

**LOCAL REVENUE MANAGEMENT AND SERVICE DELIVERY IN
MBALE CITY UGANDA**

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DECLARATION

I **Kakai Harriet**, declares that this research Report entitled "*Local Revenue Management and Service Delivery in Mbale City-Uganda*" is original. It has never been presented anywhere in any institution of higher learning by any individual for any academic award.

Signed .. *Kakai Harriet* Date: *25/5/2024*

Reg No: *522/muc/00am/017*

APPROVAL FORM

This is to certify that this research Report entitled "*Local Revenue Management and Service Delivery in Mbale City-Uganda*" has been written under my supervision and it is now ready for submission for examination with my approval.

Supervisor.....*D. Nabende*
Date:.....*25th / 05 / 2024*

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LIST OF ACRONYMS

CC	City Council
DLG	District Local Government
DWD	Directorate of Water Development
ICT	Information Communication and Technology
IFMS	Integrated Financial Management System
IGF	Internally Generated Funds
KMs	Kilometers
LG	Local Government
LGA	Local Government Act
LTO	Large Tax Payer Office
MC	Mbale City
OECD	Organization of Economic Corporation and Development
PFAA	Public Finance and Accountability Act
TAI	Treasury Accounting Instructions
UGX	Uganda Shillings
UN	United Nations

ABSTRACT

Service delivery has for a long time suffered from inadequate funding because of challenges in the taxation system particularly regarding assessment, enforcement and collection. The current study investigated local revenue management and service delivery in Mbale City of Eastern Uganda. Specifically the study investigated the effect of tax assessment on service delivery in Mbale City and the effect of enforcement and collection of revenue on service delivery in Mbale City. It also identified the strategies for effective tax assessment and enforcement in Mbale City. The study used cross-sectional design to analyze data from the study area with the help of both qualitative and quantitative methods. The researcher collected data from 69 participants in the study area who were selected using simple random and purpose sampling and questionnaires. Other data was also collected through the use of interview guide. The study found that tax assessment on businesses in the city depend on the tax preference accorded to business enterprises and such assessment of business enterprises is usually made at the end of first quarter of the financial year. In Mbale City, tax assessment is always based on performance of a business enterprise and assessment rates are determined based on URA tax Acts. Additionally, tax officials in the city conduct tax mobilization activities for easy enforcement and collection and tax officials in Mbale City conduct tax collection activities early in the financial year. Further, revenue officials in this City balance their educational and assistance role with the enforcement role for successful tax collection and Mbale city revenue officials use government policies to collect taxes. The recommended that tax officials should register all business enterprises in city and identifying and prioritizing risks should be undertaken using existing internal primary data sets. In Mbale City, there is need for transparency in tax enforcement and collection and tax registration is should be done following URA tax laws and policies and that revenue officials should focus on adopting approaches designed to improve taxpayers' voluntary compliance

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The study seeks to establish the effect of local revenue management on service delivery in Mbale City. Local Revenue management constructs are; tax assessment, enforcement and collection and tax payer compliance. These influence services delivered which are; improved school enrolment, better health, improved drainage system, roads opening and rehabilitation, clean/safe water and street lighting. This is a cause-effect analysis as elaborated below;

This chapter therefore presents; the background of the study, statement of the problem, purpose of the study, research objectives, research questions, scope of the study, significance of the study, conceptual framework and definition of key terms.

1.1 Background of the study

Revenue management as far as public institutions are concerned is traceable in early 18th and later 19th when Great Britain initiated some of its projects that required continuous flow of resources from the subjects in form of taxes (Rose, 2020, cited in Abelson, 2021). The need for public revenues required that more taxes become imminent and many people got concerned on how public revenues realized from taxes was planned for and eventually spent to cater for public demands (Agrawal & Ferguson, 2017). To further note, revenue management in public department is as old as when public institutions started to offer public services to the people without charging for them.

Globally, the decentralization process has progressed furthest in Latin America, beginning with efforts in Chile and Colombia in the early 2020s, to delegate increased responsibilities to municipalities (sub-national administrations) for the delivery of health and other services. In some cases, conditions of resource scarcity brought about by macroeconomic crisis spurred countries to devolve responsibility to lower tiers of government (Prawda 2018). Governments in Colombia, Argentina and Brazil devolved powers to elected municipalities as part of a wider process of political liberalization, whereas the military regime in Chile favoured administrative deconcentrating to municipalities under the control of non-elected administrators appointed by the military (Nickson 2015).

In Africa, many countries have adopted reformed public finance management in local government systems at different times. kauzya, (2019) reports that South Africa, Ghana, Nigeria and Rwanda are among the African countries that decentralized powers and resources to a great degree in search of inclusive, involving and participatory governance that is able to enhance quality of public services.

Despite the enactment of a number of public finance management reforms since the 1990s, misappropriation of public funds in Uganda remains a challenge. On one hand, the reforms aim to create a sound public finance management system that supports aggregate control, periodization, accountability and efficiency in the management of public resources and the delivery of service critical to Uganda's development goals (Ministry of finance Planning and Economic Development, 2019). These include the enactment of the Budget Act, 2001; the 2020 Public Finance and Accountability Act 1 (PFAA), Treasury Accounting Instructions (TAI), 2018; and the implementation of the Integrated Financial Management System (IFMS) among others on the other hand, the prevalence of misappropriation of public funds by public servants, delays in fund disbursement, low absorption capacity by some departments, idle, dormant bank accounts continue to have a negative impact on the delivery of public services.

Mbale City like any other local government with decentralized powers, derives its mandate to deliver services of quality to its citizens from the 1995 constitution as amended in Article 177, and the LG Act CAP 243 section 35, 80 and 82 requires local government levy, charge and collect appropriate fees and taxes including rates, rent, royalties, stamp duties , personal graduate tax, registration, and licensing fees, section 80(2) of the same Act required each local Government to draw up a comprehensive list of all its revenue. This has been adopted under some of the fiscal documentation measures such budget transparency initiative, established accountability requirements linked to performance contracts, constitutional and statutory accountability bodies among others.

In addressing the problem of poor service delivery, the study will be guided by the benefit Theory of taxation developed by Lindahi, (2022). It assumes that for organizations to improve on service delivery, they should pay attention on revenue planning, revenue mobilization, and revenue expenditure and control.

However, most of the studies have been carried out in performance of Decentralised Local Governments (Mudalige P 2020), the influence of Government revenue collection on service delivery (Mbale City, 2020), Decentralisation of revenue management in chili (Nickson 2016), Public revenue management service delivery in Mbale City (Nagujja,2018).

None of these studies has delved in how local revenue management affects service delivery. This therefore forms the gist of the study

1.2 Statement of the Problem

Local governments are tasked to deliver public services for instance safe water, roads, education, health facilities among others to its citizens (Smoke, 2017). To realize the above services, Local governments need sufficient financial support or funding where it is mandated to use all powers vested to plan for revenue enhancement, implementing the revenue plan, and controlling its expenditure because tax payers will continuously keep on demanding for services after they have paid taxes (Section 35 of the Local Government Act Cap 243, Amendment 2023).Strategies have been made to improve the LG revenue with an intention to extend public service delivery such strategies include, revenue enhancement plan, implementation of the revenue plan and appraisal, sensitization of politicians, tax payers and staff, recruiting of competent staff and training, staff motivation, quarterly audits, reports and reviews among others (Bird, 2020).

However, local revenue enhancement in LGs continues to be a challenging and a worrying situation for instance, according to Mbale City revenue enhancement report (2018), the City suffered significant losses of revenue which indicates that out of 9,424 businesses that were eligible to pay trading licenses, only 7,033 paid and this resulted into a loss of UGX 24 million consistently. According to the Budget conference minutes of Mbale City report (2016), there is still a public outcry in terms of poor service delivery associated with littering garbage, and poor state of health delay in paying and issuing local purchase order. Despite the fact that there have been interventions employed by the central and Mbale City to improve service delivery, still there is poor service delivery. This could have attributed to revenue management.

The above developments have a knock on effect on service delivery if no intervention is taken. This therefore, warrants an investigation on the effect of revenue management on service delivery in Mbale City.

1.3 Purpose of the study

To establish the impact of local revenue management on service delivery in Uganda, the case of Mbale City

1.4 Objectives of the study

- i. To examine the effect of tax assessment on service delivery in Mbale City
- ii. To find out the effect of enforcement and collection of revenue on service delivery in Mbale City
- iii. To identify the Strategies for effective tax assessment and enforcement in Mbale City

1.5 Research Questions

- i) What is the effect of tax assessment on service delivery in Mbale City
- ii) What is the effect of enforcement and collection of revenue on service delivery in Mbale City?
- iii) Which Strategies should be used for effective tax assessment and enforcement in Mbale City

1.6 Scope of the study

The scope of the study was three folds:

1.6.1 Content Scope

The study was limited to establishing the effect of local revenue management on service delivery in Mbale City. Local Revenue management constructs are; tax assessment, enforcement and collection and Strategies for effective tax assessment and enforcement. These influence services delivered which are; improved school enrolment, better health, improved drainage system, roads opening and rehabilitation, clean/safe water and street lighting

1.6.2 Geographical scope

The study was carried out in Mbale City. Mbale City is found in Bugisu Sub-Region, in Eastern Region of Uganda. It is approximately 231 KMs, by road, east of Kampala, the capital and largest city of Uganda. It's also bordered by Sironko in the North, Tororo in the south west and Kumi in the North West, Pallisa in the west and the republic of Kenya in the East It lies at the western foot of the extinct Mount Elgon Volcano, which is 4321 meters above the sea level. The coordinates of the district are: 01 21N, 34 03E.

1.6.3 Time scope

The study was to be completed in one year; however, secondary data covered a period of five years from 2017 to 2022 to obtain the most current information. This is because; there has been shortfall in revenue collection which in Mbale City despite significant investments to improve collection

1.7 Significance of the study

It is hoped that the study may establish the effect of revenue management on service delivery in Mbale City as a case study for the other local governments in Uganda, The study may be of great significance as explained below;

Policy makers:- the study intends to document tax reforms in terms of tax laws, tax administrative control, tax payer support and information sharing and technology adoption and their prediction of tax payers' compliance. Its hoped that, the study finding will ascertain how Mbale City is managing local revenue mobilization.

Further research:-this research may be of value to the academicians and general public since tax issues have for a long time been viewed as a complex subject that should be left largely to tax experts and the government. This perception has contributed to the huge information gaps on issues of tax administration and compliance among members of the public. Academicians and researchers will use the research results as a reference material for further research.

Local Governments: the study might be helpful to Ugandan government and district LGs in formulating sound financial management strategies in revenue mobilization. It may also be important to the government in order to adopt policies to enforce financial discipline among LGs.

