

REVENUE COLLECTION AND SERVICE DELIVERY IN ARUA CITY

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J22/ASC/BBA/ 016

A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF BACHELOR OF
BUSINESS ADMINISTRATION OF UGANDA CHRISTIAN UNIVERSITY

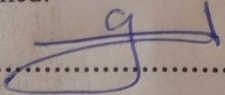
May, 2025



DECLARATION

I Geria Nelson Mandela declare that this research report is my own findings and has never been presented by anybody else for the award of a Degree or Diploma in any institution.

Signed:


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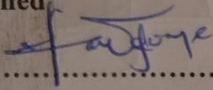
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APPROVAL

This research report entitled, "The impact of revenue collection and service delivery in Arua city -Uganda" has been prepared under my close supervision and is now ready for submission to the Academic Board of Uganda Christian University

Signed


.....

MR. ACIDRI HARRY ANDEOYE

(SUPERVISOR)

20/05/2025
.....

Date

DEDICATION

This research work is dedicated to my beloved parents late Sebowa Fred and Mrs. Jemmily Sebowa who laid the foundation for my future and my family at large for their support and patience.

ACKNOWLEDGEMENT

I wish to extend my thanks to my supervisor MR. Acidri Harry Andeoye who has always been there to guide me throughout this research work. I also thank Dr. Ajuaba David Baiko for the good lecture on Research methods which enabled me to write the proposal and the report without many problems.

I want to thank my friends, Brother Tabu Rocent and Jura Denis for the continuous encouragement they gave me. Above all I thank the almighty God for the care and completion.

ABSTRACT

This study investigates the relationship between revenue collection and service delivery in Arua City, Uganda. As a newly elevated city, Arua faces high expectations in terms of infrastructure development, waste management, education, health, and other public services. However, effective delivery of these services heavily depends on the city's ability to mobilize and manage local revenues. The study aims to assess the current methods of revenue collection, evaluate how collected funds are utilized, and analyse the impact of revenue generation on the quality-of-service delivery.

Using a descriptive research design, data will be collected from city officials, taxpayers, and service users through questionnaires, interviews, and document review. The findings are expected to highlight key challenges such as low tax compliance, weak enforcement mechanisms, corruption, and limited public awareness, all of which hinder effective revenue collection and service delivery. The study will also propose strategies to improve revenue mobilization and ensure that local revenue directly translates into tangible public services. Ultimately, the research aims to support policy development that promotes financial accountability and improved service delivery in Arua City.

LIST OF ABBREVIATIONS

URA:	-	Uganda Revenue Authority
G/TAX:	-	Graduated Tax
CIT	-	Corporate Income Tax
EPA	-	Estimated Property Appraisal
GDP	-	Gross Domestic Product
GPS	-	Global Positioning System
IFMS	-	Integrated Financial Management System
AC	-	Arua city
LGDP	-	Local Government Development Program
LREP	-	Local revenue enhancement plan
NAADS	-	National Agricultural and Advisory Services
NGO	-	Non-Governmental Organizations
PIT	-	Personal Income Tax
USAID	-	United States Agency for International Development
VAT	-	Value Added Tax
VAR	-	Vector Auto Regression
ODA	-	official development assistance

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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background to the study.

The study focuses on Arua City and examines revenue collection and service delivery in Ugandan local government. According to Article 176 (2) (d) of the Republic of Uganda Constitution, "there shall be established for each local government unit a sound financial base with reliable sources of revenue."

Local governments have the authority under Article 191(1) and (2) of the Constitution to levy, charge, collect, and appropriate fees and taxes such as rent, rates, royalties, stamp duties, chess fees, registration and licensing fees, and any other costs and taxes prescribed by Parliament. This empowers local governments to levy, charge, collect, and enforce appropriate fees and taxes. Article 196(a) of the Constitution mandates each local government to develop and maintain a full inventory of all internal revenue sources, as well as data on overall revenue potential. Section 77(1) of the Constitution also grants local governments the authority to develop, adopt, and implement plans and budgets, as well as raise and spend funds.

According to Section 85 of the Local Government Act, division councils are in charge of collecting money for city and municipal councils. Furthermore, councils have the ability to collect income on behalf of divisions under their jurisdiction, assuming the divisions agree. Chapter 243, Section 80(2) of the Local Government Act (LGA) requires all local governments to compile a complete inventory of all local revenue sources from which they expect to generate money during the fiscal year, as well as keep records of the total amount of revenue that can be collected.

Furthermore, according to Regulation 33(1) of the Local Government Financial and Accounting Regulations (Chen, 2020), revenue registers must include information on money owed, received, and outstanding, as well as a record of steps taken to recover the arrears. According to Regulation 31 of Ayeto, 2024, the council can collect income on an annual basis using approved projections.

After the local government council approves the complete estimates, the council may begin collecting the money. The council must therefore set aside money each year to cover its revenue. According to Regulation 32 of the LGFARs, the head of finance is responsible for ensuring that revenue collectors carry out their duties and that any money owed to the council is paid on schedule.

Since revenue—whether from non-profits or profits—is the lifeblood of all organizations, the current study is important. The government's efforts to collect taxes have a significant impact on the kind and standard of services that a municipality or local government entity provides. (2020, Atukunda.)

Local governments rely significantly on local revenue to fund ongoing and capital expenditures. (Placek, 2020).

Revenue is the total amount of money that a company or organization receives for the items or services that they sell or provide during a given time period. The term "public revenue" refers to the money that the government receives from various sources. To put it another way, government revenue is determined by what it receives. (Haji, 2023).

In essence, revenue is used to fund the community's future growth and is also known as returns to the authority (Selvi, 2020). In this instance, the budget for the socioeconomic growth of every nation on the planet has been derived from the revenue gathered. The government has been able to construct infrastructure, which is necessary for economic development, and offer social services to the public through revenue collection (Kean, 2021). Generally speaking, revenue is the total lawful sum of money gathered from taxpayers to support the socioeconomic advancement of a country or community.

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sources. To put it another way, government revenue is determined by what it receives. (Haji, 2023).

The analysis was based on efficiency and long-run growth theories. It has proven difficult to discover strong evidence for the effects of taxation, both in terms of amount and composition, on long-term growth and efficiency through investment, human resource recruiting, and innovation. Is entrepreneurship successful in OECD countries, such as Arnold? Property taxes have the least impact on growth, followed by consumption taxes, the personal income tax (PIT), and the corporate income tax. This is consistent with theory, which states that taxing capital income has the ability to significantly affect investment.

