, the obstacles faced in enhancing those practices, and appropriate tactics for doing so are all included in the analysis and are shown in Tables 4.3, 4.4, and 4.5. According to Field (2009) and Saunders et al. (2007), descriptive statistics evaluate whether the computed means fairly depict the observed data, or if the mean accurately captures reality. The variable's descriptive statistics, which provide a summary of the data in Table 4.3, include means, standard deviations, and minimum and maximum values. The degree to which respondents' opinions deviate from the mean scores is indicated by the standard deviation (SD). A greater SD (SD > 1) indicates that respondents' opinions on the provided response were not all the same. Uniformity in the opinions expressed in the study is indicated when the SD is less than one and around zero. Respondents agreed with the question if the mean was greater than 3.

4.3.1 The effectiveness of tax compliance practices in URA

Descriptive statistics were performed to evaluate the effectiveness of URA's tax compliance practices, and the findings are displayed in table 4.3.

Table 4.3: The effectiveness of tax compliance practices in URA

Statement	N	Min.	Max.	Mean	Std. Dev.
Our tax compliance educational programs are accessible to all tax payers	62	3	4	3.66	.477
Our taxpayers always receive adequate support and resources to understand their tax obligations	62	2	4	3.60	.557
We sufficient penalties in place are clearly outlined and justified to deter tax evasion	62	1	5	3.58	.984
We provide clear comprehensive information on tax compliance guidelines and requirements	62	1	4	3.55	.619
We always conduct regular training and workshops for taxpayers	62	2	4	3.45	.563
We always engage with business community to promote compliance	62	1	5	3.27	.961
We always provide timely and effective communication to our tax payers	62	2	4	3.24	.803
We always effectively address taxpayer queries and concerns	62	1	4	3.21	.852
Our taxpayers are always adequately informed about changes in tax laws and regulations.	62	2	4	3.11	.770
we employ modern technology to streamline tax collection processes	62	1	4	3.08	.980
Our enforcement of tax laws and regulations are always fair and transparent	62	2	4	3.03	.768
Our taxpayers find the online tax filing systems user-friendly	62	1	4	3.00	.887
We effectively collaborate with other government agencies to enhance compliance	62	1	4	3.00	.992
We always perform tax audits in a manner that is professional	62	1	4	2.97	1.055
We always seek feedback from taxpayers to improve our services	62	2	4	2.52	.784
Global Mean	**62**	**2.78**	**3.78**	**3.2554**	**.19878**

Source: Primary data

The data in Table 4.3 presents the respondents' perceptions of how effectively tax compliance practices at URA, based on a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree). The overall impression drawn from the results suggests that while there are a few encouraging areas, the general view of tax compliance practices effectiveness remains modest and somewhat critical. Most mean scores hover around or slightly below the neutral point of 3, indicating that many respondents feel that current tax compliance practices fall short of expectations.

The highest-rated item is tax compliance educational programs are accessible to all tax payers with a mean score of 3.66 (SD = 0.477). This suggests that there is moderate confidence among taxpayers in terms taxpayer education programs, community outreach to informal sector and rural taxpayers. Closely following are taxpayers always receive adequate support and resources to understand their tax obligations (Mean = 3.60, SD = 0.557), indicating that moderate support and resources to manage tax obligations. The statement on sufficient penalties in place are clearly outlined and justified to deter tax evasion (Mean = 3.58, SD = 0.984), suggesting that penalties do exist but improved is required in them. The statement on provides clear comprehensive information on tax compliance guidelines and requirements (Mean = 3.55, SD = 0.619), suggesting that information on tax compliance is average more is required particularly on the compliance guidelines. Furthermore, the statement on conducting regular training and workshops for taxpayers (Mean = 3.45, SD = 0.563), implying educational outreach programs through training and workshops are averagely handled. On the statement for engaging business community to promote compliance (Mean = 3.27, SD = 0.961), imply that the authority has attempted to engage business community but a lot is still required. Moreover, on the aspect of providing timely and effective communication to the taxpayers (Mean = 3.24, SD = 0.803), suggests that respondents were not sure of the timeliness and effectiveness of communication channels used by the authority. The

statement on effectively addressing taxpayer queries and concerns (Mean = 3.21, SD = 0.852) indicates that respondents were not sure the feedback and compliant practices in place.