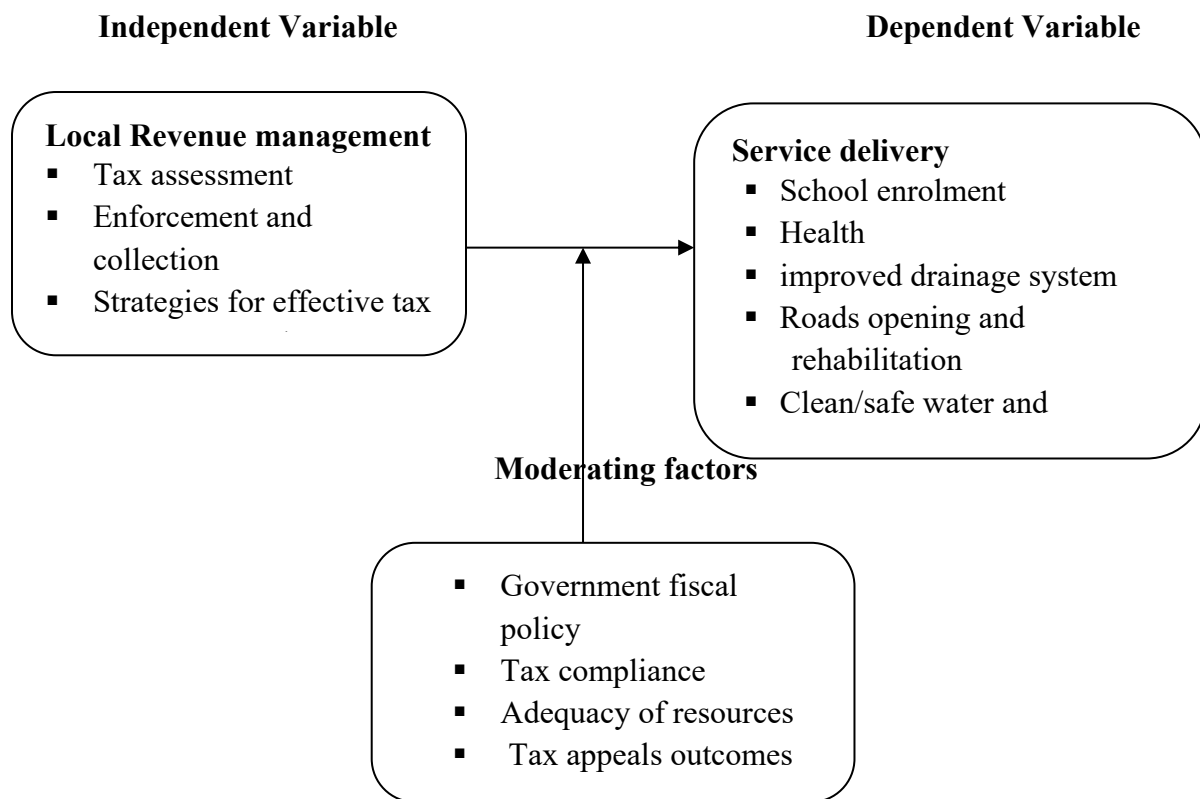
Revenue staff in LGs: The research findings of the study are likely to enlighten City Local government staff on the public revenue management process in the City and the obstacles that surround their efforts to realize this.

General public and other stakeholders:- The study findings may be of help to the residents of Kampala and other revenue management stakeholders so as to get reliable and accurate information concerning revenue Collection and their relationship to service delivery.

Development partners:- The study findings may be of importance to the development partners and donor community, who up to recently were the major funders of Ugandan government budget.

Researcher: To the Researcher, the study may contribute to the award of the Bachelors’ Degree in Public Administration and Management of Uganda Christian University since its part of the requirements. The information provided by the study may also help the researcher to articulate issues related to the topic since that is her area of professional service.

1.8 Conceptual Framework



Source; Adopted from Robin, (2011) and modified by the researcher (2024)

Figure 1.1: Conceptual Framework

In this study, the framework comprises of the independent variable which is local revenue management and dependent variable which is social services. Local Revenue management constructs are; revenue sources enumeration, tax assessment and enforcement and collection. These influences services delivered which are; school enrolment, Health, improved drainage system, roads opening and rehabilitation, clean/safe water and street lighting. However, for there

to be a measurable impact, the moderating variables have to come into play, which are; government fiscal policy, tax assessment and enforcement, adequacy of resources and tax appeals outcomes. This is a cause-effect analysis study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The research is intended to assess the impact of local revenue management on service delivery in Local Governments. The review of available literature therefore attempts to establish whether there is a correlation between tax reforms and tax payer compliance. The review particularly focuses on theoretical review, conceptual review and actual review of literature as per the themes guiding the study.

2.1 Theoretical Review

The study was guided by the Benefit Theory of Taxation developed by Lindahi, (2020). According to theory, the state should levy on individuals according to the benefit given to them. The more benefits a person obtains from the accomplishments of the state, the more the duty the person should reimburse to the government (Booker, 2018). This principle has been condemned because, first, if the state keeps a certain linkage between the benefits given and the benefits received, it will be in contradiction of the basic principle of the tax. A tax is principally an obligatory contribution done to the public authorities to meet the expenditures of the government and the supplies of general service benefit to all citizens with a special emphasis on taxation activities in Mbale City.

Furthermore, most of the expenses suffered by the state is for the overall benefit of its citizens, it is not likely to estimate the benefit received by a particular individual every year for it to be obvious how much duty this individual should be charged. According to this model there should be some advantage to those who pay taxes. The free-rider problem is the primary disapproval given for limiting the scope of the subsidy principle. Each individual can lower his tax cost by under reporting his aids derived from the public good or service (Brautigam, 2016). It assumes that taxes should be paid by an individual in proportion to benefits conferred by the State on that individual, is quite unrealistic because the benefits derived cannot be correctly measured in terms of money. Benefit is purely a subjective matter and there is no scientific way to measure the magnitude of benefit and its money value. For LG to improve on the level of service delivery, they should take into consideration revenue assessment, revenue enforcement and collection and tax compliance and this study will therefore investigate whether this phenomena is applied in Mbale City.

Additionally, Byrnes (2016) acknowledges that to curb and reverse the declining local revenue, many LGs come up with revenue enhancement plans that entail identifying revenue sources among others to increase the revenue base. The scholar adds that the actual collections could be less than the budgeted. This shows negative performance in revenue collection and it is not desirable if the Local Government is to deliver quality and sufficient services to its people (Tregilgas, 2016). The challenge with the above scholarly works is that LG are time and again affected by the prevailing sources of local revenue which are fewer and therefore negatively affecting their revenue target thus creating a research opportunity for this study

According to Fjeldstad et al., (2020) while referring to a study in Tanzania found out that LGs needed to meet certain minimum conditions in order to access development funds. The scholar goes ahead and argues that such conditions are intended to reinforce good governance for instance approved annual plan and budget; submission of final audits on time; no adverse opinion audit certificate awarded to latest accounts of the council; and submission of quarterly financial reports. Such requirements are seen as minimum safeguards for handling funds, and aim to entrench accountability on the part of the staff and leaders of the councils. Furthermore, Tregilgas (2016) stresses that LG fail to avoid unrealistic increases from revenue enhancement activities, which make the realization of revenue and service delivery to be more of a dream than a reality an issue this study will investigate in Mbale City

2.2 Empirical Review

2.2.1 Effect of tax assessment on service delivery

The spirit of decentralization is that local government should generally be in a better position than the central government of Kenya to identify local needs, and to deliver public services accordingly (2016). Given this background, the local government is enjoined to identify and raise revenue from local sources in form of rates, tolls, property tax, fees and fines among others to boost their financial base for development of the locality (Bray, 2018). In addition to the Internally Generated Funds (IGFs), the local governments are expected to fashion out projects and programmes that allure to poverty reduction in their local areas. Although Brewer, Chandler and Ferrell together with Bray provided very good recommendations, their study was carried out in Kenya not in Mbale City which will investigate the effect of local revenue management on service delivery and thus their results are not reliable creating a need for this study.

Local governments in developing countries derive their revenues from two principal sources: funds transferred to them from a higher level of government, and funds collected and retained in the locality itself. Funds coming from higher levels of government (national, regional, and/or state/provincial) are referred to as transfer payments (Jeremy and Fraser, 2018). The rules governing the flow of transfer payments are part of the laws on intergovernmental fiscal relations. Transfer payments are typically allocated from a specific revenue source that is controlled by the higher level government (e.g. a national value added tax, income tax, or oil revenues) (Blazek, 2015). Transfer payments may be allocated downward on an established formula basis, or an ad hoc basis. Transfer payments may be stable and predictable over time, or they may vary substantially from year to year (Abonyo, 2018). Regardless of their characteristics, transfer payments are not known sources of revenue because they are not under the direct control of the local government and this issue will be subjected to further research by this study in Mbale City.

At sub-national level, effective administration is essential for mobilizing local government revenues. During the last two decades most English-speaking and French-speaking countries (Fossat and Bua 2023) in Africa have taken decisive steps to modernize the national tax administration. This modernization largely consists of the implementation of international good practices that are now widely recognized and generally accessible (Kloeden 2021). Central government revenue administrations in many countries have thus been able to move from administration by tax category to management centered on the main taxpayer categories (implementation of units for large businesses and in some countries for medium-sized businesses) (Fossat and Bua 2023). Central tax administrations have sought out effectiveness by concentrating their administrative resources on the main stakes, and they have been able to bring quasi-voluntary tax return procedures into general use. Many national tax administrations have also adopted modern information processing tools based on single tax identification numbers (Fjeldstad and Moore 2019). Overall, many central government tax administrations have pursued greater administrative effectiveness by defining strategic plans and applying performance contracting (e.g. in Senegal). In many Anglophone African countries, advances in administrative effectiveness are reflected in the establishment of semi-autonomous revenue authorities and this study will find out whether this is implemented in Mbale City.

In contrast to what has taken place at the national level, improving the effectiveness of the local government administration has generally not been a priority for African governments (Fjeldstad and Moore 2019). Local government revenue administrations are commonly characterized by several agencies responsible for collecting different revenue sources, duplication of duties between the various collection agencies, poor exchange of information with other public institutions, unreliable revenue assessments, poor data and information processing (Fjeldstad and Heggstad 2021). The slow progress to strengthen local revenue administrations contrasts the increasingly important role planned for local authorities in the supply of public services and infrastructure. Nearly all African countries now have decentralization of public services provision on the policy agenda an issue that the researcher will find out in Mbale City.