Kibiy (2020) states that public income collection is a critical component of fiscal policy and management. It is the principal mechanism of securing government funds and the lifeblood of all governments. It is increasingly critical to strengthen national revenue collection processes because most developing countries are experiencing dwindling domestic income reserves and growing donor fatigue. According to Bird (2020), fiscal decentralization and service delivery are only effective if local governments have a strong revenue-collecting mechanism. Local revenue mobilization has the potential to increase political and administrative responsibility by empowering communities.

The authority uses domestic revenue generated locally to fund current and major initiatives. Local tax revenue includes non-tax revenues such as license fees, taxi fares, market dues, fines and penalties, property rates, parking fees, and advertising costs. The study chose AC because of its diverse revenue streams in the West Nile. The study is positioned to produce more reliable data.

The authority leverages domestic cash from neighbourhood sources to fund both ongoing and significant programs. Municipal tax revenue includes non-tax revenue from license fees, taxi fares, market dues, fines and penalties, property taxes, parking fees, and advertising expenses.

Because AC has a range of revenue streams in the West Nile, the study chooses it. The purpose of the project is to get more reliable data.

Over time, the dejection of the AC's management team and political leadership, as well as the organization's subpar service delivery and oversight of public properties, have left the Ugandan government and populace—especially those who live and work in Arua City and its environs—disillusioned. Arua City has been a state district for the past four decades. Over the last thirty years or so, there has been a near-total breakdown of law and order, service delivery, and public property and fund theft, as well as stagnation and decline. The city's condition was a constant source of shame for the government and Ugandans in general. Mismanagement, fraud, and a lack of financial accountability on the part of both personnel and political officials have harmed AC's systems and services. These have resulted in huge financial loss, loss of public property, poor service delivery, infrastructural collapse, and the chaotic, uncontrolled development of Arua City over time.

Due to these difficulties, the Ugandan government chose to grant various cities throughout the nation without taking into account the upkeep costs. In order for Arua City (AC) to fulfill her mission, revenue is essential. In conformity with the legislation passed by Parliament pursuant to Article 176(2) of the Constitution. It gives cities the authority to impose taxes, charge for, collect, and allocate fees and taxes. Arua City continues to encounter significant obstacles in providing services to its residents even if revenue collections from many sources have improved, including trading licenses, market dues, fines, and fees.

1.2 Research Problem

(2020 & Mugabi) and allocates AC the responsibility of levying, charging, collecting, and allocating fees and taxes in accordance with legislation established by Parliament in accordance with Articles 191(1) and (2) of the Constitution. Despite the City Act's well-intended intentions and efforts to improve revenue collection and service delivery

1.3 The Purpose of the Study.

The study aims to investigate how revenue collection influences service delivery in Arua City.

1.4 The objectives of the Study.

To determine the impact of revenue collection on Education service in Arua city.

To find out the impact of revenue collection on Health service in Arua city.

To determine the impact of revenue collection on employment in Arua city.

1.5 Research Questions

The study addressed the following research questions: -

what is the impact of revenue collection on Education service in Arua city.

what is the impact of revenue collection on Health service in Arua city.

what is the impact of revenue collection on employment in Arua city.

1.6 Scope of the Study

The scope of the study includes content scope, geographical scope and time scope.

1.7 Content scope

The study investigated how Arua City's income collection influences service delivery. It focused on how Arua City managed revenue receipts to ensure the provision of clean and safe water in the city, how AC supported the city's budget to ensure service delivery, and how AC taught the public about tax compliance to promote improved health in the city.

1.8 Geographical location

On April 28, 2020, the Ugandan Parliament established Arua City as a regional city for the West Nile subregion, making it one of the country's newest cities. It launched for business on July 1, 2020. It is situated in Uganda's northwestern corner, between

latitudes 030 10'N and 300 50'N and longitudes 300 30'E and 310 30'E. The Democratic Republic of Congo borders it on the west, Maracha District to the north, Terego District to the east, Arua District to the south, and Madi Okollo District to the southeast. The distance between South Sudan and Arua City is 75 kilometers.

Kampala, Uganda's capital, lies 520 kilometers north of the Arua City headquarters. Arua City, a trade and commerce hub with significant investment and tourism potential, is located at the crossroads of a trade route connecting Uganda, South Sudan, and the Democratic Republic of the Congo.

1.9 Time scope

The study encompassed a three-year period, beginning with the fiscal years 2023/2024.

1.10 Significance of the study

The study aims to give empirical information about the impact of revenue collection on service delivery in Arua. The findings will be used by Arua City leaders, Arua District Council leadership, local government and finance ministries, academicians and professionals, relevant stakeholders, and development partners to better understand the impact of revenue collection on waste management in local governments as a whole.

1.11 Arua City:

The study's findings would provide Arua City local government leadership with information to help them make sound decisions about designing revenue collection strategies and enforcing their collections in the future, as well as ensuring the provision of quality services to the city's residents.

1.12 Ministry of Local government:

The findings would shed light on the importance of developing critical policies for revenue collection and trash management in local governments.

1.13 Ministry of Finance:

The findings will shed light on the importance of developing important rules guiding local revenue collection and management in Arua City.

1.14 Development partners:

The study's findings will be important to Uganda's development partners and donors, who were previously the primary supporters of the Ugandan government's budget.