On the other hand, the statement on taxpayers always adequately informed about changes in tax laws and regulations (Mean = 3.11, SD = 0.770), highlighting a significant concern awareness and engagement of taxpayers during amendment of tax laws and regulation requires a lot. Similarly, employing modern technology to streamline tax collection processes (Mean = 3.08, SD = 0.980), enforcement of tax laws and regulations are always fair and transparent (Mean = 3.03, SD = 0.768), taxpayers find the online tax filing systems user-friendly (Mean = 3.00, SD = 0.768), and effectively collaborate with other government agencies to enhance compliance (Mean = 3.00, SD = 0.992) indicate that while these practices exist, their effectiveness remains questionable.

Furthermore, moderately low scores for performing tax audits in a manner that professional (Mean = 2.97, SD = 1.055), and seeking feedback from taxpayers to improve services (Mean = 2.52, SD = 0.784) also underscore practices in the effectiveness of tax compliance at URA.

Overall, the results suggest that while there are elements of good practice, particularly in tax education and outreach programs, effectiveness of tax compliance practices at URA is perceived as only moderately effective. Issues around timely filling, payment, enforcement, feedback mechanisms and digitization practices appear to be major areas needing attention. The variation in standard deviations also reflects differing experiences among respondents. These insights point to a need for more standardized, transparent, and responsive tax management practices to improve effectiveness of its compliance in URA.

4.3.2 The challenges faced in improving tax compliance practices at URA

The second objective focused on the challenges encountered in enhancing URA's tax compliance practices. Descriptive data for this goal are presented in Table 4.4, after which they are interpreted and analyzed.

Table 4.4: Challenges *faced in improving tax compliance practices at URA*

Challenges	**N**	**Min.**	**Max.**	**Mean**	**Std. Dev.**
The complexity of tax laws discourages compliance	62	3	5	4.61	.523
Tax compliance education materials are difficult to be accessed by an average taxpayer	62	1	5	4.50	.825
Our staff are ill-trained about compliance issues	62	3	5	4.48	.671
Taxpayers frequently experience delays I receiving tax refunds	62	3	5	4.42	.529
Our taxpayers always find the tax compliance process over complicated	62	3	5	4.37	.579
Penalties for non-compliance are perceived as excessive and unfair by taxpayers	62	2	5	4.37	.752
Tax compliance measures do not adequately consider the economic challenges faced by taxpayers	62	3	5	4.31	.616
The enforcement actions taken by the authority are always inconsistent and unpredictable	62	3	5	4.21	.681
Our outreach programs are ineffective in reaching all segments of the population	62	3	5	4.21	.577
There is general lack of trust in the authority among taxpayers	62	3	5	4.18	.497
We do not provide enough support for small businesses regarding tax compliance	62	3	5	4.15	.539
There is insufficient collaboration between the authority and other government agencies	62	3	5	4.05	.459
The online filling systems frequently experience technical issues	62	3	5	3.79	.631
Global Mean	**62**	**3.54**	**4.85**	**4.2804**	**.20944**

Source: Primary data

The grand mean of 4.2804 and the standard deviation of 0.2009 in Table 4.4 suggest that respondents agreed with the challenges that were stated. The complexity of tax rules was the biggest obstacle URA faced (Mean=4.61, SD=0.523), suggesting that complicated tax regulations pose major difficulties for regular taxpayers to comprehend and adhere to at URA. The next issue is that the average taxpayer finds it difficult to obtain tax compliance education materials (Mean=4.50, SD=0.825), demonstrating that concentration of materials in urban centres and on digital platforms excluding those taxpayers without internet access and in rural areas. Another notable challenge is staff are ill-trained about compliance issues (Mean=4.48, SD=0.671), which suggests that staff lack adequate knowledge and skills on compliance requirements leading to errors, delays and potential non-compliance with requirements. Additionally, the challenge of taxpayers frequently experiences delays in receiving tax refunds (Mean=4.42, SD=0.529) indicates that taxpayers often face significant delays in receiving tax refunds which creates frustration and weakens confidence in the tax authority.