For businesses coming under the general business license, tax administrations remain confronted with the difficulty of taxing often very different types of business enterprises. For small-sized businesses that do not keep any accounts, it is not possible to reliably assess the turnover. Bodin and Koukpaizan (2019) propose a new segmentation of small businesses to address this issue. Micro-businesses, which are the most numerous, could be made liable to a simple presumptive general business license regime excluding any reference to turnover. A purely presumptive tax has the advantage of not requiring any highly qualified administrative personnel to apply it. Moreover, the transparency of such a tax is important from the taxpayers' perspective, especially considering that they are often illiterate and have limited knowledge about taxation. This study will thus find out in Mbale City whether transparency of the taxation system is important from the taxpayers' perspective, especially considering that they are often illiterate and have limited knowledge about taxation.

It is important to establish an accountability relation between local taxation and the provision of local public services (Bird 2019). Such an accountability relation is essential for the local authorities to fulfill the needs of citizens and for improving the effectiveness in the supply of public goods. This is in line with deepening local democracy based on principles of accountability (Kloeden 2021). However, this does not imply that local government authorities should be left to act on their own without financial and technical support from the central government. There is a need for the central government to have a coordinating as well as regulating role of local authorities (Kloeden 2021). The reality is that most local government authorities in Africa will continue to be heavily dependent on fiscal transfers from the central

government for a long time. Only a few large urban governments located in wealthy areas are able to finance a substantial share of their total expenditure with their own revenue sources and this will be investigated by this study in Mbale City.

Makanga (2020) broke corporate tax administration into various components and these include; identification and registration of the taxpayers, assessment, and sensitization, collection of taxes, monitoring and review of corporate tax systems. Tax payer identification and registration has an effect on tax payer's compliance. If more and more tax payers are identified and registered, the number of potential tax payers who would otherwise evade such taxes is reduced. The UN report (2022) suggested that if tax payers become aware that their colleagues with the same level of income are registered, they are most likely to avail themselves for registration and thus increasing compliance. Therefore, this study will find out whether tax payer identification and registration has an effect on tax payer's compliance in Mbale City.

Alam and Noore, et al., (2022), carried out a study on relationship between Regional autonomy and local resource mobilization in eastern Indonesia. Their paper addresses this question by focusing on Indonesia's most recent decentralization policy and assessing and analyzing the role of local government's resource mobilization on service delivery. Fiscal decentralization empowers sub-national governments to raise sufficient revenue from local sources thereby reducing their dependence on the national government? Based on data collected from two different locations in Eastern Indonesia the study shows that the dependency of local authorities on central government is excessive and that the share of local revenue in regional budget has remained rather small. It also shows that while the fiscal power granted to local governments is limited, a combination of politico-economic and contextual factors has further undermined the prospect of revenue mobilization at the local level to effectively provide social services. Although Alam and Noore, et al. study report very good findings and recommendations, their study was carried out in Eastern Indonesia not in Mbale City of Uganda with a different taxation system and practices thus applying their findings will sound discriminatory and this study will fill this gap.

Previous studies carried out, for instance by July, (2016) on decentralization, local taxation and citizenship in Senegal, focused on the politics of revenue collection in a framework of decentralization, democratization and multiparty politics as experienced in the small village of

Barkedji in the pastoral region of Senegal. In Senegal, revenue collection has recently been transferred from state administrators to locally elected councilors. Contrary to the assumption of the good governance doctrine, this transfer of responsibility has not resulted in a strengthening of democratic structures where taxpayers demand (and gain) public services and more political representation in exchange for increasing taxes. In Barkedji, as elsewhere in Senegal, tax compliance hit rock-bottom after tax collection became the responsibility of local councilors. Meanwhile other types of local institutions, with less clear state relations, are able to mobilize large amounts of revenue outside the normal tax channels for the delivery service. Juli, (2016) study unearthed adequate data on the subject under investigation, it was on decentralization, local taxation and citizenship in Senegal, focused on the politics of revenue collection in a framework of decentralization, democratization and multiparty politics not local revenue management and service delivery in Mbale City and this have created limitations in literature an issue this study is going to address.

A Study carried out by Brooksons, (2022), on the impact of local government finances and financial management in Tanzania. This study examined the capacity of local government authorities in Tanzania with respect to financial management and revenue enhancement, and analyses trends in financial accountability and efficiency for the period 2023-2016/17. The study covered six councils in Tanzania: Bagamoyo District Council, Illala Municipal Council, Iringa DC, Kilosa DC, Moshi DC, and Mwanza City Council. Data was collected using a combination of quantitative and qualitative methods, including two rounds of a survey of citizens' perceptions in the case councils in 2020 and 2021. They sought to determine the degree of fiscal autonomy; methods of revenue collection, financial management, including budgeting, accounting and auditing, transparency in fiscal and financial affairs and tax compliance and fiscal corruption (Blazek, 2017). Based on evidence collected, the study concludes that the process of decentralization by devolution under the Local Government Reform Programme has contributed to improving local government capacity for financial management (Blazek, 2017). The study found that the reforms had reduced the fiscal autonomy of local government authorities. The central governments currently contribute the bulk of local government revenues through transfers and still largely determine local budget priorities and enhance provision of service in local areas. Brooksons, (2022) (Blazek, 2017) are credited for undertaking that gave rise to a series of taxation policies in Tanzania, there study concentrated on impact of local government finances

and financial management in Tanzania not on local revenue management and service delivery in Mbale thus creating a research gap for this study to fill.

2.2.2 Effect of enforcement and collection of revenue on service delivery

Today, revenue collection system involves investing in modern technologies for example: ICT in order to upgrade the revenue system to achieve integration and information sharing so as to enhance efficiency and effectiveness of the system. All sectors of LGs should put in place an effective and efficient revenue collection system in monitoring framework that ensures adequate supervision of the budgeted programmes and project activities to enhance accountability and absorption of resources (Amin, 2018).Automation of revenue collection systems and structures is instrumental in improving and simplifying administration of taxation through utilizing modern technologies for example ICT. They looked at other variables such as ICT, tax information integration and information sharing in town councils not cities thus making applicability of their findings extremely impossible and this has created a research opportunity for this study which will look at the effect of tax enforcement and collection of revenue on service delivery Mbale City of Uganda.

Ivanova. A. (2015), states that navigating through the tax clearance process is complex and cumbersome to pay taxes, the temptation for corruption as a short cut could arise, to both save time and reduce uncertainty about how much tax to pay. If the fine on being caught depends on the amount of income or the amount of tax concealed, reducing tax rates may lead to an increase or decrease in compliance, if wages of revenue administration personnel are very low, corruption may be considered an acceptable way to supplement income. Khaliazadeh et al argues that the tax system comprises both structure and administration. It is therefore important that structural and administrative reform be considered together if tax reform is to accomplish the goal usually attributed to it.

Local government taxes have been accused of involving high administration costs of collection. Contracting out tax collection in local authorities has therefore been seen as a solution to reduce such costs and losses of revenue through bribery and pilferage by local authority officials involved in revenue collection. Bird (2021) agrees that the cost of taxation is a relevant consideration in shaping the tax structures. George (2022), Evidence from around the world has made it clear that corruption in revenue administration is a serious problem. In some countries,

like Peru and Uganda, corruption in the tax administration was so endemic that the government closed it down and started a new one. In many developing countries, applications for poorly paid customs jobs are far higher than for a similarly paid government job, which suggests applicants saw as possibility of making extra money. Dos Santos (2015), Anecdotal evidence has shown that where revenue administration processes have been modernized, as through the creation of a fully functional Large Taxpayer Office (LTO) and the computerization of customs procedures, revenue collections have improved and corruption has been reduced.

A good tax administration system must have a good monitoring system to ensure efficiency. The monitoring system involves examination of the tax returns primarily with respect to checking the timely arrival inclusion of the information and arithmetic accuracy of all tax records (Uslaner, 2023). An effective monitoring system should check the accuracy and timely arrival of taxpayer's information, determine who has paid and who has not paid, check the taxpayer's declarations, and detect presence of fraud and collecting the taxes already assessed.

Efficient tax administration lies in the choice of good administrative procedures, good methods of conducting audits, appropriate technology, enforcement, increasing compliance by threats of higher penalties imposed on the tax defaulters and minimizing complexity (Musgraves, 2019). There a number of implications if the societies are not sensitized about their rights and obligations under the tax system. According to Willis (2016) the cost of enforcing an effective tax administration system may seem realistic but may raise others. Processing costs may reduce and basically lowers on the compliance burden to taxpayers. However, other aspects like enforcement costs may increase because the tax authority would no longer be able to rely on withholding and information returns as enforcement tools. The way the tax system is administered can affect tax compliance.

Ahmad (2017), point out four models of tax administration in a decentralized environment which are; central government tax administration, central government tax administration with assignment of taxing powers to different levels of government, multilevel administration with revenue sharing, and self-administration by each level of government. Another tax administration model which is mostly preferred by most Tanzanian LGs is contracting out services to private companies. A complicated and non-transparent local government revenue system is costly to administer and it facilitates corruption and mismanagement (Bardhan and

Mookherjee, 2022). Government revenues must be adequate to finance government investment in human capital development and allocate a higher proportion of expenditure to social services such as education, health, infrastructures etc.

Hawkins (2019) asserts that enforcing the collection procedures requires creating awareness (education) and advising taxpayers about their obligations as partners in the tax administration system. However, the tax authority has not created enough public relations about its tax education. The interactive website is too complicated for taxpayers whose knowledge about internet usage still wants, the call center has along waiting time, flyers and bulletins are only available at the information centres thus limiting access to such valuable information to taxpayer (Bardhan and Mookherjee 2022). Hence, lack of enough awareness amongst the tax societies about the tax obligations and rights leads to serious effects in respect to the tax system and its objectives.

In view of the above, Panday (2016) carried out an empirical study whose main goal was to establish the influence of adoption of technology on revenue mobilization in India. He used regression analysis among a random sample of 20 local governments in the country. The results of the study revealed that for government to compare in execution with the development and desires of its constituents, it should significantly build its financial profundity without causing expensive repeating overheads. Panday (2016), in his study on use of technology on`

revenue in Malaysia collections using 120 questionnaires distributed to employees of the country revenue. He further noted that technology adoption through systems automation, have been seen to be fit for acquainting bigger efficiencies with accumulation of street parking fees that can enhance the income. Implementing technical arrangements towards the vital objectives for the government is a key stride towards guaranteeing effectiveness in the collection of street parking fees.

