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Taxpayer Services and the Performance of Income Tax Revenue Collections in Uganda: A Case Study of Kampala District Tax Offices

This study looked at taxpayer services and the performance of income tax revenue collections in Uganda. Specifically, the study investigated the relationship between the quality of taxpayers' services at Uganda Revenue Authority (URA) and the performance of income tax revenue collections. The objectives of the study were: to establish the relationship between tax education and the performance of income tax revenue collection; to examine if expeditious handling of taxpayers' concerns affected the performance of income tax revenue collection; to discover the influence of URA staff attitude on the performance of income tax revenue collection and; to examine the effect of tax policy options on revenue collection. Empirical data were collected from the staff of URA and tax payers of different kinds that included entrepreneurs and employees of private entrepreneurs. These were selected by simple random and cluster sampling techniques. The empirical data were analysed both quantitatively and qualitatively to examine the relationship between the quality of taxpayers' services at URA and the performance of income tax revenue collections. The key findings of the study show that a positive relationship exists between tax education and the performance of income tax revenue collection. Expeditious handling of taxpayers' concerns affects the performance of income tax revenue collection. A positive attitude of URA staff influences the performance of income tax revenue collection and tax policy options like giving the tax body independence in tax collection, have a significant effect on revenue collection. The study, therefore, recommends the need for increased tax education by teaching taxpayers their rights, having a continuous vigorous campaign of tax education to the larger population and explaining how the tax amounts are derived. There is also the need of handling of taxpayers concerns more expeditiously by strengthening the domestic tax administration department, improving direct banking, through timely handling of taxpayers and popularising the e-tax system such that it is widely adopted. There is also need for increased positive attitude of URA staff to taxpayers by serving and assessing fairly, making follow – up on their concerns, meeting deadlines, developing of a friendly attitude and offering them attention. Lastly, there is need to implement tax policy options in order to win the compliance of taxpayers and enable the growth of their enterprises by having full independence in assessment of taxes, continuing to give tax exemptions and incentives to taxpayers, hence, expansion of the tax base.

Key words: Tax, Service, Performance, Income, Revenue,