The respondents also agreed that the tax compliance process is too cumbersome (Mean=4.37, SD=0.579), suggesting that the steps taxpayers must take to register, file returns, pay, and claim refunds are unduly drawn out, complex, and disjointed. Taxpayers view the consequences for non-compliance as being unjust and excessive (Mean=4.37, SD=0.752), which indicates that the fines, interest charges, or other sanctions imposed on taxpayers are out of proportion to the offense. Instead of encouraging compliance, these fines discourage taxpayers since they are seen as punitive rather than corrective. Measures of tax compliance that fail to sufficiently account for taxpayers' financial difficulties (Mean=4.31, SD=0.616) show that the requirements for compliance are rigid and insensitive to taxpayers' financial difficulties, particularly during times of inflation or economic crisis. The enforcement actions taken by the authority are always

inconsistent and unpredictable (Mean=4.21, SD=0.681) implies that inconsistencies in enforcing tax compliance actions. Additionally, outreach programs are ineffective in reaching all segments of the population (Mean=4.21, SD=0.577) indicates that taxpayer education and sensitization initiatives fail to adequately reach all groups of taxpayers. There is general lack of trust in the authority among taxpayers (Mean = 4.18, SD = 0.497), failure to provide enough support for small businesses regarding tax compliance (Mean = 4.15, SD = 0.539), insufficient collaboration between the authority and other government agencies (Mean= 4.05, SD = 0.459), and online filling systems frequently experience technical issues (Mean = 3.79, SD =0.631) were also notable challenges highlighted by the respondents.

According to the analysis above, respondents generally agreed on all of the study's difficulties, as shown by their mean scores and the consistency of their opinions, which is shown by a standard deviation less than 1. Given that the majority of the findings had a mean above 3.0 on a scale of 1 to 5 and a standard deviation close to one, it is clear that all of the difficulties at URA still exist.

The complexity of tax regulations, the difficulty of accessing tax compliance education resources for the average taxpayer, staff members' lack of knowledge about compliance concerns, and the frequent delays experienced by taxpayers in collecting their tax refunds are some of the major challenges highlighted in the report.

4.3.3 The strategies in improving tax compliance practices at URA

The third objective was to make suitable recommendations for enhancing URA's tax compliance practices. The results from the respondents are compiled in Table 4.5, which is followed by interpretation and analysis.

Table 4.5: ***Appropriate strategies for improving tax compliance practices at URA*****.**

Strategies	N	Min.	Max.	Mean	Std. Dev.
Simplifying tax forms and processes enhances taxpayer compliance rates	62	4.00	5.00	4.65	.482
Our outreach programs should effectively target under represented communities for tax compliance education	62	3.00	5.00	4.64	.575
We should conduct regular workshops and seminars to help taxpayers stay informed about requirements	62	3.00	5.00	4.52	.565
Public recognition of compliant taxpayers encourages others to adhere to tax obligations	62	3.00	5.00	4.39	.523
We need to engage with educational institutions to promote tax literacy among students	62	3.00	5.00	4.35	.655
Our authority should collaborate with local businesses to promote the culture of compliance	62	3.00	5.00	4.31	.616
Our authority needs to employ data analytics to identify and address non-compliance trends	62	3.00	5.00	4.29	.611
There is need to partnership with tax professional to enhance the authority's compliance strategies	62	3.00	5.00	4.29	.687
A dedicated customer service team is required to improve taxpayer satisfaction and compliance rates	62	3.00	5.00	4.24	.592
Our authority should regularly conduct public awareness campaigns to educate taxpayers about compliance	62	3.00	5.00	4.21	.656
Transparent communication regarding penalties and compliance expectations builds trust with taxpayers	62	3.00	5.00	4.18	.587
The use of technology such as e-filling systems makes compliance more efficient	62	3.00	5.00	4.03	.599
Global Mean	**62**	**3.92**	**4.83**	**4.34**	**.209**

Source: Primary data

Given the grand mean of 4.34 and SD of 0.209, the results, which are shown in Table 4.5, show that all respondents agreed with the methods for enhancing tax compliance practices at URA. Simplifying tax forms and procedures was the most popular tactic among respondents (Mean = 4.65, SD = 0.482). Following this, outreach initiatives should successfully reach underrepresented communities (Mean = 4. 64, SD = 0. 575), and frequent workshops and seminars should be held

to keep taxpayers updated on requirements (Mean = 4. 52, SD = 0. 565). Additionally, public recognition of compliant taxpayers encourages others to adhere to tax obligations (Mean = 4. 39, SD = 0. 523), engaging with educational institutions to promote tax literacy among students (Mean = 4.35, SD = 0.655), and collaborating with local businesses to promote the culture of compliance (Mean = 4.31, SD = 0.616) were also agreed upon.