In Kenya Ojera, & Siringi et al., (2023) study found that there is a relationship between Information Systems (IS) and both efficiency and effectiveness in revenue collection, there is a strong positive relationship between Internal Control Systems and revenue collection. However, resistance to change by the council staff was derailing the full implementation of IS. The study is useful to the present study for full integration of IS, and more specifically e-payment system, in revenue collection. Another study by Kinyanjui and Kahonge (2023) in Kenya revealed that the

use of e-payment by mobile phone based technology in mobile parking increased parking fees collection. It recommended for development of an application to control traffic flow, allocation and availability of parking space within the streets of Nairobi but failed to handle the penalty payment mechanism, an issues the present study has to handle carefully. Kirichu, & Senagi et al, (2017) study was vocal in agitating for e-payment in Nairobi County and the parking industry using mobile parking management system but the study was cognizant of the barriers which could be overcome. The study did not give the specific mechanisms of overcoming these barriers, which the current study will do. The study by Nyongesa (2017) found that the use of automation of revenue collection system would widely increase the revenue collection but it was not clear how the revenue collection would be influenced by e-payment.

2.2.3 Strategies that can be used for effective tax assessment and enforcement

Muema, Kyambo et al., (2020) found that in identifying, analyzing, and prioritizing risks, basic top-down analysis should be undertaken, using existing internal primary data sets, with free or low-cost IT products, For example, tools such as Microsoft Excel and Microsoft Access, and open source query tools are relatively cheap and may be deployed to assist in the analysis of the existing data sets for effective tax assessment and enforcement and enhance service delivery. A small number of staff may require training in the use of these tools, and free or low-cost online tutorials are often available. This study will thus investigate whether in Mbale City tax risks are identified analyzed and prioritized through top down analysis.

According to Ojera, & Siringi et al., (2023), field staff observations and experience can also be used for effective tax assessment and enforcement. This bottom-up analysis may involve frontline teams and regional offices through, for example, the use of structured analysis of field activities, including requests for assistance; commonly observed errors; sectors or business segments where registration and filing compliance is low; audit results and reasons for adjustments; and use other field observations to identify areas for closer attention. Other stakeholders, such as industry and business associations and accounting bodies, should also add a valuable risk perspective and this study will find out whether field staff observations and experience can also be used for effective tax assessment and enforcement in Mbale City.

In his study, Onayngo (2020) argued that using the top-down and bottom-up processes, compliance issues are initially framed at a high level, describing general behaviors, which, if occurring, are likely to lead to revenue loss and/or damage to community confidence in the integrity of the tax system. These behaviors are should be analyzed and described at a category level as a cluster of risks requiring treatment. Evidence about the magnitude of the risks (likelihood and consequence) is gathered and used to prioritize category-level risks and to determine resources to be assigned to risk treatment. An aim of category-level risk analysis and prioritization is to narrow the focus down to a smaller number of priority areas for comprehensive action. Compliance improvement strategies and operational plans should be then developed based on analysis of compliance behaviors for effective tax assessment and enforcement and enhance service delivery and this will be subjected to investigation by this study.

It is widely recognized that to achieve high levels of compliance with tax laws, revenue bodies should focus on adopting approaches designed to improve taxpayers' voluntary compliance (Davis, 2019). To be successful in achieving this goal, revenue bodies need to understand the links between the way in which they administer the tax system and the way that taxpayers approach their compliance obligations. In determining treatment strategies, the goal is not just to correct incidences of noncompliance. The strategy must also contribute to longer-term behavioral shifts desired and improve tax assessment and enforcement and enhance service delivery. Typically, a revenue body should seek to reserve the most intensive compliance treatments (such as investigation, prosecution, and comprehensive audit) for use in the most serious cases (based on the seriousness of the behavior and the amount of revenue at risk). Treatments should be proportionate in order to build community confidence in the fairness of the tax system and trust in the tax administration. Thus this study will find out whether in struggling to achieve high levels of compliance with tax laws, Mbale City has focused on adopting approaches designed to improve taxpayers' voluntary compliance.

Mookherjee, (2022) argued that there is increasing recognition that expensive one-to-one corrections such as field audits should be used carefully, and that compliance risk management should include a broader set of interventions to correct taxpayer errors. Revenue bodies are

adopting other approaches to correction, such as automated monitoring and matching systems, and promoting self-correction as an alternative to audit. Voluntary disclosure programs should be routinely offered for effective tax assessment and enforcement and enhance service delivery usually involving reduced penalties as an incentive. Detection activities according to Mookherjee if designed well should support prevention and correction. If taxpayers believe that there is a high risk of detection, then this may act as both a deterrent to noncompliance as well as a means to effectively identify higher risk cases requiring correction. Good detection also builds credibility an issue that this study will investigate in Mbale City.

Okiiria and Okiidi (2018) found that effective compliance improvement requires cross-functional collaboration at all stages of the compliance risk management process for effective tax assessment and enforcement and enhance service delivery. Understanding compliance risks, developing treatment approaches, and implementing those approaches, are all likely to be more effective when considered holistically. Considering compliance risks through a single functional lens may result in a simplistic or even erroneous diagnostic, as each functional area may tend to rely on the tools available, and see the problem through that lens. Inevitably, auditors will see audit as the solution, service providers will see education as the answer. This study will therefore investigate whether in Mbale City, selection and delivery of the most appropriate suite of treatments or combination of treatments is best supported through collaborative engagement of all functional areas in the strategy development process.

Creating an environment to support cross-functional collaboration and holistic approaches in compliance risk management requires new organizational arrangements; both structural and procedural (World Bank, 2019). Revenue bodies may create a compliance risk management unit (perhaps within the planning department) to develop the research, data, and analytics capability, and to provide organization-wide processes and procedures and training on compliance risk management This unit may also be responsible for coordination of the annual compliance risk management processes, including the development of the annual compliance program and preparation of performance reports for effective tax assessment and enforcement and enhance service delivery, a phenomena that this study will find out in Mbale City.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

In order to achieve the desired outcomes of a non-biased study report, this chapter presents the methods that the researcher employed while conducting the study. It shows the research design, study population, sample size and selection, sampling techniques and procedures, data collection methods and techniques, validity and reliability of instruments, procedure of data collection, data analysis and ethical considerations.

3.1 Research Design

The research design is as a detailed outline of how a given research was conducted (Etyang, 2018). Descriptive research design is a type of research design that aims to systematically obtain information to describe a phenomenon, situation, or population. More specifically, it helps answer the what, when, where, and how questions regarding the research problem rather than the why. (Maryam et al, 2018). Descriptive research is an appropriate choice when the research study as it aims at identifies characteristics, frequencies, trends, and categories. The study was concerned with gathering of data manually. The descriptive research design involved observing and collecting data on a given topic without attempting to infer cause-and-effect relationships. The findings from descriptive research provide were valuable insights and inform future research, but do not establish cause-and-effect relationships (Mugenda and Mugenda, 2019). Using descriptive research design helped to provide a comprehensive and accurate picture of the population or phenomenon being studied and describe the relationships, patterns, and trends that exist within the data.

3.2 Sample size

The study population was drawn from Mbale City and they included tax payers, revenue officials and City leaders. The population consisted of 40 tax payers, 30 Revenue officials and 10 City leaders totaling to 80. Population specification is a requirement in the documentation of both qualitative and quantitative research and essential at arriving at valid and reliable findings (Asiamah, Mensah, & Otenga-Abayire, 2017). Tax payers are chosen to participate in this study because they have first hand information regarding the effect of local revenue management on service delivery. Additionally, revenue officials were included in the study because they are they

are involved in revenue collection activities and therefore they have required information that addresses objectives of the research study. The City leaders were chosen to participate in this study because they supervise and implement revenue policies and administration of service delivery and thus they have reliable data to support the research study.

3.3 Sample selection

The total population (N) was 80 people and therefore the sample population shall be 69 respondents, that is to say; 36 tax payers, 28 Revenue officials and 5 City leaders using Krejcie and Morgan (1970) methods of determining sample size from the population (Sarmah & Hazanka, 2012). The sample size was reached at by means of a table for ascertaining sample size by Krejcie and Morgan(1970) (see attached Appendix II). The sample size from each category of respondents will be ascertained by simple random sampling as shown in table 3:1 below.

Table 3.1 Summary of the Sample Size and Sampling Technique

Category	Target population	Sample size	Sampling technique
Tax payers	40	36	Simple random sampling
City revenue officials	30	28	Purposive sampling
City leaders	10	5	Purposive sampling
Total	80	69	

Source: primary data, (2024)

3.4 Purposive Sampling

Purposive sampling is a non-probability sampling method. This is a form of sampling technique that allows the researcher to use cases that have the required information with respect to the objectives of the study (Creswell, 2014). In this study, subjects were therefore be handpicked they are informative and they possess the required characteristics. Purposive sampling technique was used to get 28 Revenue officials and 5 City leaders from Mbale City. These respondents purposively sampled because of their positions and the researcher was able to get in-depth information that helped to answer the research questions.

3.4.2 Simple Random sampling

Simple random sampling is a type of probability sampling in which the researcher randomly selects a subset of participants from a population. Each member of the population has an equal chance of being selected. Data is then collected from as large a percentage as possible of this random subset (Mugende and Mugenda, 2016). Simple random sampling was used to get 36 tax payers. The goal of simple random sampling technique is to give every participant a chance to participate in the study. It involved giving a number to every subject of the accessible population, placing the numbers in the container and then picking any number at random. The subject corresponding to the numbers was then included in the sample. This sampling technique enabled the researcher to get a representative sample for the research study and it allowed generalizability to a larger population with a margin of error that was statistically determinable.

3.5 Research methods

These are strategies processes or techniques utilized in the collection of data or evidence for analysis in order to uncover new information or create better understanding of a topic. The researcher used both questionnaires and interview.

3.5.1 Administering Questionnaire

In this method, a set of questions were designed, by the researchers and given to various groups of the study population who were sampled in order to collect information concerning the study. This method is suitable to the categories of respondents as it helped her to reduce the emotional and other unconsidered reactions and it saved time and provided chance to the respondents to offer.

3.5.2 Interviewing

Interviewing refers to a process of direct interaction between a researcher and a client to get the appropriate information. Information acquired from clients was accurate and promoted a valid study. Face to face interactions with the selected categories of people was used. This was directed to local leaders, regardless of their schedule. This enabled the researcher to get relevant information as well as first hand information any forms of bias other people.

3.6 Research Instruments

The researcher used both questionnaires and interview.

3.6.1 Questionnaire Guide

The research used questionnaire survey data collection method. The questionnaire survey comprised closed ended questions which were answered by tax payers. Questionnaires are regularly used in social research. This method allowed the researcher to cover the respondents rapidly and cheaply (Bordens & Abbott, 2014). The researcher used self-administered questionnaire as a research tool to collect data from 69 teachers. The questionnaire consisted of an introductory note. Section A for respondents' demographic information, Section B, C and D had questions on study variables. The researcher got a list of 36 tax payers identified through probability sampling to whom the questionnaires was administered.

