
**THE IMPACT OF GOVERNMENT TAXATION ON THE GROWTH OF HOTEL
INDUSTRY IN UGANDA**

A CASE OF MADA HOTEL- JINJA NILE HOTEL

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UNIVERSITY**

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DECLARATION

DECLARATION

I Namakula Rehema, registration number BU/UG/2020/1954 do hereby declare that this research report is my own original work and it has not been submitted to any other University/Institution by anybody else for any other degree award.

Student's Signature: 

Date: 24th 11 2024

APPROVAL

APPROVAL

This research proposal has been submitted for examination with the approval of my supervisor and is for the award of a bachelor's degree in tourism and travel management of Busitema University.

Supervisor: Mr. WAMPANDE JOWALIE

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Date: *24/01/2024*

DEDICATION

This research report was heartily dedicated to the women who raised me, my grandmother, NASAAZI JOSEPHINE who has been a rock of stability throughout my life and my lovely mother, NAMUBIRU JOSEPHINE who always encourage me to fly toward my dreams.

You mean a world to me mummy.

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Table of Contents

DECLARATION	i
APPROVAL	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	viii
LIST OF FIGURES	ix
LIST OF ABBREVIATIONS AND ACRONYMS	x
ABSTRACT	xi
CHAPTER ONE	1
INTRODUCTION	1
1.0 Introduction	1
1.1 Background of the study	1
1.2 Statement of the problem	3
1.3 Purpose of the study	4
1.4 Objectives of the study	4
1.5 Research questions	4
1.6.0 Scope of the study	4
1.6.1 Content scope	4
1.6.2 Geographical scope	4
1.6.3 Time scope	4
1.7 Significance of the study	5
1.8 Conceptual framework	5
1.9 DEFINITIONS OF KEY TERMS	7
CHAPTER TWO	8
LITREATURE REVIEW	8
2.0 Introduction	8
2.1 Diffusion theory of taxation	8
2.2 To determine the effect of corporate income tax on the growth of hotel industry in Uganda	8
2.3 To determine the effect of withholding tax on the growth of hotel industry	9
2.4 To determine the effect of value added tax on the growth of hotel industry	10
2.5 Summary of the literatures studied	11

CHAPTER THREE	12
RESEARCH METHODOLOGY	12
3.0 Introduction.....	12
3.1 Research design	12
3.2 Study population	12
3.3 Sample size	12
3.4 Sampling methods.....	13
3.5 Type of data	13
3.6 Data collection method	13
3.7 Data analysis plan	13
3.8 Data analysis techniques and methods	14
3.9 Reliability and Validity	14
3.10 Limitation of the study	14
3.11 Ethical consideration.....	15
CHAPTER FOUR	16
DATA ANALYSIS AND PRESENTATION OF FINDINGS	16
4.0 Introduction.....	16
4.1 Response Rate.....	16
4.2 Demographic information	17
4.2.1 Gender of respondents.....	17
4.2.2 Age of Respondents	17
4.2.3 Years served in the organization	18
4.2.3 Education background.....	18
Table 4.5 showing education level	18
4.2.4 Marital status.....	19
Table 4.6 showing marital status	19
4.3.1 EFFECTS OF CORPORATE TAXATION ON THE GROWTH OF HOTEL INDUSTRY IN UGANDA.....	20
4.4.1 EFFECT OF WITHHOLDING TAXATION ON THE GROWTH OF HOTEL INDUSTRY IN UGANDA.....	21
4.5 EFFECT OF VALUE ADDED TAX ON THE GROWTH OF HOTEL INDUSTRY IN UGANDA	22

4.5.1 PEARSONS CORRELATION	23
4.5.2 Regression analysis	24
4.5.3 Model summary	27
4.5.4 ANOVA.....	27
CHAPTER FIVE	28
INTERPRETATION OF FINDINGS, SUMMARY, CONCLUSION, AND RECOMMENDATIONS ..	28
5.0 Introduction.....	28
5.1 Interpretation of the Study Findings.....	28
5.1.1 Effect of Corporate tax on the growth of hotel industry	28
5.1.2. Effect of Withholding tax on the growth of hotel industry	28
5.1.3 Effect of Value added tax on the growth of hotel industry.....	29
5.2 Summary of the findings.....	30
5.3. Conclusion	31
5.4. Recommendations.....	31
5.4.1 Limitations of the study	32
5.5. Areas of Further Research.....	32
REFERENCES	33
APPENDICES	35
Appendix I: letter of introduction.....	35
Appendix II: Study Questionnaire.....	36
Appendix III: Work Plan for 2023-2024.....	42
Appendix IV: research budget	42
Appendix V: Morgan and Krejcie table of sample size determination	43