Moreover, respondents supported employing data analytics to identify and address non-compliance trends (Mean = 4. 29, SD = 0. 611), partnership with tax professional to enhance the authority's compliance strategies (Mean = 4. 33, SD = 0. 675), and setting goals that are compatible with the values and beliefs of all stakeholders (Mean = 4. 29, SD = 0. 687). Having a dedicated customer service team (Mean = 4. 24, SD = 0. 592), conducting regular public awareness campaigns to educate taxpayers about compliance (Mean = 4. 21, SD = 0. 656), transparent communication regarding penalties and compliance expectations to build trust with taxpayers about compliance (Mean = 4.18, SD = 0.587), and the use of technology such as e-filling systems makes compliance more efficient (Mean = 4.03, SD = 0.599) were also recognized as effective strategies.

With mean scores above 3.0 and SD below 1, all of these questions showed that the majority of respondents agreed with the approach. Also consistent were the opinions expressed. In summary, all of the aforementioned tactics for enhancing URA's tax compliance practices were accepted by the respondents, as evidenced by their mean scores over 3.0 on a scale of 1 to 5 and standard deviations close to 1.

The study identified simplifying tax forms and processes, having outreach programs should effectively target under represented communities, conducting regular workshops and seminars to help taxpayers stay informed about requirements, public recognition of compliant taxpayers

encourages others to adhere to tax obligations, engaging with educational institutions to promote tax literacy among students, and collaborating with local businesses to promote the culture of compliance as key strategies for improving tax compliance practices.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter discusses the findings, conclusions, and recommendations drawn from the study findings in the previous chapter. It is organized into three sections. The first section addresses the research findings related to the research objectives, while the second section outlines the conclusions. The third section focuses on recommendations, and the fourth section presents areas for further research.

5.1 Discussion of Findings

5.1.1 Effectiveness of tax compliance practices at URA

Findings indicated that the effectiveness of tax compliance practices was moderate. The findings suggested that while there are elements of good practice, particularly in tax education and outreach programs, effectiveness of tax compliance practices at URA was perceived as only moderately effective. Issues around timely filling, payment, enforcement, feedback mechanisms and digitization practices appeared to be moderately implemented. According to the study's findings, most respondents had moderate opinions on the availability of tax compliance education programs for all taxpayers and the consistent provision of sufficient assistance and resources to help them comprehend their tax responsibilities. Additionally, it states that there be adequate penalties in place that are justified and clearly outlined in order to discourage tax evasion, as well as that clear and thorough information on tax compliance standards and guidelines must be provided. Additional moderate remarks included holding frequent workshops and training sessions for taxpayers, interacting with the business community to encourage compliance, communicating with taxpayers in a fast and efficient manner, and skillfully handling their questions and concerns.

The findings are consistent with earlier research. Simplifying tax legislation and procedures, for instance, can greatly increase compliance rates. Tax evasion may increase if taxpayers perceive the tax system difficult or confusing. As a result, organizations and individuals can comply more easily with reduced procedures (Sebastian et al., 2019; Martíneza et al., 2022). Additionally, offering outreach initiatives and educational materials contributes to a greater awareness and comprehension of the tax system among taxpayers. Taxpayers can be empowered to execute their responsibilities by holding workshops, seminars, and online resources (Martíneza et al., 2022). Since the majority of respondents only partially agreed with all of the researcher's recommended behaviors, these results generally corroborate the study's present conclusions.

5.1.2 Challenges faced in improving the effectiveness of tax compliance practices at URA

The findings of the study showed that URA has a number of obstacles to overcome in order to increase the efficacy of tax compliance procedures. According to the results, the most commonly mentioned difficulties were the intricacy of tax laws, the difficulty of obtaining tax compliance education materials for the typical taxpayer, the lack of proper training for personnel regarding compliance matters, and the frequent delays in tax refunds experienced by taxpayers. The respondents also mentioned a number of additional issues, including the overly complex tax compliance process, the disproportionate and unfair fines for non-compliance, and the fact that tax compliance measures do not sufficiently take taxpayers' financial difficulties into account.