1.15 General public and other stakeholders:

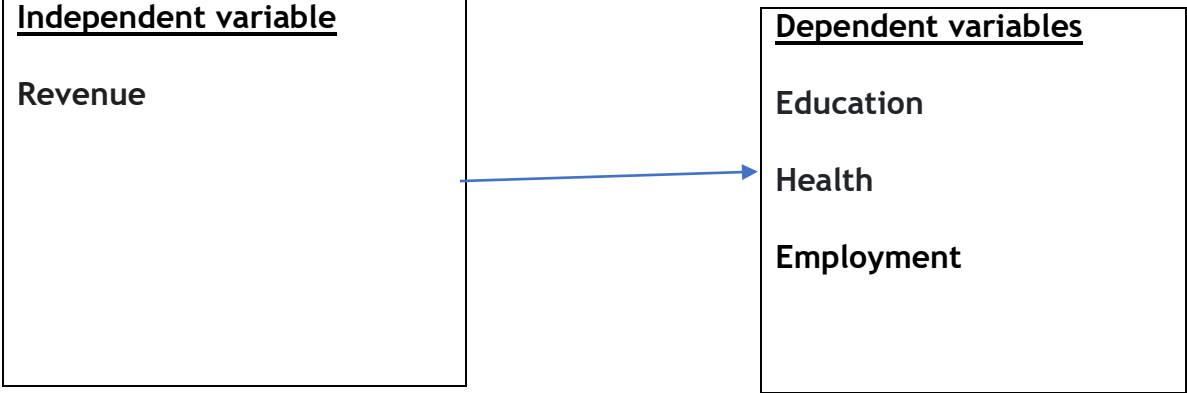
The study's findings will assist Arua citizens and other revenue management stakeholders in obtaining trustworthy and accurate information regarding revenue collection and its relationship to service delivery.

1.16 Conceptual framework

The Structure of Ideas A conceptual framework is a systematic representation of a cognitive map and the relationships between variables. The conceptual framework theory explains how local governments gather revenue and provide services efficiently. It includes control variables, independent and dependent variables, and both. Service delivery is the dependent variable, whereas revenue collection is the independent variable. The control variables are the various regulations that have a significant impact on both the dependent and independent factors.

50 Frameworks conceptually separate the dependent variable that intervenes. Source: The researcher adjusted the Green (2021) model to determine the sources of

revenue. The process of collecting income begins with identifying the various revenue streams, such as licenses, permits, fees, and other community sources.



CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 INTRODUCTION.

This chapter investigates and evaluates relevant literature in light of the research objectives: the impact of tax collection on education, health care, and employment in Arua city.

2.2 Literature Survey.

This chapter investigates and evaluates relevant literature in light of the research objectives: the impact of tax collection on education, health care, and employment in Arua City.

2.3 Impact of revenue collection on education

To analyze the empirical effects of tax income on education service delivery, the study used annual time series data from 1987 to 2024, as well as the Vector Auto Regression (VAR) estimation technique. The data came from the World Bank database (WDI, 2018). The Johansen co-integration technique was used to estimate the link between tax income and educational service delivery. The Granger causality test was then used to determine the direction of causality, while the VAR model was employed to examine how the independent variable affected the dependent variables.

The co-integration test results revealed a long-term relationship between tax income, official development aid (ODA), and educational service provision. The VAR model's findings revealed that both official development aid (ODA) and high tax collection improve service delivery in Arua's education sector.

Finally, the Granger causality test results confirmed unidirectional causation between all other factors of educational service delivery.

Based on the aforementioned findings, this study advocated and suggested that the government establish policies to extend the tax base in order to boost tax income,

which would then improve the quality of education services supplied. This is due to the fact that tax money is the government's sole source of funding for all operations, including the provision of services in all major service sectors.

Concerning official development aid, the report proposes that the government establish a stringent strategy to manage all of the money it obtains, notably the money allocated to pay for the provision of educational

Ultimately, this study indicates that, in order to enhance Uganda's education system, it is critical to use tax income to fund the provision of educational services. This conclusion is based on the empirical data.

2.4 Impact of revenue collection on health service

The connection between Arua City's revenue allocation policies and the provision of health services. The quality and accessibility of health services are significantly positively correlated with the quantity of financial resources allotted to the health sector.

This finding is compatible with the theoretical framework for public finance management, which emphasizes the importance of adequate and efficient allocation of public funds in order to provide basic public services. The study also revealed that the city's revenue distribution procedures and decision-making processes had a substantial influence on health sector prioritizing.

In contrast to being purely focused on the evaluation of community needs and the possible influence on health outcomes, respondents emphasized that political considerations, such as the interests of local political elites and the need to retain electoral support, frequently influenced the city's decisions about how best to allocate its revenue. This finding contradicts the normative norms of public administration, which call for a more logical, evidence-based, and citizen-centered approach to resource distribution. Furthermore, a number of impediments hampered the efficient utilization of financial resources for health-care delivery.

These included the city's insufficient ability to manage its finances, its tardy the distribution of cash from higher governmental tiers, as well as the absence of accountability and transparency measures in the income allocation procedure. These results are consistent with the institutional theory perspective (North, 1990; DiMaggio & Powell, 1983), which emphasizes the impact of organizational structures, procedures, and incentives on the implementation and outcomes of public policies.

However, the analysis discovered a variety of strategies to strengthen the link between healthcare delivery and revenue distribution. These included the need for better coordination and collaboration between the council's finance and health departments, as well as the possibility of increasing local revenue generation through improved tax collection and revenue diversification. These findings are consistent with the literature on fiscal federalism and decentralization, which emphasizes the importance of intergovernmental collaboration and fiscal autonomy for effective local service delivery.

2.5 Impact of revenue collection on employment.

The main industry in Uganda that provides jobs in production is agriculture, which employs more than 80% of the workforce and is the main employment subsector, particularly in Arua City. According to the National Housing and Census Report (2024), Arua City

Agriculture employs almost 95% of the workforce. The public and private sectors employ approximately 4% each. Taxes can have a considerable impact on businesses and, as a result, the incentive to work, even if they rarely have a direct impact on jobs. This could either motivate or demotivate people to work hard. In addition to the intermittent power supply provided by the only energy distributor, WENRECO, a 2007 private sector development report noted that the high-power tariff frequently rendered service providers redundant in the case of a power outage.

The fees imposed by the other several tax collectors, excluding customs and excise, are thought to be determined in an extremely erratic and arbitrary way. Because of what they believe to be egregious mismanagement of tax administration at the border,

traders feel that their livelihood is immediately threatened, which is creating a situation that is prompting them to get increasingly enraged! Occasionally, indirect taxes may have a negative impact on the manufacturing of goods. Commodity prices often rise as a result of indirect taxation, which reduces demand. Demand declines discriminate against producers, affecting output and job prospects (Tayebwa, 1998).

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research adopted for the study. It highlights research design and data collection and management.

3.2 Research design.

The research utilized Techniques for gathering, presenting, and analyzing data were both quantitative and qualitative.

This was the overarching plan that outlined the terms and processes for the organization and data collecting. This study used a descriptive survey as a result. But as many of the respondents' opinions could not be adequately captured by the quantitative approach, the qualitative method was mostly utilized.