According to Fisher (2004), a questionnaire is used because it is easy to administer, not so expensive, and helped to collect unbiased data. The nature of the questions were in form of structured and close ended questions where by a 5 Likers scale of measurement was on close ended questions based on a scale of strongly agree (5), agree (4), unsure (3), disagree (2), strongly disagree (1). Questionnaires were used because they allowed respondents to provide firsthand information which is free of bias and it is also easy to use.

3.6.2 Interview guide

Other data was collected through interviews with the help of an interview guide. An interview guide is a research instrument that contains a set of questions on defined issues under study that are put to respondents on face to face basis (Saunders, et al, 2019). An interview guide collects data that supports the researcher through directing an interview process towards the objectives and issues regarding the study (Etyang, 2018). The interview guide consisted of open-ended

questions and it was answered by City revenue officials and City leaders. The interview guide helped the researcher to assess whether all questions had been asked or not. The interview guide was used to collect data from 05 revenue officials and 10 City leaders because this category of study population may have more knowledge that could not be fully captured using questionnaires.

3.7 Data Analysis

3.7.1 Quantitative data analysis

Any data that is presented in numerical form like statistics, percentages among others are referred to as Quantitative data. Quantitative data got from questionnaires was computed into frequencies, counts and percentages. The initial step in preparing this data is coding. This involved allotting numbers to the respondents' responses in order that they can be fed into a database (Sekaran & Bougie, 2016). Responses were fed into a data base after they are coded. Raw data was entered using the SPSS Data Editor. Data was presented using different methods such as simple frequency tables which ultimately helped to measure the effect of local revenue management on service delivery. This was because data presentation requires clear portrayal of the findings presented, and the listed methods above clearly fulfill that purpose.

3.7.2 Regression Analysis

Regression analysis was used to analyze and measure the effect of local revenue management on service delivery because it is the most appropriate and presents minimal interference by the researcher and it give no room for manipulation of data. This type of inferential statistics is easy to compute and interpret and they also help in making conclusions. Descriptive statistical techniques (frequencies and percentages) were used to analyze field data from questionnaires and assist in the interpretation of data.

3.7.3 Qualitative data analysis

On the other hand, qualitative data gathered from open-ended questions in the interview guides was arranged into themes and presented in narrative format. A style called content analysis was used to test the validity and authenticity. Data in form of words is Qualitative data. The initial step in analysing this data is cutting it down through coding and categorization. Data reduction is the procedure of choosing, ciphering and placing data into categories. Coding is the analytic

procedure by which the qualitative data that the researcher had gathered were cut down (Sekaran & Bougie, 2016). The intention of ciphering is to help the researcher to make conclusions that are meaningful on the data. Codes are labels assigned to units of text. These are then placed in groups made categories. Categorisation is the procedure of organising, arranging and classifying coding units. Codes and categories can be formulated both inductively and deductively. Data display comprised of displaying data that had been reduced in an organised, digested way. Drawing of conclusions was the last activity of analysis in the process of analysing data qualitatively.

3.8 Research procedure

A letter of authorization from Uganda Christian University was provided as a request for permission to conduct the study. A covering letter accompanied the questionnaires explaining the purpose of the study and the questionnaires were distributed directly to the respondents in their respective areas for filling and were collected after two weeks following its dispatch. The data collected was edited and decisions made on whether to use it or not. The researcher used two research assistants; a typist and a statistician to enable a viable research report production. After data collection, the researcher and the assistants cleaned data while entering it into SPSS programming for ample computations. Thereafter, the findings were compiled with appropriate discussion and recommendations.

3.9 Ethical considerations

The following ethical considerations were looked at by the researcher during the research.

3.9.1 Informed consent and voluntary participation: The researcher sought consent from the respondents to involve in the research not just forcing them to participate. Informed consent is the basis of ethical research (Denzin & Lincoln, 2016). The people participating in the study were made aware of what the study was about; it's purpose, usage of the data, and any consequences that could arise from it (Fleming, 2018). The researcher furnished the respondents with information on the reason for the research and the procedure of collecting data. The participants were allowed enough time to ask questions and have any concerns addressed. The respondents exercised free will in deciding whether to participate in research activity or not. All people to be involved in the research study were given written informed acceptance.

3.9.2 Confidentiality: Confidentiality is looked at by Walford (2018) to mean information that is private and is not to be divulged to others. Whatever has been said in confidence must remain confidential. The researcher assured the respondent that information offered by the respondent was not to be passed on to another party (third party) without consent of the respondent. Their identity and response were made confidential and anonymised through the use of numbers or through pseudonyms.

3.9.3 Anonymity: Anonymity, termed more appropriately as pseudonymity, is defined by Wiles (2013) as a major means used by the researcher to safeguard the confidentiality of responders by using pseudonyms. Anonymisation is one of the kinds of confidentiality, comprising of identity concealment of research responders (Saunders, Kitzinger, & Kitzinger, 2015). The researcher ensured that all respondents are anonymous implying that their identities are not known and not salient in the study. Withholding the identity of respondents is a guarantee that their statements are authentic (Taylor, 2015).

3.9.4 Plagiarism: The researcher ensured that all written work was original and without any borrowed and manipulated texts, results or even expressions. The researcher made sure that, all words and publications of the author were given their due acknowledgement (Mugenda & Mugenda, 2016). The researcher subjected the written works to the turn it in software and make sure it was 15% or less compliant of plagiarism material.

3.10 Data quality control tools

3.10.1 Validity

The validity of an instrument is defined as the ability of an instrument to measure what it is intended to measure. Validity considers how correctly the research tools measure what the researcher wants to measure. Thus, validity is about the research tool being credible or trustworthy or being accurate or correct (Etyang, 2018). After formulating the questionnaire, the supervisors and other experts reviewed the items and checked the language clarity, content comprehensiveness, and relevancy and how long the questionnaire is. To establish the validity of the instruments, the researcher used expert judgement as recommended by Gay (1997) as the best method for ensuring validity. Thus the researcher ensured that the instrument is clear, relevant, specific and logically arranged. The validity of the questionnaire was tested using the

content validity test (CVI). To arrive at the relevancy of the questionnaire, the researcher designed the instrument that will yield content –valid data by first specifying the domain of indicators that are relevant to the concept being measured. A content-valid data measure contained all possible items that were used in measuring the impact of early childhood education on learner’s academic progress. The tools were then fine-tuned using the best advice. The validity index was tested by use of the formula below.

$$CVI = \frac{\textit{Number of questions declared valid}}{\textit{Total Number of items in the questionnaire}}$$

3.10.2 Reliability

A tool’s reliability shows the extent to which it is free of errors and for that makes sure that there is continuous valuation across time and also across the various items in the instrument. This therefore means that a tool’s reliability shows how stably and consistently the tool evaluates the idea thereby helping to measure the worthiness of a measure (Sekaran & Bougie, 2016). The researcher employed the test-retest reliability. According to Sekaran and Bougie(2016), the reliability of the instrument is tested using the test re-test method of reliability and Cron-bach alpha tests to determine the reliability index with the help of SPSS. Data was collected from 20 people not among those in the sample. The principle of reliability as far as research instruments are concerned, is clearly put forward by Amin (2016), an instrument is reliable if it produces the same results wherever it is repeatedly used to measure a trait or a concept from the same population and under similar circumstances. According to Mugende &Mugende (2016) the reliability coefficient Alpha is supposed to be above 0.7 to show that there is reliability.

The correlation between the scores (test-retest coefficient) was got at two seprate times from the same set of responders. The higher the scores, the better the test-retest reliability and hence, the stability of the measure over time.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.0 Introduction

This chapter presents information on data presentation, analysis and interpretation which based on the objectives of the research study

4.1 Demographic data of respondents

4.1.1 Sex of the respondents

Table 4.1.1- Sex of the respondents

Sex of Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	32	46.4	47.8	47.8
	Female	35	50.7	52.2	100.0

Source: Field data (2024)

From table 4.2.1, majority of the respondents 50.7% were females and 46.4% were males. Since most of the study participants were male, it is therefore clear that most of the data collected was from male participants. This is because since women are home makers and because of gender roles, it affected their turn up giving opportunity to males.

4.2.2 Age of the respondents

Table 4.2- Age of the respondents

		Frequency	Percent
Valid	20 - 30 yrs	38	55
	31 - 40 yrs	14	20.3
	41 - 50 yrs	13	17.4
	51 - 60 yrs	2	2.9
	Above 61 yrs	3	4.3
	Total	69	94.2

Source: Field data (2024)

As in table 4.2.2 above, it was clearly indicated that the majority of respondents 55% were aged between 20-30 years. Followed by those whose age group range from 31-40 years at 20.3% (those in the age brackets of 41-50 years constituted 17.4% of the total percentage; those in the age bracket 51-60 years were 2.9% and those in the age bracket of above 61 were in the rank occupying 4.3% These findings therefore implied that majority of participants were mature and therefore their responses can be trusted.

4.2.3 Education level of the respondents

Table 4.2.3 - Education level of the respondents

Education Level					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Certificate	28	41	41	23.2
	Diploma	16	23	23	46.4
	Degree	23	33	33	79.7
	Masters	02	3	3	94.2
	Doctorate/ PhD	00	00	00	00.0
	Total	69	100	100	

Source: field data, (2024)

From table 4.2.3 above, it was clearly seen that 23.2% of the respondents had certificates just like those who had diplomas, a good number of respondents had college degrees with 33.3% and few with masters at 14%. These indicates that majority of respondents in Northern Division are educated and can interpret the question statements in both the questionnaire and interview guide.

4.2.5 Religious affiliation of the respondents

Table 4.2.5 - Religious affiliation of the respondents

Religious Affiliation					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Anglican	22	31.9	31.9	31.9
	Catholic	20	29.0	29.0	60.9
	Pentecostal	10	14.5	14.5	75.4
	Muslim	14	20.3	20.3	95.7
	Others	3	4.3	4.3	100.0
	Total	69	100.0	100.0	

Source: Field data (2024)

From table 4.2.5 above, it was found out that 31.9% of respondents were Anglicans, 29.0% were Catholics, and 14.5% were Pentecostals, 20.3% while only 4.3% belong to other religious affiliations. Religion was considered by the study because some sect refuse their faithfully from paying taxes to authorities apart from contributing to the development of their faiths and helping the needy.