The results are consistent with earlier research. For instance, according to Musimenta's (2020) analysis of the relationship between knowledge requirements, tax system complexity, and tax compliance. They suggested that the degree of tax expertise, tax system complexity, and compliance expenses of taxpayer’s impact how well they adhere to tax regulations in terms of filing tax forms and making remittances (Musimenta, 2020). Furthermore, Ghani, Hamid, Sanusi,

and Shamsuddin (2020) also investigated the relationship between tax compliance among Malaysian self-employed individuals and the determinants of tax compliance, specifically tax knowledge, tax compliance costs, tax morale, and tax complexity. They discovered a negative correlation between tax complexity and tax compliance (Taing & Chang, 2021). Additionally, Irefe-Esema & Akinmade (2020) finds that complexity of the electronic platforms makes registration, filling and reporting compliance very difficult. Moreover, Yuniarta et al. (2020) discovered that educated taxpayers seem to collaborate more with tax authorities because they recognize the importance of collecting money to fund public services.

5.1.3 Appropriate strategies for improving the effectiveness of tax compliance practices at URA

The findings showed that the respondents supported the several suitable approaches recommended to increase the effectiveness of tax compliance practices. According to the responses, the main strategies for enhancing URA's tax compliance practices include streamlining tax forms and procedures, implementing outreach programs that effectively target underrepresented communities, holding frequent workshops and seminars to keep taxpayers informed about requirements, recognizing compliant taxpayers publicly to encourage others to adhere to tax obligations, working with educational institutions to increase tax literacy among students, and partnering with local businesses to foster a compliance culture.

The results are consistent with those of a number of researchers, such as Sebastian et al. (2019) who emphasized the need of simplifying tax regulations, which are commonly ascribed to a lack of understanding regarding its ramifications. Martíneza et al. (2022) also suggested streamlining tax systems to improve compliance. To address this, tax administrators have implemented educational programs that provide practical advice and support. Additionally, Bornman and

Ramutumbu (2019) discovered that three components of tax knowledge—general, procedural, and legal tax knowledge—could help tax authorities create focused tax education outreach programs for taxpayers and enhance their comprehension of taxpayer behavior in order to affect the compliance behavior of its taxpayer public. According to Martíneza et al. (2022), the adoption of civic tax education policies and initiatives, especially targeted at young adults, and taxpayer education initiatives in particular, may offer a practical means of enhancing tax morale, or the innate desire to pay taxes (OECD, 2021). Additionally, according to Night and Bananuka (2020), tax compliance is improved by the deployment of an electronic tax system and attitudes toward it. By educating taxpayers about the advantages of computerized tax systems, the government, acting through tax authorities, may hope to increase tax compliance by making them more receptive to the system and encouraging them to comply with tax laws (Night and Bananuka, 2020). Overall, these outcomes corroborate the study's conclusions.

5.2 Conclusions

The purpose of the study was to assess the effectiveness of tax compliance practices at the Uganda Revenue Authority—Uganda, identify obstacles to enhancing these procedures' efficacy, and recommend suitable tactics for enhancing URA's tax compliance practices. URA works to put into effect tax compliance procedures, including timely filing, payment, enforcement, feedback systems, and digitization. The survey results, which are also corroborated by earlier research on tax compliance, show these efforts. Since the tax compliance procedures are only moderately effective, URA needs to make more improvements.

Notwithstanding URA's efforts, a number of obstacles stood in the way of increasing the efficacy of tax compliance procedures. According to the survey, the biggest obstacles were the intricacy of tax rules, the difficulty of accessing tax compliance education resources for the typical taxpayer,

staff members' lack of knowledge about compliance matters, and the frequent delays that people face in collecting their tax refunds.

The majority of respondents endorsed and recommended a number of tactics to improve URA's tax compliance procedures. The most endorsed strategies included simplifying tax forms and processes, having outreach programs should effectively target under represented communities, conducting regular workshops and seminars to help taxpayers stay informed about requirements, public recognition of compliant taxpayers encourages others to adhere to tax obligations, engaging with educational institutions to promote tax literacy among students, and collaborating with local businesses to promote the culture of compliance. Based on this, the study presents several recommendations in the following section.

