

AN ASSESSMENT OF TAX COMPLIANCE IN UGANDA

Case Study: Uganda Revenue Authority Tax Compliance Offices

Rita Nantume

2011/HD06/3260U

SUPERVISOR: Dr. Akileng Godfrey

**A Research Report submitted to the School of Business in partial fulfillment of the
requirement for the award of the Degree of Master of Business Administration of
Makerere University**

September 2013

ABSTRACT

Developed countries have had commendable success in improving their taxation policy systems over the years. However, developing countries still face numerous tax policy challenges when they attempt to establish efficient tax systems. Uganda's tax structure has been greatly improved in recent years, and it appears to mirror the tax system in other Sub-Saharan Africa countries.

The study looked at assessing tax compliance in Uganda. Specifically to assess the tax administration procedures in Uganda revenue authority, identify the major factors attributing to tax compliance in Uganda, the challenges of tax administration and suggested solutions.

Data was collected from tax compliance officers, managers and supervisors who operate within a sample of tax compliance department used in the study. The empirical data was analyzed quantitatively to measure all the responses in regard to tax compliance

The key findings of the study show that Tax administration is a positively related to the Revenue collection Performance; As such the tax body should ensure that all the aspects related to the tax administration are not neglected as they positively influence performance.

There were major factors that contributed to compliance as revealed by respondents who foster compliance among tax payers. This was characterized by tax payers' behavior pattern such as psychological, demographic, social and economic factors that affect compliance. The study therefore recommended continuous need to advance the tax administration function within URA preliminary review of tax administration policies, procedures and plans and implementing solution to tax compliance challenges which deemed as draw backs while enforcing tax compliance in URA.