4.3 EFFECT OF TAX ASSESSMENT ON SERVICE DELIVERY

The first objective in this study was to establish the effect of tax assessment on service delivery. The findings from respondent's opinion accompanying variables under this objective were summarized as follows:

Table 4.3- To establish the effect of tax assessment on service delivery

Descriptive Statistics												
ITEM	SD		D (%)		NS (%)		A (%)		SA (%)		Mean	Std. Dev.
	F(x)	%	F(x)	%	F(x)	%	F(x)	%	F(x)	%		
Tax preferences	33	48	16	23	7	13	5	7	6	9	3.73	1.149
Tax assessment period	15	22	6	11	38	55	5	7	4	5	3.81	1.055
Business performance	11	16	11	16	8	12	20	29	16	27	2.98	1.462
Tax assessment rates	14	20	21	30	6	9	7	10	5	31	3.19	1.512
Size of business	7	10	5	7	12	17	26	40	18	26	3.63	1.245
Average Mean											3.54	

Source: Field data (2024)

Table 4.3 above shows a summary of respondent opinion on the effect of tax assessment on service delivery. The finding from respondent’s opinion accompanying variables under this objective were discussed and explained as follows:

Tax preferences as criteria for tax assessment

From the above table, 7% of the respondents agreed that tax assessment on businesses in the city depend on the tax preference accorded to business enterprises. While 9% of the respondents strongly agreed and 11% of respondents were neutral (neither agree nor disagree). On the other hand, majority of respondents strongly disagreed 48% with the statement while 23%

of respondents disagreed to the statement that tax assessment on businesses in the city depend on the tax preference accorded to business enterprises.

The findings therefore indicate that tax assessment on businesses in the city depend on the tax preference accorded to business enterprises with similar data collected from interviews. This concurs with Ojangole et al., (2018) who found that tax assessment on businesses in the city depend on the tax preference accorded to business enterprises

Tax assessment period

In reference to table 4.3, it was noted that 7% of the respondents agreed that tax assessment of business enterprises is usually made at the end of first quarter of the financial year 5% of the respondents strongly agreed, while majority of respondents at 55% were neutral (neither agreed nor disagreed). Contrary to the statement, 9% of respondents disagreed while only 22% of respondents strongly disagreed with the statement that tax assessment of business enterprises is usually made at the end of first quarter of the financial year.

The above findings clearly show that tax assessment of business enterprises is usually made at the end of first quarter of the financial year. Data from interviews also show that tax assessment of business enterprises is usually made at the end of first quarter of the financial year. In support of this finding, Okello et al. (2020) also found that Tax assessment of business enterprises is usually made at the end of first quarter of the financial year.

Business performance

On whether in Mbale City, tax assessment is always based on performance of a business enterprise it was found out that majority of respondents at 29% agreed, only 27% strongly agreed, while 12% were indifferent (neither agreed nor disagreed). Same number of respondents disagreed (16%) just as those who strongly disagreed to the statement that in Mbale City, tax assessment is not always based on performance of a business enterprise

The above findings show that in Mbale City, tax assessment is always based on performance of a business enterprise. Even participants in interviews stated that In Mbale City, tax assessment is always based on performance of a business enterprise. This finding is in line with the finding of Mwiti (2019) who also found that In Mbale City, tax assessment is always based on performance of a business enterprise

Tax assessment rates

From Table 4.3, majority of respondents with 30% disagreed that tax assessment rates are not determined based on URA tax Acts. 20% strongly disagreed while 9% were neutral. On the other hand, 10% of respondents agreed whereas 31% strongly agreed with the statement.

The findings therefore imply that tax assessment rates are determined based on URA tax Acts. This was in line with what was discovered from face to face interview where it also noted that tax assessment rates are determined based on URA tax Acts. Even Nsoke et al., (2017) found that tax assessment rates are determined based on URA tax Acts and their individuals pay according to official figure.

Size of business

Respondents were also asked to give their opinions on whether tax officials of this municipality assess business enterprises basing on size of the enterprise. In fact majority of respondents 40% agreed, 26% of respondents strongly agreed, while 17% had indifference responses to the statement. Only 7% of respondents disagreed, while 10% strongly disagreed that tax officials of this municipality assess business enterprises basing on size of the enterprise

It should therefore be noted that tax officials of this municipality assess business enterprises basing on size of the enterprise. Even results from interviews show that tax officials of this municipality assess business enterprises basing on size of the enterprise. Okiiria (2017) also found that Tax officials of this municipality assess business enterprises basing on size of the enterprise.

From table 4.3, the average mean was found to be 3.54 and basing on the legend above, it meant that tax assessment affected service delivery. This was at some point in agreement with the data collected from face to face interviews.

4.4 EFFECT OF ENFORCEMENT AND COLLECTION OF REVENUE ON SERVICE DELIVERY

The second objective in this study was to investigate how effect of enforcement and collection of revenue on service delivery. The findings from respondent's opinion accompanying variables under this objective were summarized as follows:

Table 4.4- showing effect of enforcement and collection of revenue on service delivery

Descriptive Statistics												
ITEM	SD		D		NS		A		SA		Mea n	Std. Dev.
	F(x)	%	F(x)	%	F(x)	%	F(x)	%	F(x)	%		
Tax mobilization	9	13	8	12	9	13	29	42	14	20	3.45	1.30 1
Tax collection period	9	13	4	6	21	30	26	41	7	10	3.39	1.12 8
Balancing educational and assistance roles with the enforcement	8	12	29	22	9	13	15	44	6	9	3.27	1.20 1
Application of government policies in tax collection exercise	9	13	7	10	4	6	17	25	28	46	3.60	1.30 9
Tax enforcement and collection based on the assessment	3	4	8	12	10	14	35	53	12	17	3.66	1.04 5
Average Mean											3.44	

Source: field data (2024)

Tax mobilization

From table 4.4, majority of respondents 42% agreed on the view that tax officials in the city conduct tax mobilization activities for easy enforcement and collection. 20% strongly agreed while 13% had their responses neutral (indifferent). 12% disagreed with the statement while 13% strongly disagreed to the statement that tax officials in the city conduct tax mobilization activities for easy enforcement and collection

Since the majority of respondents agreed to the statement, it is therefore true that tax officials in the city conduct tax mobilization activities for easy enforcement and collection as majority of the respondents agreed with similar data from interviews. In support of this finding, Onyango et al., (2020) argued that tax officials in the city conduct tax mobilization activities for easy enforcement and collection

Tax collection

As shown in the above table 4.4, 41% of the respondents agreed that tax officials in this City conduct tax collection activities early in the financial year. Only 10% strongly agreed, while 30% were neutral (neither agreed nor disagreed). On the other hand, only 6% of respondents disagreed with the statement, while 13% of respondents strongly disagreed that tax officials in this City conduct tax collection activities early in the financial year.

This finding therefore show that tax officials in this City conduct tax collection activities early in the financial year and it was supported by field data from interviews where it as found that tax officials in this City conduct tax collection activities early in the financial year. In support of this finding, Gladys et al., (2019) opined that tax officials in this City conduct tax collection activities early in the financial year

Balancing educational and assistance roles with the enforcement

In reference to table 4.4, 44% of the respondents agreed that revenue officials in this City balance their educational and assistance role with the enforcement role for successful tax collection with 9% of the respondents strongly agreed while 13% were neutral (neither agreed nor disagreed). Contrary to the statement, majority of the respondents 22% disagreed while only

12% of respondents strongly disagreed with the statement that revenue officials in this City balance their educational and assistance role with the enforcement role for successful tax collection.

Therefore as the majority disagreed (44%), citing that Revenue officials in this City balance their educational and assistance role with the enforcement role for successful tax collection with similar data from interviews showing that revenue officials in this City balance their educational and assistance role with the enforcement role for successful tax collection. Mawanda et al., (2021) also argued that revenue officials in this City balance their educational and assistance role with the enforcement role for successful tax collection.

Application of government policies in tax collection exercise

Further, the researcher also intended to find out whether city revenue officials use government policies to collect taxes, 25% of respondents agreed while 46% strongly agreed and only 6% had their responses indifferent. On the other hand, only 10% of the respondents disagreed with the statement and 13% of the respondents strongly disagreed that city revenue officials do not use government policies to collect taxes

As the majority strongly agreed, it is therefore true that city revenue officials use government policies to collect taxes and this was supported by both data from interviews and Obel et al., (2016) where it was also discovered that city revenue officials use government policies to collect taxes.

Tax enforcement and collection based on the assessment

Results also indicate that tax enforcement and collection is always based on the assessed tax in this city as agreed by 53% of the respondents with 17% agreeing to the statement. Other respondents who constituted 14% had neutral responses and 12% disagreed with only 4% strongly disagreeing with the statement that tax enforcement and collection is always based on the assessed tax in this city.

Therefore, the above results indicate that tax enforcement and collection is always based on the assessed tax in this city as agreed by 53% of the respondents. Even Itusia et al., (217) found that tax enforcement and collection is always based on the assessed tax in this city.

From table 4.4, the average mean was found to be 3.34 and basing on the legend above, it meant that enforcement and collection of revenue affects service delivery. This was in agreement with the data collected from face to face interviews where most respondents revealed that enforcement and collection of revenue affects service delivery in multiple ways.

4.5 STRATEGIES THAT CAN BE USED FOR EFFECTIVE TAX ASSESSMENT AND ENFORCEMENT

The third objective in this study was to establish strategies that can be used for effective tax assessment and enforcement. The findings from respondent's opinion accompanying variables under this objective were summarized as follows:

Descriptive Statistics												
ITEM	SD		D		NS		A		SA		Me an	Std. Dev
	F (x)	%	F (x)	%	F (x)	%	F (x)	%	F (x)	%		
Tax officials should register all business enterprises in city	7	10	15	22	30	9	11	16	5	43	3.16	1.167
Identifying and prioritizing risks undertaken using existing internal primary data sets	6	9	37	10	10	14	14	57	4	10	3.46	1.049
Need for transparency in tax enforcement and collection in Mbale City	9	13	38	2	9	13	9	13	13	58	3.64	.980
Tax registration based on URA tax laws and policies	10	14	22	9	14	20	12	17	9	40	3.18	1.278
Revenue officials focus on designing approaches of improving taxpayers' voluntary compliance	2	3	14	20	21	37	14	20	14	20	2.63	1.140
Average Mean											3.37	

Table 4.5 showing strategies that can be used for effective tax assessment and enforcement

Source: Field data (2024)

Tax officials should register all business enterprises in city

From table 4.5, 16% of respondents agreed on the view that tax officials should register all business enterprises in city and 43% strongly agreed while majority of the respondents at 9% had their responses neutral to the statement. On the other hand, the study found out that 22% of respondents disagreed while 10% strongly disagreed with the statement that tax officials should register all business enterprises in city

This finding therefore implies tax officials should register all business enterprises in city as suggested by majority of respondents (43%). This is affirmed true according to the data collected from face to face interviews and the findings of the research study by Osman et al., (2017) who also recommended that tax officials should register all business enterprises in city

Identifying and prioritizing risks undertaken using existing internal primary data sets

As shown in the above table 4.5, 57% (majority of respondents agreed) with 14% who had their responses neutral on the view that Identifying and prioritizing risks should be undertaken using existing internal primary data sets. Only 10% of respondents strongly agreed. On the other hand, those who disagreed with the statement were 10%, while 9% of respondents strongly disagreed.