5.3 Recommendations

The study recommends continuously strengthening the existing tax compliance practices at URA. The practice of timely filing should receive much greater emphasis. This can be achieved through various incentives, such as awards and recognition, and to encourage outstanding performance. The Authority should simplify tax filing to the most local taxpayer for easy compliance.

To address complexity of tax laws, URA should simplify and harmonize tax laws by streamlining provisions, removing unnecessary overlaps, and ensuring clarity in interpretation. The tax authority should develop simplified tax guides, specific sector handbooks written in plain languages for taxpayers.

URA should adopt digital platforms that provide step-by-step compliance instructions and real time tax calculations that could reduce on complexity. This would be achieved through holding regular stakeholder consultations and taxpayer education campaigns.

To foster collaboration, URA should establish clear tax compliance resolution frameworks that promote dialogue and mutual respect, alongside organizing tax awareness activities and country-wide tax campaigns to strengthen relationships and inclusion of taxpayers.

To improve communication networks, URA should invest in centralized digital platforms for transparent tax information sharing, establish confidential mechanisms for reporting tax compliance issues, and conduct regular forums and meetings to promote proactive tax compliance.

5.4 Limitations of the Study

There was worry that some respondents could be reluctant to divulge information because they were worried about confidentiality and business policies, which could reduce the number of questionnaire responses. To overcome this, the researcher made sure that each chosen study participant understood the importance of the research.

The study only considers the opinions of the employees, a thorough grasp of the perspectives and opinions of the customers may not be thoroughly investigated. Since the study relied on primary data, some respondents chose not to fill out surveys and disclosed information, which could have skewed the results.

This study was cross-sectional; it might not have recorded how people's attitudes changed over time. It ignores how behavior evolves over time. Furthermore, even though the findings offer valuable insights, they must to be extrapolated with caution.

5.5 Areas for further study

The researcher suggests that future researchers look at tax compliance practices in several settings, including government agencies, manufacturing companies, small and medium-sized businesses, and other private organizations. This study's quantitative methodology and cross-sectional research

design have limitations because what is actually happening on the ground could not be an exact reflection of what has been going on there for a while. Longitudinal and mixed studies with a longer time frame should be conducted by future researchers since this could offer an even more comprehensive and distinct viewpoint on the findings.

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APPENDIX

APPENDIX I: Questionnaire

Dear Respondent

I am a student of Makerere University Business School, pursuing **MASTERS DEGREE IN BUSINESS ADMINISTRATION (MBA)** and currently carrying out research on the topic **"AN ASSESSEMENT OF EFFECTIVENESS OF TAX COMPLIANCE PRACTICES AT UGANDA REVENUE AUTHORITY".** The study will partially satisfy the prerequisites for Makerere University's Master of Business Administration degree. Every piece of information submitted will be handled with the highest secrecy and used only for academic research.

I appreciate your cooperation in advance.

A: BACKGROUND INFORMATION: (*please tick as appropriate*)

a) What is your sex?

Male	Female
1	2

b) What is your age bracket of the respondent?

Below 25 years	25-35 years	36-45 years	46-55 years	Above 55 years
1	2	3	4	5

c) What is your marital status?

Single	Married	Co-habiting	Widow	Widower
1	2	3	4	5

d) What is your highest level of education attained?

Certificate	Diploma holder	Bachelor's Degree	Master's Degree	Professional	PhD	Others Specify
1	2	3	4	5	6	7

e) What is working experience in this institution?

< 10 years	10-20 years	> 20 years
1	2	3

f) What is your current position in this institution?.....

B: Tax compliance practices

Please read the following statements in relation to **the effectiveness of tax compliance practices** and then respond in line with "1=Strongly Disagree, 2=Disagree, 3= Not sure, 4=Agree, 5= Strongly Agree"

Code	EFFECTIVENESS OF TAX COMPLIANCE PRACTICES	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
1	We provide clear comprehensive information on tax compliance guidelines and requirements	1	2	3	4	5