3.3 TARGET POPULATION.

The entire population in the study area who is able to pay taxes to the local tax authorities in the study region due to their employment or commerce makes up the target population. The target demographic in the study region was primarily Arua City residents, but it also included strata of the population such as public servants,

traders/businessmen, commercially minded farmers, and employees of the Directorate of Revenue

3.4 SAMPLE SIZE.

This is a subset of the target population that was chosen on purpose in order to gather primary and secondary data. Three strata were specifically chosen as the sample size to accurately reflect the target population.

Category of respondents	Available study population	Selected Sample size	Sampling Method
Directorate of revenue staff,	70	15	Simple random
traders/businessmen,	80	6	Purposive
commercially oriented farmers staff	40	45	Simple random
civil servants,	10	8	Census
Arua City residents	30	26	Simple random
Total	230	100	

3.5 SAMPLING STRATEGY.

This covered the procedures used to determine sample size. To accomplish this research objective, two strategies were used.

Purposeful sampling Participants were selected using this strategy based on their resourcefulness and suitability for the study. This strategy allows the researcher to use their judgment in selecting crucial participants who, in their opinion, will make a significant contribution to data collection. This technique was used to collect data from three groups: businessmen and women, civil servants, and commercially minded farmers.

3.5.1 Random probability sampling:

This method involves picking individuals at random until the desired number of subjects is reached. This method was used to collect the sixty respondents for the three strata.

3.5.2 Instruments of data collection.

This section covers the methods and techniques used to collect data from respondents. This study used three fundamental methods and techniques.

3.5.3 Questionnaire.

This technique entailed authoring both open-ended and closed-ended questions so that the respondent could respond to both on the same sheet of paper as directed. The questionnaire was then distributed to respondents, who completed it before returning it to the researcher. The researcher also personally administered the questionnaire to the respondents.

This method/technique had the advantage of allowing data gathering from a wide range of respondents, resulting in a broader perspective on a subject under investigation. It also allowed respondents to openly express themselves without fear of the researcher or the subject of the investigation.

3.5.5 Interview.

Using this method, questions were written down (interview guide). A single respondent or a group of them were then given the questions by the researcher and/or assistant, and they gave verbatim answers. This method has the benefit of enabling the researcher to explore the intricacies of the topic being studied. Additionally, the leading questions were reworded to make sure the respondent understood them and gave the appropriate response.

3.5.6 Documentary review.

Documents pertaining to the study's goal were reviewed in order to provide the study's background, relevant literature evaluation, and findings discussions. Relevant references pertaining to the study's goal were gathered from Ugandan sources.

3.6 Research procedure.

The researcher received an official letter of introduction from the university's relevant authority once the research project was approved. This letter served as an introduction to the target audience and the city's relevant authorities. The researcher then used the designed data-collecting equipment to gather data after receiving approval from the Arua city authority. A week was allotted for data collection. After data collecting was successfully

3.7 Data analysis techniques

Both descriptive and inferential statistics were used in the SPSS software program to evaluate field data. While correlation analysis was utilized to determine the association between revenue collection and service delivery in AC, tables were utilized to display the findings.

3.8 Ethical considerations

Promoting the study's goals—knowledge, truth, and error avoidance—was the focus of this investigation. Examples include the prohibition of data fabrication, plagiarism, falsification, violation of the code of conduct, and misrepresentation of study findings. Thus, the researcher adhered to concerns regarding objectivity, honesty, confidentiality, and integrity when gathering data and disseminating study findings. Before giving the respondents the questionnaires and interview guides, the dean of the School of Business Administration sent an introductory letter, the director of the Revenue Department at AC granted authorization, and the respondents themselves gave their consent.

3.9 Limitation of the Study

The subjectivity of each respondent in survey research is the inherent limitation, and each survey has its own interpretation of the question, but the survey method was applied, and the limitation was identified and accepted in the current study. It was recognized that some responses were as a result of ignorance of an individual difference or unwillingness to participate by some respondents, but all the same, the study was able to reach significant conclusions with regard to revenue collection and service delivery in Arua City.

CHAPTER FOUR

4.0 Data presentation, interpretation and analysis.

4.1 Introduction.

This chapter presents the primary research and interaction findings. These have been provided in connection with the particular goals of the research and supported by the literature review. The study's findings are presented using straightforward percentages to highlight similarities and differences with those seen on the ground. The study's conclusions are then argued and supported by reviewed literature.

4.2 Respondent characteristics

A preliminary analysis of the respondents' characteristics included factors including age, sex, education level, and ward-specific location. The results are displayed in Tables 1 through 4.

Table 1 Number of the respondents by ward

Ward	No. of respondents	Percentage
Pangisa	19	19
Basaar	17	17
Tanganyika	21	21
Kenya	16	16
Mvara	27	27
TOTAL	100	100

Source: Primary Data

The records in Table 1 demonstrate that the research data collection covers the entire city of Arua. A representative sample of fifteen respondents was selected on average for each ward.

Table 2 The education levels of the respondents.

level of Education	No. of Respondents	Percentage
Primary	16	16
Secondary	21	21
Diploma	18	18
Graduate	18	18
Other (specify)	27	27
Total	100	100

Source: Primary data.

All of the respondents were literate, according to the findings in Table 2, which also implies that they were able to read and understand the questions. As a result, their answers can be considered legitimate and trustworthy.

Table 3 Age of the respondents

Age Range (Years)	Frequency	Percentage
50+	17	17
40-49	15	15
30-39	16	16
20-29	34	34
10-19	18	18
Total	100	100

Source: Primary data

Table 3's findings confirm that all of the respondents were responsible, mature individuals who could understand the questions posed to them, demonstrating the accuracy and dependability of the data.

Table 4 sex of the respondents

Sex	Frequency	Percentage
Female	66	66
Male	34	34
Total	100	100

Source: Primary data

This result indicates that the researcher was considerate of gender. It also highlights how women's empowerment in the field of studies has made them useful members of society today.

4.3 findings according to the specific research objectives

The impact of taxes on employment, health care, and education in Arua City was among the four goals the researcher employed to study the subject.