Therefore it is true that Identifying and prioritizing risks should be undertaken using existing internal primary data sets as the majority of the respondent disagreed. Even data collected from interview show that Identifying and prioritizing risks should be undertaken using existing internal primary data sets. In support of this finding, URA (2022) argued that identifying and prioritizing risks should be undertaken using existing internal primary data sets.

There is need for transparency in tax enforcement and collection in Mbale City

In reference to table 4.5, 13% of the respondents agreed that in Mbale City, there is need for transparency in tax enforcement and collection. 58% of the respondents strongly agreed while 13% were neutral (neither agreed nor disagreed). Contrary to the statement, 2% of the respondents disagreed while only 13% of respondents strongly disagreed with the statement the statement that In Mbale City, there is no need for transparency in tax enforcement and collection.

It was revealed therefore that in Mbale City, there is no need for transparency in tax enforcement and collection as majority of the respondents disagreed with the statement. However, data from interviews show that In Mbale City, there is need for transparency in tax enforcement and collection.

Tax registration based on URA tax laws and policies

The researcher also intended to find out whether there is tax registration is should be done following URA tax laws and policies. 17% of respondents agreed while 40% strongly agreed that tax registration is should be done following URA tax laws and policies and only 20% had their responses indifferent. On the other hand, only 9% of the respondents disagreed with the statement and 14% of the respondents strongly disagreed.

Therefore this finding implies that tax registration is should be done following URA tax laws and policies as majority of the respondents disagreed. Data from filed interviews also show that tax registration is should be done following URA tax laws and policies. Further, Omoding and Isabell et al., (2018) also recommended that tax registration is should be done following URA tax laws and policies

Revenue officials focus on designing approaches designed of improving voluntary compliance

From table 4.5, same number of respondents agreed with 20% just those who strongly agreed with the statement that revenue officials should focus on adopting approaches designed to improve taxpayers' voluntary compliance. Majority of respondents 37% had their responses indifferent to the statement. On the contrary, 20% of respondents disagreed while 9% strongly disagreed that revenue officials should focus on adopting approaches designed to improve taxpayers' voluntary compliance.

This finding does not indicate that revenue officials should focus on adopting approaches designed to improve taxpayers' voluntary compliance as majority of respondents (37%) had their responses indifferent to the statement.

From table 4.5, the average mean was found to be 3.37 and basing on the legend above, it meant that strategies that can be used for effective tax assessment and enforcement. This findings is supported by results from face to face interviews

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary, conclusion, and recommendations about the study. It also looks at areas for further research.

5.2 Summary

5.2.1 Effect of tax assessment on service delivery

Tax assessment has had several effects on service delivery systems. Tax assessment on businesses in the city depends on the tax preference accorded to business enterprises by tax collectors and revenue policy. A fair and effective taxation and assessment system is an important tool that begins with transparency and accountability to the taxpayers that demand concise but clear information on effective tax burdens and enhance service delivery.

Tax assessment of business enterprises is usually made at the end of first quarter of the financial year and the preference of tax assessment should depend on the tax choice accorded by small businesses to promote the performance of business enterprises which can be done by lowering tax rates, offering tax holidays as well as reliefs to the small businesses. This will enhance effective planning for service delivery

In Mbale City, tax assessment is always based on performance of a business enterprise where tax policy is one of the factors that comprise the businesses' economic environment. The study found that for the business enterprises to get well equipped, have enough funds for reinvestment and survive in a competitive market, the rate of tax levied on the businesses should be lower

Tax assessment rates are determined based on URA tax Acts because performance of business enterprises is repeatedly troubled by the high tax assessments and unclear tax system. Taxation rate is a significant aspect of the economy since it affects numerous economic activities including the provision of service delivery.

Tax officials of Mbale city assess business enterprises basing on size of the enterprise. Small and medium enterprises are seen as the driving force for the promotion of the country's Return economy investment, return on assets and business growth, among others, as major components of business performance are still considered the major goals of business enterprises and service provision.

5.2.2 Effect of enforcement and collection of revenue on service delivery

Tax officials in the city conduct tax mobilization activities for easy enforcement and collection. Domestic revenue enforcement and collection in developing countries gained increasing performance in the policy debate. Many factors explain this including benefits of taxation for state building. However, governments in developing countries face challenges in mobilizing tax revenues which result in a gap between what they could collect and what they actually collect.

Tax officials in Mbale City conduct tax collection activities early in the financial year to enable business enterprise taxpayers to meet their tax obligations by designing essential tax rates that are not related to the taxable profits as indicated in the law but on an economic measure in which the impact on the tax base is included in service provision.

Revenue officials in Mbale City balance their educational and assistance role with the enforcement role for successful tax collection. Revenue enforcement and collection has been recognized by the government as very important because it helps aid in delivering valuable services for citizens, and the necessary benefits for state building, wealth distribution to different regions as well as incentives for innovation, trade investment climate, building infrastructure among others

City revenue officials use government policies to collect taxes. However, the significant contributors to these tax gaps include tax evasion, avoidance and exemptions by the business owners. The tax system should be strengthened through having a clarified system of tax mobilization that can enable business enterprise taxpayers to meet their tax obligations.

Tax enforcement and collection is always based on the assessed tax in Mbale City. The taxes enforcement and collection have helped to accumulate capital for expenditure in the development of the nation like road construction, improving health services and education services, among

others. These taxes are paid by the business enterprises and hence have an effect on their performance.

5.2.3 Strategies that can be used for effective tax assessment and enforcement

Tax officials should register all business enterprises in city. Today in Uganda, under the tax payer registration expansion Programme, business enterprises are required to register for both business licensing and tax at one point to simplify tax administration processes for improved compliance leading to increased revenue collection. In Mbale City, Uganda Revenue Authority, Uganda Registration Services Bureau and Mbale Municipal Council Local Government work in collaboration to ensure that all the taxpayers are registered to help improve on revenue assessment and mobilization.

Identifying and prioritizing risks should be undertaken using existing internal primary data sets. However, Uganda Revenue Authority is faced with challenges in tax mobilizations which include taxpayer compliance burden, lack of adequate resources to sustain and facilitate the operation of tax authorities, lack of modern technology, high levels of illiteracy and the problem of tax evasion and default by the tax payers and these delays service delivery.

In Mbale City, there is need for transparency in tax enforcement and collection to help boost revenue base for service delivery

Tax registration is should be done following URA tax laws and policies. Uganda Registration Services Bureau Act Cap 210 is mandated to register all business enterprises in Uganda that are required by law to be registered. The bureau was formed by an Act of Parliament in 1998 in Uganda

Revenue officials should focus on adopting approaches designed to improve taxpayers' voluntary compliance. This will help to promote trust and strengthen tax payer obligation and timely payment.

5.3 Conclusions

5.3.1 Effect of tax assessment on service delivery

As the study found out, tax assessment has had several effects on service delivery systems. Tax assessment on businesses in the city depends on the tax preference accorded to business enterprises by tax collectors and revenue for service delivery.

Also, tax assessment of business enterprises is usually made at the end of first quarter of the financial year and the preference of tax assessment should depend on the tax choice accorded by small businesses to promote the performance of business enterprises which can be done by lowering tax rates, offering tax holidays as well as reliefs to the small businesses. This will enhance effective planning for service delivery as found out by the study.

In addition to the above, in Mbale City, tax assessment is always based on performance of a business enterprise where tax policy is one of the factors that comprise the businesses' economic environment. The study found that for the business enterprises to get well equipped, have enough funds for reinvestment and survive in a competitive market, the rate of tax levied on the businesses should be lower.

Other findings also show that tax assessment rates are determined based on URA tax Acts because performance of business enterprises is repeatedly troubled by the high tax assessments and unclear tax system affects service delivery.

As revealed by the findings of the study, tax officials of Mbale city assess business enterprises basing on size of the enterprise. Small and medium enterprises are seen as the driving force for the promotion of the country's Return economy investment, return on assets and business growth, among others, as major components of business performance are still considered the major goals of business enterprises and service provision.

5.3.2 Effect of enforcement and collection of revenue on service delivery

According to the study findings, tax officials in the city conduct tax mobilization activities for easy enforcement and collection. Domestic revenue enforcement and collection in developing countries gained increasing performance in the policy debate and service delivery.

Additionally, findings show that tax officials in Mbale City conduct tax collection activities early in the financial year to enable business enterprise taxpayers to meet their tax obligations.

Furthermore, revenue officials in Mbale City balance their educational and assistance role with the enforcement role for successful tax collection as study findings show.

Study findings also revealed that City revenue officials use government policies to collect taxes. However, the significant contributors to these tax gaps include tax evasion, avoidance and exemptions by the business owners.

Tax enforcement and collection as found out by the study is always based on the assessed tax in Mbale City. The taxes enforcement and collection have helped to accumulate capital for expenditure in the development of the nation like road construction, improving health services and education services, among others.

5.3.3 Strategies that can be used for effective tax assessment and enforcement

The study findings revealed that tax officials should register all business enterprises in city. Today in Uganda, under the Tax Payer Registration Expansion Programme, business enterprises are required to register for both business licensing and tax at one point to simplify tax administration processes for improved compliance leading to increased revenue collection. on revenue assessment and mobilization.

Findings of the study also show that identifying and prioritizing risks should be undertaken using existing internal primary data sets.

As the study found out, in Mbale City, there is need for transparency in tax enforcement and collection to help boost revenue base for service delivery

Finally, as study results revealed, revenue officials should focus on adopting approaches designed to improve taxpayers' voluntary compliance. This will help to promote trust and strengthen tax payer obligation and timely payment.