2	Our taxpayers always receive adequate support and resources to understand their tax obligations	1	2	3	4	5
3	We always provide timely and effective communication to our tax payers	1	2	3	4	5
4	Our taxpayers find the online tax filing systems user-friendly	1	2	3	4	5
5	We effectively collaborate with other government agencies to enhance compliance	1	2	3	4	5
6	Our taxpayers are always adequately informed about changes in tax laws and regulations.	1	2	3	4	5
7	We always seek feedback from taxpayers to improve our services	1	2	3	4	5
8	We always promote a culture of compliance in the business community	1	2	3	4	5
9	Our enforcement of tax laws and regulations are always fair and transparent	1	2	3	4	5
10	we employ modern technology to streamline tax collection processes	1	2	3	4	5
11	We sufficient penalties in place are clearly outlined and justified to deter tax evasion	1	2	3	4	5
12	Our tax compliance processes are always streamlined and efficient	1	2	3	4	5
13	We always conduct regular training and workshops for taxpayers	1	2	3	4	5
14	We always engage with business community to promote compliance	1	2	3	4	5
15	We always perform tax audits in a manner that is professional	1	2	3	4	5
16	We always effectively address taxpayer queries and concerns	1	2	3	4	5

17	Our tax compliance educational programs are accessible to all tax payers	1	2	3	4	5
18	We regularly review and update tax compliance practices	1	2	3	4	5

C: CHALLENGES TO IMPROVE EFFECTIVENESS OF TAX COMPLIANCE PRACTICES

Please read the following statements in relation to the **challenges to improve effectiveness of tax compliance practices** and then respond in line with "1=Strongly Disagree, 2=Disagree, 3= Not sure, 4=Agree, 5= Strongly Agree"

CH	Challenges to improve effectiveness of tax compliance practices	SD	D	NS	A	SA
1	Our taxpayers always find the tax compliance process over complicated	1	2	3	4	5
2	The complexity of tax laws discourages compliance	1	2	3	4	5
3	The online filling systems frequently experience technical issues	1	2	3	4	5
4	We do not provide enough support for small businesses regarding tax compliance	1	2	3	4	5
5	Penalties for non-compliance are perceived as excessive and unfair by taxpayers	1	2	3	4	5
6	Tax compliance education materials are difficult to be accessed by an average taxpayer	1	2	3	4	5
7	The enforcement actions taken by the authority are always inconsistent and unpredictable	1	2	3	4	5
8	There is insufficient collaboration between the authority and other government agencies	1	2	3	4	5
9	There is general lack of trust in the authority among taxpayers	1	2	3	4	5
10	Taxpayers frequently experience delays I receiving tax refunds	1	2	3	4	5
11	Our outreach programs are ineffective in reaching all segments of the population	1	2	3	4	5
12	Our staff are ill-trained about compliance issues	1	2	3	4	5
13	Tax compliance measures do not adequately consider the economic challenges faced by taxpayers	1	2	3	4	5

D: STRATEGIES TO IMPROVE EFFECTIVENESS OF TAX COMPLIANCE PRACTICES

Please read the following statements in relation to the **strategies to improve effectiveness of tax compliance practices** and then respond in line with "1=Strongly Disagree, 2=Disagree, 3= Not sure, 4=Agree, 5= Strongly Agree"

STR	Strategies to improve effectiveness of tax compliance practices	SD	D	NS	A	SA
1	Our authority should regularly conduct public awareness campaigns to educate taxpayers about compliance	1	2	3	4	5
2	Simplifying tax forms and processes enhances taxpayer compliance rates	1	2	3	4	5
3	Our authority should collaborate with local businesses to promote the culture of compliance	1	2	3	4	5
4	The use of technology such as e-filling systems makes compliance more efficient	1	2	3	4	5
5	We should conduct regular workshops and seminars to help taxpayers stay informed about requirements	1	2	3	4	5
6	Our authority needs to employ data analytics to identify and address non-compliance trends	1	2	3	4	5
7	A dedicated customer service team is required to improve taxpayer satisfaction and compliance rates	1	2	3	4	5
8	Our outreach programs should effectively target under represented communities for tax compliance education	1	2	3	4	5
9	There is need to partnership with tax professional to enhance the authority's compliance strategies	1	2	3	4	5
10	We need to engage with educational institutions to promote tax literacy among students	1	2	3	4	5
11	Public recognition of compliant taxpayers encourages others to adhere to tax obligations	1	2	3	4	5
12	Transparent communication regarding penalties and compliance expectations builds trust with taxpayers	1	2	3	4	5

Thank you for your time