4.4 Objective 1: impact of taxes on education in Arua city

Table 5: Types of Education institution in Arua city

Response category	Frequency	Percentage
Health	35	35

Agriculture, Fisheries and forestry	16	16
Business institution	10	10
Media	11	11
Management institution	9	9
Tourism institution	9	9
Technical colleges	12	12
Total	100	100

Source: Primary data

According to responses in Table 5, the majority of respondents in Arua are health workers and students in health institutions, as indicated by the number of respondents in Mvara ward. Agriculture, fisheries, and forestry (16%), technical colleges (12%), media (11%), business institutions (10%), management institutions (9%), and tourism institutions (9%) are the other dominant enterprises, according to the research.

Table 6: Forms of the taxes below are the one paid by respondents living in Arua city

Response category	Frequency	Percentage
Income tax	17	17
Sales tax	15	15
With holding tax	16	16
Property tax	14	14
Market dues	12	12
License	15	15
Produce tax	11	11
Total	100	100

Source: Primary data

Table 6's findings indicate that income tax (17%) is the most often paid tax type, followed by withholding tax (16%) and sales tax (15%). The taxes that are paid the least are the sales tax and the product tax. The majority of taxes paid show income tax, which is paid by workers in city institutions that lower monthly individual income earnings.

Table 7: The impact taxes on individual education institution growth in Arua city

Response category	Frequency	Percentage
Improved	26	26
Stalled	19	19
Not improved	25	25
Not sure	30	30
Total	100	100

Source: Primary data

Table 7's findings indicate that the majority of respondents (30%) believe their institutions are not sure whether they are subject to taxes. 26% of them believe that the taxes they currently pay have improved their businesses. While 19% of respondents stalled their response, only 25% said that their institutions had not improved despite the taxes they currently pay. The results of this study make it abundantly evident that the current taxes are impeding the expansion of Arua City's well-established institutions. This is a result of a lack of knowledge about taxes and how they affect the city's companies and organizations.

Total 8: The impacts taxes on the rate of education institution growth in Arua city.

Response category	Frequency	Percentage
Increased growth	30	30
Stagnated growth	16	16
Decreased growth	22	22

Not sure	32	32
Total	100	100

Source: 'Primary data

Table 8's details show that the development of new institutions and the growth of existing ones have been uneven. While 32% of respondents said they were unsure about the growth of their institutions, 30% said that new institutions were still starting to appear in spite of the existing tax rates. Just 22% of those surveyed said that the present tax rates have caused institutions to decline. According to 16% of respondents, the existing tax rates have caused institutions' expansion to stall. Overall, Table Eight's findings indicate that respondents' perceptions of taxes have led them to express uncertainty regarding the establishment of institutions in Arua City due to the country's tax information.

9 (i) According to you, how has the levying of taxes affected growth of private institutions in Arua city

Table 9(i) The effect of taxes on the private institutions in Arua city.

Response type	Frequency	Percentage
Low profits being made	16	16
Incomes from the institutions have reduced	21	21
Some institutions have stagnated	24	24
Some institutions have closed down completely	32	32
Conflict with tax collectors	7	7

Total	100	100
-------	-----	-----

Source: Primary data

Table 9's findings indicate that respondents' responses regarding the impact of taxes were not all the same. Many respondents answered all the questions correctly; however, the majority believed that taxes had forced institutions to either shut down entirely (32%) or to remain stagnant (24%). Although some people believe that taxes have decreased the revenues of organizations or the amount of money that comes in, from the same.

(ii) Suggest how the above effects can be minimized?

.....

Table 9(ii) how the above effects can be minimized

Suggestions	Frequency	Percentage
Local taxes assessed by local tax authorities	41	41
A serious examination of the magnitude of each institution	29	29
Tax administrators should have human face in	20	20

assessment of taxes and their collections.		
Total	100	100

Source: Primary data

According to the mitigation measures for the effects mentioned above, 41% of respondents said that local tax authorities should assess the institution's local taxes. Additionally, 29% of respondents said they called for a serious analysis of each institution's size before assessing and levying taxes on it. Lastly, 20% of respondents advocated for the inclusion of human faces in the assessment and collection processes of tax administration.

In order to get enough information about the tax, the respondent's suggestion the local tax should be assessed by the local authorities in order to know what is on ground and in order to minimize

inconclusion: increased education costs: high taxes can lead to higher education costs for students and families. reduced access to education: high taxes can reduce access to education, particularly for low-income students. disincentivizes private investment: high taxes can discourage private investment in education. administrative burden: complex tax systems can increase administrative costs for educational institutions.

4.5 objective ill: impact of revenue collection on health service in Arua city

Table: 10 The rate Bills of treatment due to the current taxes in the health facilities in Arua city.

Response category	Frequency	Percentage
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Increased	44	44
Stagnated	13	13
Decreased	11	11
Not Certain	32	32
Total	100	100

Source: Primary data

44% of respondents believe that taxes are to blame for the treatment bills, according to the observation in the above table. Despite the fact that 32% of respondents were unsure of the reason behind the current treatment bills, 13% of respondents believed that the high taxes levied on healthcare facilities in the form of operating bills and on employees as the payee were the reason behind the rise in treatment bills.

Table 11 Findings on whether the bill changes of the essential treatment in the above table are caused by taxes.

Response Category	Frequency	Percentage
No	37	37
Yes	63	63
Total	100	100

Source: Primary data

According to the data in the table above, 63% of respondents believe that taxes on health services are to blame for the increased costs. The percentage of responders who disagreed was just 37%. The majority of responders agreed that taxes have increased bills, and it is implied that taxes are not the only factor that likely affects hospital bills for medical services.

Table. 12 Types of treatment that have their bills most affected by taxes.

Commodity Percentage types	Frequency	Percentage
Surgical operation	26	26
Normal delivery	29	29
Ultra sound scanning	23	23
x-ray scanning	22	22
Total	100	100

Source: Primary data

According to the responses in the above table, taxes have an impact on all treatment bills. The bills for normal deliveries (29%), surgeries (26%), ultrasound scanning (23%), and x-ray scanning (22%) are thought to be the ones most impacted by taxes. In order to collect the costs by raising treatment bills, some respondents mentioned additional expenditures that hospitals impose as payees for workers' taxes.

Table. 13 Findings on whether tax charged on doctors is primarily responsible for the high bills in the hospitals

Response Category	Frequency	Percentage
Strongly agree	36	36
Agree	18	18
Disagree	24	24
Strongly disagree	22	22
Total	100	100

Source: Primary data

The data in the table shows that the majority of respondents (36%) believe that the current high treatment costs are mostly caused by taxes levied on doctors. 24% of respondents, however, disagreed. This suggests that the current high treatment costs are not just the result of taxes levied on physicians, but rather that taxes have generally led to increases in treatment costs at medical facilities.