5.4 Recommendations

5.4.1 Effect of tax assessment on service delivery

Tax assessment on businesses in the city depend on the tax preference accorded to business enterprises

Tax assessment of business enterprises is usually made at the end of first quarter of the financial year

In Mbale City, tax assessment is always based on performance of a business enterprise

Tax assessment rates are determined based on URA tax Acts

Tax officials of this municipality assess business enterprises basing on size of the enterprise

5.4.2 Effect of enforcement and collection of revenue on service delivery

Tax officials in the city conduct tax mobilization activities for easy enforcement and collection

Tax officials in this City conduct tax collection activities early in the financial year

Revenue officials in this City balance their educational and assistance role with the enforcement role for successful tax collection

City revenue officials use government policies to collect taxes

Tax enforcement and collection is always based on the assessed tax in this municipality

5.4.3 Strategies that can be used for effective tax assessment and enforcement

Tax officials should register all business enterprises in city

Identifying and prioritizing risks should be undertaken using existing internal primary data sets

In Mbale City, there is need for transparency in tax enforcement and collection

Tax registration is should be done following URA tax laws and policies

Revenue officials should focus on adopting approaches designed to improve taxpayers' voluntary compliance

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APPENDIX I
CONSENT LETTER
KAKAI HARRIET

Bachelor of Public Administration and Management (Candidate)

RESEARCH PROJECT-UGANDA CHRISTIAN UNIVERSITY, MBALE

I am **KAKAI HARRIET** a student of Uganda Christian University, currently undertaking a research on a topic ‘local revenue management and service delivery” *A case study of Mbale City of district*. You are privileged to participate in this research and your selection has been based on random sampling. Please feel free as you respond because the information you give will only be used for academics purposes, treated confidential and will be held anonymous before publication.

Thank you

KAKAI HARRIET
(Researcher)

**APPENDIX II:
SELF ADMINISTERED QUESTIONNAIRE FOR TAX PAYERS**

SECTION A: DEMOGRAPHIC DATA

Instruction

Please tick (✓) where appropriate in the space provided

SECTION A

Personal Demographic Data

- | | | | | |
|--------------------------|--------------|--------------------------|-------------|--------------------------|
| 1. Age (years) | 1) 21-29 | <input type="checkbox"/> | 2) 30-39 | <input type="checkbox"/> |
| | 3) 40-49 | <input type="checkbox"/> | 4) 50 above | <input type="checkbox"/> |
| 2 Gender | 1) Male | <input type="checkbox"/> | 2) Female | <input type="checkbox"/> |
| 3 Academic qualification | 1) Grade III | <input type="checkbox"/> | 2) Diploma | <input type="checkbox"/> |
| | 3) Degree | <input type="checkbox"/> | 4) Masters | <input type="checkbox"/> |

SECTION B: EFFECT OF TAX ASSESSMENT ON SERVICE DELIVERY

In a score of 1-5, please choose the most appropriate answer where 1- strongly disagree, 2- disagree, 3- agree, 4-strongly agree and 5 uncertain

Question Statements	1	2	3	4	5
Tax preferences					
Tax assessment period					
Business performance					
Tax assessment rates					
Size of business					

SECTION C: EFFECT OF ENFORCEMENT AND COLLECTION OF REVENUE ON SERVICE DELIVERY

In a score of 1-5, please choose the most appropriate answer where 1- Strongly Disagree, 2- Disagree, 3- Agree, 4-Strongly Agree and 5-Uncertain

Question statements	1	2	3	4	5
Tax officials should register all business enterprises in city					
Identifying and prioritizing risks undertaken using existing internal primary data sets					
Need for transparency in tax enforcement and collection in Mbale City					
Tax registration based on URA tax laws and policies					
Revenue officials focus on designing approaches of improving taxpayers' voluntary compliance					

SECTION D: STRATEGIES THAT CAN BE USED FOR EFFECTIVE TAX ASSESSMENT AND ENFORCEMENT

In a score of 1-5, please choose the most appropriate answer where 1- Strongly Disagree, 2- Disagree, 3- Agree, 4-Strongly Agree and 5-Uncertain

Question statements	1	2	3	4	5
Tax officials should register all business enterprises in city					
Identifying and prioritizing risks undertaken using existing internal primary data sets					
Need for transparency in tax enforcement and collection in Mbale City					
Tax registration based on URA tax laws and policies					
Revenue officials focus on designing approaches of improving taxpayers' voluntary compliance					

END

APPENDIX III

INTERVIEW GUIDE FOR CITY LEADERS AND CITY REVENUE OFFICIALS

- 1) What is your position?
- 2) Explain the rationale for tax collection in Mbale city?
- 3) What challenges do revenue officials in Mbale city face and what is the relationship between tax collection and service delivery in the City.
- 4) What is the effect of tax assessment on service delivery in Mbale City?
- 5) What is the effect of enforcement and collection of revenue on service delivery in Mbale City?
- 6) Which Strategies should be used for effective tax assessment and enforcement in Mbale City/

**APPENDIX IV:
WORKPLAN**

ACTIVITY	WEEKS									
	1	2	3	4	5	6	7	8	9	10
Topic Approval										
Proposal Writing										
Administering questionnaires										
Collection of data										
Processing Data										
Report Writing										
Submission										

APPENDIX V:**BUDGET**

S/N	ITEM	QTY	UNIT COST	AMOUNT
1	Typing and Printing	70	1,000/=	70,000/=
2	Photocopying		100,000/=	100,000/=
3	Note books	5	2,000/=	10,000/=
4	Airtime		20,000/=	20,000/=
5	Binding	3	3,000/=	9,000/=
6	Transport		50,000/=	50,000/=
7	Study guide	3	20,000/=	60,000/=
8	Meals		50,000/=	50,000/=
	Total			369,000/=

**APPENDIX VI:
SAMPLE SIZE DETERMINATION**

Table 1: Table for Determining Sample Size for a Finite Population

The Table is constructed using the following formula for determining sample size:

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	56	360	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.– N is population size. S is sample size

Source: Krejcie & Morgan, 1970.



The researcher during sensitization of revenue collection and mobilization together with the revenue officers



Here, the researcher was tasked with the responsibility of verification of Revenue book records to identify those who had cleared



MBALE CITY INDUSTRIAL CITY DIVISION



PROPERTY RATES / DEMAND NOTE

No. 0521

Tax Payer/Company	KAMALI SAM
Contact	
Division	
Ward/Street	
Property/Plot	
Nature of Business(wholesale/retail commercial)	LOCK UP 1298 US PARE
Type of business (Hardware, Hotel, Saloon etc)	
Tax Identification No (TIN)	
Period for payment of tax	2022

Please select the appropriate revenue source for assessment

Revenue source	Amount assessed
Property Rates	134000
Ground Rate	40600
Arrears	
Others	
	175000

1) Assessed by Name: NANWIRE LINDA Title: A.T.
 Sign: NANWIRE Tel: 0724995795 Date: 22/5/2022

2) Assessee Name: _____ Title: _____
 Sign: _____ Tel: _____ Date: _____

BANK PAYMENT ADVICE FORM

BANK: HOUSING FINANCE ACCOUNT TITLE: MBALE CITY GENERAL FUND COLLECTION A/C

BRANCH: MBALE ACCOUNT NO: 0800169475 DATE: _____

Payment in cash - Amount	
50,000	
20,000	
10,000	
5,000	
2,000	
1,000	
500	
200	
100	
50	
Bank charges	2,500
Total	

Cheque Payment				
Bank	Drawer	Drawer's Account	Cheque No.	Amount

Amount in words _____

Banked by _____ Signature _____ Contact _____

Cashier's Stamp & Signature

WARNING!!

Payment should be effected with in 7 days from the date of issue.

Delayed payments shall attract a surcharge of 30%

Original - Customer, Bank - Duplicate, City - Triplicate

Demand Note for Property rate



RE 9

Serial No. 0028006

Report Date: 21-SEP-2023 15:35
Page: 1 of 1

Revenue Receipt

REPUBLIC OF UGANDA
GENERAL RECEIPT

ORIGINAL
TRIPPLICATE



Receipt No: 397
Vote:
Vote Name: ARUALE CITY COUNCIL
Address: Plot No. 68 Republic Street
P.O BOX 1
Municipal Council@yaho.com
M. No.
M. No.
Municipal Address

Received From: UGANDA MUNICIPAL DEVT A

The sum of Amount in UGX: Five-Five Thousand Three Hundred Thirty Shillings

Description of Payment:
LOCAL SERVICE TAX 2023 FOR STAFF

No	Details	Amount (UGX)
1	111105 Local Services Tax	55,339
Total :		55,339

PAYMENT DETAILS
Payment Mode: 098-BANK DEPOSIT
Receipt For No: REC-SEP-0309
(Receipt No/Bank Slip No)
Receipt Details:

Signature:
(Local Revenue Controller)
Signature

Supervisor:

Local Revenue Receipt from Local Service Tax



RE 9

Serial No. 00250658

Report Date: 07-AUG-2023 13:23

Page: 1 of 1

Revenue Receipt REPUBLIC OF UGANDA GENERAL RECEIPT

DUPLICATE

Date: 21-JUL-23

Received From: elegant outo span ltd

The sum of Amount in UGX One Hundred Thousand Shillings

Description of Payments:
bid for repairs/ spares of motor vehicles/ road equipment

Receipt No: 252

Vote:

Vote Name: MBALE CITY COUNCIL

Address: Plot 62-68 Republic Street

P.O BOX 1

mbaleMunicipal Council@yahoo.com

Mbale

Mbale

Uganda Address

No	Details	Amount UGX
1	142216 Agency Fees	100,000
Total :		100,000

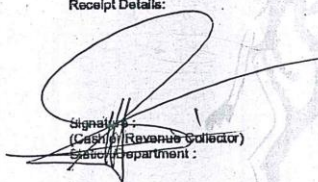
PAYMENT DETAILS

Payment Mode: 608-BANK DEPOSIT

Receipt Ref No: rec-jul-011

(Cheque No/Bank Slip No)

Receipt Details:


 Signature:
 (Cashier/Revenue Collector)
 Sub Department:

Supervisor:



UGANDA CHRISTIAN
UNIVERSITY
A Centre of Excellence in the Heart of Africa
MBALE UNIVERSITY COLLEGE

Office of the Academic Registrar

To CITY CLERK
MBALE CITY

Dear Sir/Madam,

Re: Academic Research

Christian greetings!

We are honored to introduce to you Mr. Mrs./Miss KAKAI HARRIET
Of Registration Number; 522/muc/Bpam/017 pursuing a Masters'
Degree/Postgraduate Diploma / Bachelor's Degree IN PUBLIC ADMINISTRATION

He/ she is required to carry out an academic research on the topic

LOCAL REVENUE MANAGEMENT AND
SERVICE DELIVERY IN MBALE CITY

and thereafter produce a well bound hard cover research report (MAROON) in color for undergraduate and three (BLACK) copies for Postgraduate students as a University requirement for the award of a degree/diploma in the academic discipline that he / she is pursuing.

We shall be grateful for the help you may offer to him or her accordingly.

Thank you.

Yours faithfully,

Mr. Akampurira Timothy
Academic Registrar



See
prep a letter of instruction
to mrs kakai Harriet a
student of UCY to collect
data on the stated topic
20/02/24