LIST OF TABLES

Table 3.3.1 showing population size and sample size of respondents	13
Table 4.1 showing response rate	16
Table 4.2 showing gender of the respondent	17

LIST OF FIGURES

Figure 1 1a conceptual framework showing the impact between government taxes and the growth of hotel industry 6

LIST OF ABBREVIATIONS AND ACRONYMS

DV.....	dependent variable
IV.....	independent variable
OECD.....	organization for economic development
UHOA.....	Uganda hotel owner association
GDP.....	gross domestic product
UGSHS.....	Ugandan shillings
VAT.....	value added tax
WHT.....	withholding tax
USD.....	united states dollar
CIT.....	corporate income tax
ANOVA.....	analysis of variance
SPSS.....	statistical package for social sciences
COVID.....	corona virus disease of 2019.

ABSTRACT

The study was carried out with the purpose of examining the effect of Government taxes on the growth of hotel industry. The objectives for the study was; To determine the effect of corporate income tax on the growth of hotel industry, to determine the effect of withholding of tax on the growth of hotel industry and to determine the effect of value added tax on the growth of hotel industry. The researcher applied both qualitative and quantitative techniques in designing the research. A total of 40 respondents participated in the study and were selected using random sampling method. The data was collected using questionnaires and interviews and presented using tables, graphs and pie charts for easy analysis.

The study looked at taxation as source of employment, source of government revenue, and they are the major source of foreign exchange earners in most part of the world .The industry is one of the most important sectors of a nation's economy as they provide and create jobs, especially during times of holidays (summer break); they are a source of innovation and entrepreneurial spirit; they harness individual creative effort; and they create competition and are the seed bed for businesses of the future

The study also highlighted negative and positive effect of government taxation on the growth of hotels and multiple taxation affects the growth of hotels. It relied on content analysis from the existing studies, and the outcome revealed that duplication of taxes is inimical and constitutes a threat to Hotels' growth and survival.

It was however recommended that since the growth of hotel industry plays a great role towards community livelihoods the government should lay strategies in order to improve on the sustainability and growth of the hotels and livelihoods of the local communities

It was also recommended that the government develops different strategies such as formation of Uganda hotel owner association, formation of ministry of tourism and wildlife antiquity, exempting some hotels from paying taxes and looking for investors to invest in the sectors and others and promote the industry.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter gives the general introduction to the study. It covers the background to the study, problem statement, purpose and specific objectives of the study, the research questions, and scope of the study, the significance of the study, and conceptual framework.

1.1 Background of the study

The study looked at the impact of government taxes on the growth of hotel industry in Uganda. The study is important because the performance of hotels in terms of growth is influenced due to taxes imposed on them by government and its agencies (Dagunduro et al., 2022; Oboh & Dabor, 2020). This monetary burden or additional costs, according to Zayol et al.(2020), affects the growth and stability of hotels, especially in low developing countries.

Hotel industry is one of the most growing industries in both developed and developing countries in the whole world since they are source of employment, source of government taxation, and they are the major source of foreign exchange earners in most part of the world (Awodire 2022). The industry is one of the most important sectors of a nation's economy as they provide and create jobs, especially during times of holidays (summer break); they are a source of innovation and entrepreneurial spirit; they harness individual creative effort, they create competition and are the seed bed for businesses of the future

According to the Organization for Economic Development (OECD), taxes are explained as a mandatory, unrequited payment to the government. These are unpaid in the sense that the benefits provided by the government like education services, health services and road construction to taxpayers are not normally equal or in proportion to their payments

According to a Chinese scholar YU XIAS, 2021. Hotel is a building used for lodging with commercial purposes and professional services for the guests including food and beverage and other facilities. The hotel industry is a section of the service industry that deals with guest

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