14(i) In your opinion, how has the levying of taxes affected the level of bill of treatment.....

(ii) In what ways can the above effects be minimized?

Table 14 (i) Findings on how taxes have affected bill of treatment in health facilities of Arua city

Response type	Frequency	Percentage
Generally increased prices	82	82
Stabilized prices	0	0
Reduced prices	18	18
Not certain	0	0
Total	100	100

Source: Primary data

The majority of respondents (82%) believe that taxes have typically improved the way that bills are handled in the city, as the table illustrates. Just 18% of respondents believed that taxes had only resulted in lower treatment costs. A significant portion of health facilities have reported higher bills as a result of taxes.

Table 14 (ii) Suggestions to improve on taxes affecting bills of treatment in hospitals of Arua city

Suggestions	Frequency	Percentage
Revision of taxes	45	45

Taxes on doctors should be lowered	33	33
Provision of incentives to newly hospitals	22	22
Total	100	100

Source: Primary data

Respondents who were asked what should be done to address the aforementioned situation recommended that doctors' taxes be lowered, as this will significantly lower treatment costs. In order to make hospital taxes affordable for households, they also recommended that they be reduced. Finally, they contend that incentives should be provided to local producers to produce at cheap costs so that their products have lower costs at the final stage of use.

in conclusion High taxes can lead to higher healthcare costs for consumers and businesses, particularly for low-income individuals. Disincentivizes medical innovation, High taxes can discourage medical research and innovation.

Administrative burden: Complex tax systems can increase administrative costs for healthcare providers.

4.6 objective ii: impact of taxes on employment in Arua city.

Table15: the table below shows Labor used in the institutions of Arua city

Response category	Frequency	Percentage
Self only (owner)	20	20
Self (owner) with some other help	29	29
Employed laborers work as hard as the owner	14	14
Employed, laborers work more than the owner	21	21

Employed laborers do all the work	16	16
Total	100	100

Source: Primary data

The majority of respondents (29) work at their institutions, albeit with some assistance, according to the responses in Table 10. Twenty respondents said they work alone for their organization. 21 respondents reported that their employees put in more work than they do, whilst 14 respondents stated that they put in the same amount of effort as the labourers they also hired. Just 16 respondents said that other workers do all of their work. The majority of institution owners participate in the activities of their organizations and other individuals as employees, according to the research.

Table 16 The effect of tax payment on hiring of Labour for the institutions means discourages hiring of labor.

Response category	Frequency	Percentage
Strongly agree	34	34
Agree	26	26
Disagree	19	19
Strongly disagree	21	21
Total	100	100

Source: Primary data

Table 16’s observations show that tax payments deter employers from hiring workers for their organizations. 26% of respondents agreed, with some disagreeing, and 34% strongly agreed. This implies that fewer people would typically be hiring workers, which would discourage employment.

Table 17 Labour as a bottleneck for the institutions in Arua city.

Response category	Frequency	Percentage
No	26	26
Yes, lack of unskilled Labour	15	15
Yes, unskilled Labour is too expensive	19	19
Yes, lack of skilled Labor	12	12
Yes, skilled Labor is too expensive	28	28
Total	100	100

Source: Primary data

Table 17's results indicate that 28% of respondents said that institutions that would require more skilled Labor are typically too costly. This implies the inability of the businesses that would like to hire skilled Labor to do so, hence restricting the availability of skilled Labor in the city. In a similar vein, as the table illustrates, an organization that would like to hire untrained workers would be denied employment since it seems costly. However, some respondents noted that Labor does not impede the institution. This could be the case for institutions that are solely managed by their owners, so preventing workers from applying for jobs that they otherwise could.

Table 18 Findings on whether the introduction of local service taxes has encouraged people to work harder.

Response category	Frequency	Percentage
Strongly agree	37	37
Agree	23	23
Disagree	18	18
Strongly disagree	22	22
Total	100	100

Source: Primary data

Table 18 shows that while the majority of respondents (37%) stated that the local service tax prevents individuals from working harder, roughly 22% of respondents strongly disagreed and believed that the new tax encourages people to work harder. It is clear from this that the new tax encourages people to work more, which raises the possibility of worker layoffs. But since this latter viewpoint is a minority one, businessmen's perception of the majority is the most widely held.

19(i) In your opinion, how has levying of taxes affected level of employment in Arua city

Table 19: (i) The effect of taxes levied on level of employment in Arua city.

Response type	Frequency	Percentage
Increased	22	22
Stagnated	24	24
Decreased	28	28
Not certain	26	26
Total	100	100

Source: Primary data

Only 22% of respondents believed that employment had increased, 28% believed that taxes had reduced employment, 24% believed that employment had stagnated, and 26% were unaware of the problem, according to data in Table 16. Most respondents believe that taxes deter people from working because they have a negative impact on their daily company income and what they receive.

ii) Suggest how the above effects can be mitigated

(ii). The Suggested measures to improve on taxes affecting the level of employment

Table 19 (ii) The following are measures to improve on taxes affecting the level of employment in the Arua city

Response type	Frequency	Percentage
New institutions exempted from tax's payment	37	37
Taxes on education equipment's should be scrapped or reduced	33	33
Installment payment at convenient time	30	30
Total	100	100

Source: Primary data

According to the respondents' opinions, new institutions—particularly those founded by young people who live there—should be excluded from paying taxes until their enterprises settle. Second, in order to provide school-age children with affordable educational resources, the tax on educational equipment should be eliminated or lowered. Third, in order to minimize the inconvenience that single, large payments cause taxpayers, taxes such as license fees should be paid in installments at convenient times.

Uncertainty Employers may find it more expensive to hire people as a result of high taxes. Businesses may become less globally competitive as a result of high tax rates. High taxes have the potential to deter business expansion and entrepreneurship.

CHAPTER FIVE.

5.0 discussion of the findings, conclusions and recommendations.

5.1 introduction.

An average of fifteen respondents engaged in providing data, according to the distribution of respondents by location (wards) in the study region, as shown in table one. It is therefore reasonable to assume that the opinions represented in the findings are those of the entire city of Arua. Regarding the respondents' educational background, the results in Table 2 show that every respondent who took part was literate. As a result, they were thought to have answered the questionnaire honestly and suitably, indicating that they were able to read and comprehend it.

