



**TAX ADMINISTRATION AND TAX REVENUE PERFORMANCE OF PUBLIC
ENTITIES IN UGANDA, A CASE STUDY OF PALLISA DISTRICT LOCAL
GOVERNMENT.**

BY

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BU/UP/2020/1278

**A RESEARCH REPORT SUBMITTED TO THE FACULTY OF MANAGEMENT
SCIENCES, DEPARTMENT OF ECONOMICS AND MANAGEMENT
IN PARTIAL FULFILLMENT FOR THE REQUIREMENT
OF AWARD OF A BACHELORS DEGREE IN
BUSINESS ADMINISTRATION OF
BUSITEMA UNIVERSITY**

JANUARY, 2024

DECLARATION

I GENO PETER; Registration number BU/UP/2020/1278, hereby declare that the contents of this research work are purely my original work and that no other study has been conducted on the topic. To the best of my knowledge, this work has never been submitted before; in any other university or higher institution of learning for any award of either a degree or any other related qualification. In all cases where other people's ideas were quoted, they have been duly acknowledged by complete references.

Signature: 

Date: 24th Jan 2024

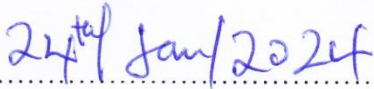
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APPROVAL

This is to certify that this Research Report by Geno Peter; Registration number BU/UP/2020/1278 on the study topic “Tax administration and tax revenue performance of public entities in Uganda; a case of Pallisa district local government” has been under my administration and is now submitted for examination with my approval as the University supervisor.

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DEDICATION

I dedicate this research work to the my beloved parents Mr. Angwella Kenneth and Mrs.Lorna Angwella, grandmother Mrs.Peruth Machyo as well as my aunties ,Mrs.Jane Machyo and Mrs.Hilda Machyo who provided me with both financial and non-financial assistance that enabled me accomplish this course and above all the almighty GOD.

ACKNOWLEDGEMENT

I am grateful to the almighty God that he has given me the gift of life, the gift of my beloved parents and friends, who gave me the opportunity to be in school and guided me throughout this study and writing of this report. My thanks go to all Busitema University lecturers without forgetting my special supervisor Mr. Kalenzi Abbey who guided me in the right direction from the beginning till the end of this work and he has greatly contributed in making a difference in my performance.

Profound thanks to all the people who have been resourceful throughout this study. It is due to your support and ideas that I have been able to produce this work.

Utmost thanks to the Head of Department, Busitema University, my sincere thanks go to my uncles, sisters, brothers, friends, course mates and lectures especially for their dedicated support throughout this research and the entire three years of the course.

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LIST OF ACRONYMS

| | |
|-------|-----------------------------------------|
| BoU | Bank of Uganda |
| Kshs | Kenya shillings |
| Ugshs | Uganda shillings |
| CBK | Central Bank of Kenya |
| CVI | Content Validity Index |
| COVID | Corona Virus Disease of 2019 |
| SHS | Shillings |
| SPSS | Statistical Package for Social Sciences |
| USA | United State of America |
| IMF | International Monetary Fund |
| ETR | Electronic tax registration |
| C RTP | Corporate Registered Tax Payers |
| TRA | Tax Revenue Authority |
| PDLG | Pallisa District Local Government |

ABSTRACT

This study examined the effect of tax administration on tax revenue performance of public entities in Uganda. The study applied a cross sectional research design and quantitative approach. Data was collected from 140 as a target population with accessible unit of inquiry being 103 respondents consisting of departments like accounts, engineering, production, education and health departments, data was collected using a closed ended questionnaire. Statistical package for social sciences was used for analysing data from which frequency tables, reliability, validity, correlation and regression results were obtained. The study findings revealed that there was a positive and significant effect between tax administration and tax revenue performance; tax assessment and tax revenue performance, and tax collection procedures on tax revenue performance. The study therefore, recommends that improvement on the tax revenue performance depends on a proper and impressive tax administration, tax assessment and tax revenue performance. Therefore, the study concludes that tax administration envisages tax revenue performance of public entities.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the introduction, background of the study, statement of the problem, purpose of the study, research objectives, research questions, scope of the study, the significance of the study and the conceptual framework.

1.1 Background of study

Tax revenues is described as funds collected from individual and business categorized into direct and indirect taxes (OECD, 2018). Tax revenue speeds up growth in the economy and funds government programmes intended for the wellbeing of the citizens. When the government meets its tax revenues target, its capable of funding budgeted expenditure for the development programme in the fiscal budget (Pulikova, 2018). But as a result of failure to come up with clear strategies to ascertain and maximize their revenues, organizations can still continue to encounter challenges. For example

Globally, insight to (Theal et al, 2023) in United States of America, indicated declined in both market dues and license fees by 5.3% in most states in the first quarter of 2023, from the unexpectedly high gains that characterized state tax trends. Also, the local service fee collections during the first quarter of 2023 fell by 11.5% compared with 17.1% of the same period in 2021, accelerating negative growth in the third and fourth quarters of 2022. In addition to that, thirty-seven states reported lower performance in tax park fees year-over-year due to high tax imposed on registration, in the first quarter of 2023, this later accounted for more than three-quarters of the total declines nationally, and this led to a reduction in capital gains tax collections

Similarly, (Asian Development Bank, 2021), also conceptualises a contrast in the general total of local service fee and license from \$1,372million in 2020to \$730million in 2021, attributed to unrealized assessments conducted by tax officers, with a decrease in the total tax park fees collection from \$22,273million to \$17,644million in 2020 and 2021 respectively due to tax commitments provided for COVID-19 response in 2020.

In Africa, according to the Revenue Statistics of (Organization for Economic Cooperation and Development, 2023)in Botswana, shows that the tax revenue performancein2020 was

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