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TAX ADMINISTRATION AND REVENUE PERFORMANCE OF DISTRICT LOCAL GOVERNMENT IN UGANDA; A CASE OF PALLISA DISTRICT LOCAL GOVERNMENT

BY

SIASA PEACE

REG NO: BU/UP/2021/1253

Siasapeace53@gmail.com

A RESEARCH REPORT SUBMITTED IN PARTIAL FULLFILLMENT OF THE REQUIREMENT FOR THE AWARD OF A BACHELORS DEGREE IN BUSINESS ADMINISTRATION, DEPARMENT OF ECONOMICS AND MANAGEMENT, FACULTY OF MANAGEMENT SCIENCES, BUSITEMA UNIVERSITY.

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DECLARATION

I SIASA PEACE, Registration number **BU/UP/2021/1253**, hereby declare that the contents of this research work are purely my original work and it has never been submitted for any award at any higher institution of higher learning, nor any other related qualification and all material sources used for this report are fully acknowledged.

STUDENTS NAME: SIASA PEACE

REGISTRATION NO: (BU/UP/2021/1253)

EMAIL: siasapeace53@gmail.com

SIGNITURE: ......Smith...

DATE: ......30th | 08 | 2024...
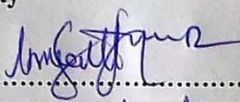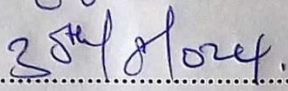
APPROVAL

This research report is submitted as a partial fulfillment for the award of degree of Bachelors of Business Administration (Finance and Accounting option) of Busitema University with the approval of the undersigned Academic Supervisor

SUPERVISOR: Mr. ISMAEL OKIRIOR

Department of Economics and Management

Busitema University

SIGNITURE...

DATE..

DEDICATION

I dedicate this research work to my beloved parents **Mr. ARIMA SIMON** and **Mrs. MATURU DOREEN**, who have been there for me all through my life they have provided me all my needs and also prayed for me all times so that I can be successful and accomplish my goals in life and not forgetting by lovely sister **Comfort Egukia** for her continuous support, prayers and advice toward s my achievement.

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TABLE OF CONTENT

LIST OF TABLES

LIST OF FIGURES

LIST OF ACRONYMS

USA	United states of America
KSHS	Kenya shillings
UGSHS	Uganda shillings
OECD	Organization of east African community development
CVI	Content Validity Index
COVID	Corona Virus Disease
SHS	Shillings
SPSS	Statistical Package for Social Sciences
USA	United State of America
IMF	International Monetary Fund
ETR	Electronic tax registration
CRTP	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 local government in Uganda and focused on Pallisa district local government as a case study. Its objectives included examine the impact of tax compliance on revenue performance, assess the impact of tax registration on revenue performance and examining the impact of tax assessment on revenue performance in the local government.it was also guided by research questions and elaborated conceptual frame work. The study applied a cross-sectional research design and quantitative approach to gather required data. Data was collected from a sample size of 52 respondents from the various departments like accounts, audit, tax administers and the tax collectors. The study used a closed ended questionnaire. Statistical package for social sciences was used for analyzing 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 compliance on tax revenue performance. The study therefore, recommends that improvement on the tax revenue performance depends on a proper and impressive tax registration, tax assessment and tax compliance. Therefore, the study concludes that tax administration envisages tax revenue performance in the local government

CHAPTER ONE: INTRODUCTION

1.0 Introduction

This chapter presents the frame work that guides the research study and assess tax administration and tax revenue performance in local government and the chapter also 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 the study

Tax revenue are funds collected by the government from its citizens to finance public services and development programs aimed at improving the well-being of citizens (Ramadhan, 2023). Taxation in Uganda is based on system that existed as it was a British colonial era and these taxes were both direct and indirect (Korkmaz et al., 2022). Taxes have played a significant role in the development of the economy and the whole nation, provision of revenue to meet public expenditure such as goods, health services, and education, maintenance of security and law and order. However, though the government has been able to meet these expenditures there is still exist failure to come up with clear strategies to ascertain and maximize the revenues thus leading to low goods and service delivery to the citizens in the country

Globally, according to US Census Bureau data, (2019), total state government tax revenue collections declined 6.8 percent in nominal terms and 11.5 percent in real terms in the first quarter of 2023 relative to a year earlier, Personal income tax revenues declined 22.5 percent and corporate income tax revenues declined 29.2 percent in real terms in the first quarter of 2023 compared with the same quarter in 2022. Inflation-adjusted sales tax collections increased 0.7 percent while motor fuel tax collections declined 4.4 percent in the first quarter of 2023 relative to a year earlier. In addition, the OECD's annual Revenue Statistics report found that the tax-to-GDP ratio in the United States increased by 1.2 percentage points from 26.5% in 2021 to 27.7% in 2022. Between 2021 and 2022, the OECD average decreased from 34.2% to 34.0%. The tax-to-GDP ratio in the United States has decreased from 28.3% in 2000 to 27.7% in 2022. Over the same period, the OECD average in 2022 was above that in 2000 (34.0% compared with 32.9%). During that period, the highest tax-to-GDP ratio in the United States was 28.3% in 2000, with the lowest being 22.9% in 2009.

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