The results in Table 3 indicate that the participants' degree of maturity was much higher than 20 years old. Given a sound mental state, such a level of maturity undoubtedly allows a reply to supply reliable data when asked. In terms of gender, special attention was paid to establish equal balance.

Table 4 indicates that 34% of respondents were men and 66% of respondents were women. Consequently, it was equally crucial to consider their opinions regarding the variable's research.

5.2 objective 1: impact of revenue collection on education in Arua city

Table 5 demonstrates that health institutes are the most prevalent institutions, while Table 6 reveals that market dues, license fees, and produce taxes are the main forms of taxes paid in Arua City. It also shows that many of the institutions in the studied region

The majority of respondents named the aforementioned institutions as their primary local institutions, as Table 5 clearly demonstrates.

When it comes to the effect of taxes on specific institutions, health institutes, agricultural institutions, fisheries and forestry institutions, and technical colleges

seem to be the most affected because, as table six illustrates, they are institutions for which taxes are paid either directly or indirectly on the services they provide as well as on other side businesses they own to boost their tax base.

The results presented in Table 7 indicate that the majority of respondents (30%) believe that their institutions are not certain if they would be subject to taxes.

However, another 25% of respondents felt that taxes had not improved the growth of institutions. Table 8, which attempts to determine the effect of taxes on the growth of institutions in Arua city, also demonstrates a similar trend as is shown in Table 7: 22% of respondents said that tax contributions are slowing the establishment of new institutions, while 16% thought that the growth of institutions was stagnating. These findings are consistent with the principle that taxes do affect the growth of institutions (Local Government Finance Commission 2024). In theory, taxes should promote the growth of individual institutions as well as the establishment of new ones.

Nonetheless, the results presented in Tables 7 and 8 run counter to the anticipated effect of taxes on the expansion of institutions. As stated by Omodero (2021) in the context of tax reform in Nigeria and by DN Mohammed (2018), the Arua City disclosure is averse to the institution's success.

5.3 OBJECTIVE II. IMPACT OF REVENUE COLLECTION ON HEALTH SERVICE DELIVERY

Table 10: According to the observation in the above table, 44% of respondents believe that the cost of treatment is a result of taxes. The existing tax rates are cited in Table 11 as the reason for the increase in treatment bills. This opinion is further supported by respondents, 63% of whom stated that taxes imposed on them directly or indirectly are to blame for the changes in the bills.

In an attempt to create the health service whose bills are most impacted by

Due to the substantial taxes paid by the physicians who perform normal deliveries and surgeries at these facilities, these procedures are ranked highly on the list. Once more, data in 13 indicates that the high treatment costs are mostly caused by taxes levied on physicians.

When asked about their opinions on the matter, one respondent mentioned that medications and medical supplies are shipped and delivered from the country's central regions. The fuel used for this haulage is gasoline and diesel, both of which are now subject to significant tariffs in Uganda. It's only therefore normal that transporters demand hefty transit fares

services provided, which is consistent with Ghanaian perspectives (F Nyonator, 1999) and (JK Kalonda, 2021).

5.4 OBJECTIVE III. IMPACT REVENUE COLLECTION ON THE LEVEL OF EMPLOYMENT IN ARUA CITY

The majority of the institutions are either owners or require only a little amount of supplementary labor, according to the findings in Table 10. The results indicate that fewer organizations appear to employ the appropriate number of workers to assist in operating the organization. It is evident from this that organizations that have the ability to hire workers are either not hiring them or are hesitant to do so.

Table 16's results appear to support the hypothesis that the findings in Table 15 are the consequence of taxes imposed on institutions. The majority of respondents (34%) blame taxes for the low employing labor rate. One respondent's interview explains the rationale for the aforementioned situation: "Hiring labor would require paying wages, which would imply to tax authorities that an institution is growing in terms of capital base." Because of this, tax assessors could give institutions a high rating.

Table 17's findings also show that the cost of skilled labor frequently prevents institutions from hiring it, even if they would like to. The unskilled labor likewise exhibits this same tendency. These opinions all point to a usually low rate of labor

recruiting by institutions. Sales taxes and other taxes imposed on trade goods frequently lower the earnings of traders and employees. Does eliminating the progressive tax encourage owners to become more motivated and put in more effort? This frequently demotivates employees.

A common saying goes, "When the going gets tough, the tough get going." As a result, one would anticipate that institution owners would put in a lot of effort, either alone or through employees, if they were burdened with levies like the local service tax. According to table 18, an analysis of the new local service tax's effects indicates that it is harmful because it further reduces both individual income and company profits. A situation like this can undoubtedly hinder savings and capital accumulation for investments, which in turn might eliminate jobs when investments slow down or stop altogether.

Table 19 (i) reveals that 28% of respondents believed that taxes had reduced employment, while table 19 (ii) indicates that respondents believed that new institutions, particularly those founded by young people who live there, should not be required to pay taxes until their businesses stabilize. Second, the tax on educational supplies ought to be eliminated or lowered in order to provide school-age children with affordable educational resources. Thirdly, license fees and other taxes should be paid in installments at convenient times to minimize the difficulty of large, one-time payments for taxpayers, according to the author (Advance Journal of Financial Innovation and Reporting, 2020).

5.5 CONCLUSIONS;

Considering the goals, results, and debates of the study, the following conclusions have been reached: There are currently few tax-attracting organizations and/or activities in the studied region. The services provided by public and private entities are the only ones that seem to catch the interest of tax officials. It is evident that the taxes that the aforementioned services draw have a detrimental effect on both the growth of the individual institution and the general expansion of the number of

institutions in Arua City. Contributions to taxes, either directly or indirectly, also do not encourage employment and hard labor. People are not being motivated to put in more effort by the removal of the G/tax or the implementation of the local service tax.

Furthermore, the institutions struggle to hire workers because doing so could result in excessive tax assessments and/or have a detrimental effect on company profitability. The cost of all necessary goods in the research sector has gone up. This rise is generally ascribed to the high taxes, particularly on petroleum fuel, which is crucial in determining transportation expenses, and, as a result, various services are

Higher taxes may result in increased healthcare expenses for both firms and consumers, especially those with lower incomes. Deters medical innovation High taxes can deter medical innovation and research. Administrative burden: Healthcare providers may see an increase in administrative expenses due to complicated tax systems.

