

**THE EFFECTS OF ELECTRONIC-TAX SYSTEM ON THE LEVEL OF COMPLIANCE  
AT UGANDA REVENUE AUTHORITY ACASE OF URA,  
DOMESTIC TAXES DEPARTMENT LIRA**

**BY**

**MOLO ROBERT**

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## DECLARATION

I, **MOLO ROBERT REG NO BU/UP/2017/331**, declare that this research report is my original work and has not been presented to any other institution or university of higher learning for the award of any academic qualifications. Where it is indebted to the work of others, due acknowledgement has been made.

Signed .....

Date of submission.....

**MOLO ROBERT**

**APPROVAL**

This is to certify that this research report has been submitted in partial fulfillment of the requirements for the award of Degree in Business Administration with my approval as university supervisor.

Busitema university pallisa Campus

**Mr. Esuku Joseph**

Signed .....

Date.....

## **DEDICATION**

This work is dedicated to my uncles, brothers, sisters and friends not forgetting the wonderful staff of Busitema university who have always been there for me both spiritually, emotionally and for their patience which has enabled me complete and achieve this award.

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## **LIST OF ABBREVIATIONS**

ASYCUDA:	Automated System for Customs Data
HELB:	Higher Education Loans Board
IT:	Income Tax
PwC:	PricewaterhouseCoopers
TIN:	Tax Identification Number
UEDCL:	Uganda Electricity Distribution Company Limited
URA:	Uganda Revenue Authority
VAT:	Value Added Tax
WBG:	World Bank Group
EARAs:	East African Revenue Authorities
EBM:	Electronic Billing Machines
ICT:	Information Communication Technology
IRS:	Internal Revenue Service
PEOU:	Perceived Ease of Use
PIN:	Personal Identification Number
PU:	Perceived Usefulness
SARS:	South African Revenue Service
SMEs:	Small and Medium Enterprises
SPSS:	Statistical Package for the Social Sciences
TAM:	Technology Acceptance Model
TRA:	Theory of Reasoned Action

## ABSTRACT

The study examined the effect of electronic tax system on tax compliance in Uganda revenue authority domestic tax department Lira district. The objectives of the study were to examine the effects of internet payments system on tax compliance; to examine the effects of electronic billing machine on tax compliance and examine the effects of mobile payment system on tax compliance. The study used a descriptive research design with a population of 60 taxpayers and a sample size of 52 tax payers were drawn from URA staff, district leaders and the business community and data were collected using well designed structured questionnaires. The simple random sampling was used to select respondents especially taxpayers including URA staff, district leaders and the business community since the research is handling a small segment of the tax payers. The findings showed that there was a positive effect of internet payment system at ( $r=0.986$ ;  $F=1.794$ ;  $p<0.01$ );, electronic billing machine ( $r=.967$ ;  $F=719.929$ ;  $P<0.01$ ) and for trade credit at ( $r=.983$ ;  $F=755.929$ ;  $p<0.01$ ). Findings revealed that e-tax system has a positive effect on the tax compliance level since its easy for the taxpayers. It was also established that the use of automation of revenue collection system increases the revenue collection hence increase in tax compliance. In conclusion, there is a direct relationship between internet payment system, electronic billing machine, mobile payment system on tax compliance. The study recommends that URA should strongly adopt the use internet payment system to allow tax officers to issue assessments and refunds more quickly and lower corruption by reducing face-to face interactions. URA should strongly emphasize the use mobile tax payment system so that clients can pay tax easily from anywhere by use of their mobile phone. In addition, should be provided to different business enterprises across the country for easily accessible by customers, so that quick service and convenience is maintained hence increasing tax compliance.