Employers may decide to hire fewer people as a result of high labor costs. Businesses may become less competitive internationally as a result of high tax rates. In addition to discouraging entrepreneurship, it may also impair business expansion.

Employers may decide to hire fewer people as a result of high labor costs. Businesses may become less competitive internationally as a result of high tax rates.

Disincentives entrepreneurship: Exorbitant taxes may deter new business ventures and expansion.

Results indicate that tax payments made by both individuals and organizations reduce the revenue and/or profits generated by those organizations and services.

5.6 RECOMMENDATIONS;

The researcher would like to offer the following suggestions in light of the findings.

Before ultimately imposing a tax or taxes on an institution, the assessors should

carefully consider the size of the institution in terms of the amount of investment required for operation and real earnings. Encouragement should be given to new businesses that are established to create jobs, and these businesses should be granted tax breaks or holidays.

Taxes on petroleum products (diesel and gasoline) should be kept low to lower transportation costs; taxes on necessities like school supplies; business owners should train themselves to produce more goods and services so they can earn more money; improved methods of managing the institution will also help to cut down on waste and needless losses; and sound bookkeeping combined with broad decision-making will greatly boost profits and facilitate easy tax contributions.

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APPENDICES

APPENDIX 1 QUESTIONNAIRE

I am Geria Nelson Mandela a student of Uganda Christian University Arua Campus, doing research on the topic; Revenue collection and service delivery in Arua city (A case study of Arua city).

I have purposely selected you to help in answering questions on the questionnaire. Be assured that all the information given will be kept confidential.

Thank you for helping me.

Please complete this section by ticking in the appropriate box provided.

SECTION A

RESPONDENTS' CHARACTERISTICS

Your name

1. Which Ward do you reside in?

(a) pangisa

(b) Bazaar

(c) Tanganyika

(d) Kenya

(e) Mvara

2. What is your level of education?

(a) Primary level

(b) Secondary level

- (c) Diploma holder
- (d) Graduate
- (e) Others (specify)

3. In which age set listed below do you belong?

- (a) 50 years above
- (b) 40-49
- (c) 30-39
- (d) 20-29
- (e) 10-19

4. What is your gender?

- Female
- Male

SECTION B

Objective 1: impact of revenue collection on Education service in Arua city.

5. What type of Education institution is your institution?

- (a) Health Institute
- (b) Agriculture, Fisheries and Forestry
- (c) Business Institution
- (d) Media Institute
- (e) Management Institution
- (f) Tourism Institutions
- (g) Technical Colleges

6. Which of the taxes below do you pay?

- (a) Income tax
- (b) Sales tax
- (c) With holding tax
- (d) Property tax
- (e) Market dues
- (f) License fees
- (g) Produce tax

7. Have the tax (es) you pay Improved education in your locality in the last 2 years?

- (a) Improved
- (b) Stalled
- (c) Not Improved
- (d) Not sure

8. Have the taxes imposed on the education increased/decreased the number of education institutions in Arua city

- (a) Increased
- (b) Stalled
- (c) Decreased
- (e) Not sure

9 (i). In your opinion how has the levying of taxes affected education in Arua.

.....
.....

(ii). Suggest how the above effects can be minimized?

.....
.....

SECTION C

Objective II: impact of revenue collection on Health service in Arua city

10. Have the current tax rates increased/decreased the Treatment costs

- (a) Increased
- (b) Stagnated
- (c) Decreased
- (d) Not sure

11. Are the above bills changes caused by taxes?

- (a) No
- (b) Yes

12. Which services offered have their bill affected most by taxes

- (a) Surgical Operation
- (b) Normal delivering
- (c) Ultra sound scanning
- (e) X-ray scanning

13. Taxes charged on doctors is primarily responsible for
the high bills in the hospitals

- (a) Strongly agree
- (b) Agree
- (c) Disagree

(d) Strongly disagree

14 (i). in your opinion how has the levying of taxes affected the level of health service offered?

.....
.....

(ii). In what ways can the above effects be minimized?

.....
.....

SECTION D

Objective II Impact of revenue collection on employment in Arua city.

15. Who performs the work in your institution?

(a) Yourself

(b) Yourself mainly, with others working

(c) Others spend as much time on it as you

(d) Others spend more time on it than you

(e) Most of the work is done by others

16. Employing others to work on the institution (s) means paying more taxes and so it discourages hiring of labor

(a) Strongly agree

(b) Agree

(c) Disagree

(d) Strongly disagree

17. Is labor a bottleneck to your institution?

- (a) No
- (b) Yes, lack of unskilled labor
- (c) Yes, unskilled labor is too expensive
- (d) Yes, lack of skilled labor
- (e) Yes, skilled labor is too expensive

18. The recent introduction of local service taxes has encouraged people to work harder

- (a) Strongly agree
- (b) Agree
- (c) Disagree
- (d) Strongly disagree

19(i). In your opinion how has the levying of taxes affected level of employment in Arua city?

.....
.....

(ii). Suggest how the above effects can be mitigated?

.....
.....

APPENDIX 2 WORK PLAN

DURATION	ACTIVITY
May 15 th -30 th	Proposal writing and development of research instruments
June 1 st -15 th	Consultation with supervisors on proposal/instrument and their approval
July 1 st - 30 th	Data collection, organization and analysis Report writing/editing/binding
September 1 st -15 th	Submission of research report

APPENDIX III: BUDGET

Item	Description	Quantity	Unit Cost (Shs)	Total
1	A. Stationary			
	i) Ream of paper	1	20,000	20,000
	ii) Note books	4	25,000	20,000
	iii) Pens	5	500	2000
	B. Secretarial Work			
	i) Type setting and printing	1copy	50,000	50,000
	ii) Photocopying	3copies	10,000	30,000
	iii) Binding	3copies	2,000	6000
	SUB- TOTAL			128,000
2	Dissertation Production			
	A. Stationary			
	i) Ream of paper	1	20,000	20,000
	ii) Type setting and printing	1	50,000	50,000
	iii) Binding	3copies	25,000	25,000
	iv) Transport and feeding	10	10,000	100,000
	v) Airtime for commu11ication		10,000	10,000
	SUB-TOTAL			205000
	Grand Total			323,000