

**PERSONAL FACTORS INFLUENCING TAX COMPLIANCE IN EDUCATION
SECTOR: CASE STUDY RIARA UNIVERSITY.**

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A Management Research Paper Submitted in Partial Fulfillment of the Requirements for the award of Bachelor's Degree in Finance Riara School of Business, Riara University.

APRIL, 2020.

DECLARATION.

We, Leah Mabeya, Samson Mutua, Braian Okumu, P. Joyce Wangari and Daniel Muthoka declare that the work contained in this management research paper is our own work and has not been previously submitted by us for a degree at any other university or institution.

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Signature: _____ Date: _____

Signature: _____ Date: _____

This management research paper has been submitted for examination with my approval as university supervisor.

Name: _____

Signature: _____ Date: _____

ACKNOWLEDGEMENT.

We would like to acknowledge the Riara University fraternity especially the lecturers for equipping us with the necessary knowledge and skills that are applicable in today's world. We also appreciate the school for creating a conducive learning environment and providing us with the necessary resources needed to carry out our research. We would also like to appreciate our lecturer Mr. Zephania Thaisaiyi Opati, for guiding us throughout our research. We also thank ourselves as group members for the cooperation during the research.

ABBREVIATIONS AND ACRONYMS.

RU- Riara University.

SPSS- Statistics Packages for Social Sciences.

VAT- Value Added Tax.

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ABSTRACT.

The purpose of this research is to investigate the various Personal Factors that Influence Tax Compliance in Education Sector in Kenya. The study will be limited only to formal employees at Riara University under various schools within the university. The study will help the researchers to determine the relationship between attitudes and morale of individuals towards tax compliance. It will also help them be component advantage towards tax compliance. The research will help individuals and organizations to understand the importance of remaining tax compliant and the consequences of not remaining tax compliant, and thus will be willing to do anything within their means in order to pay taxes on time. The research will also help the government to know how to develop the country economically, technologically and socially from the taxes paid by the citizens. It will also help the government to set favorable tax policies that will encourage citizens to pay taxes. The study will also help the relevant tax authorities to understand how morale and attitude will improve tax compliance. It will also help the tax authorities to make tax payments systems much simpler in order to reduce tax filling complications. The study will adopt exploratory research design which is a type of observational study that summarizes data obtained from a specific population or a representative group at a specified period. The study will adopt questionnaires as a method of data collection which comprises of a closed-answer format. The questionnaire method will be used because it's cheap, does not require as much effort from the questioner compared to verbal or telephone surveys, which might be a bit expensive. The study will employ charts such pie charts bar charts to analyze the data collected from the research. The population under study is approximated to be one hundred and fifty (150), formal employees at Riara University, mostly aged twenty-three (23) years and above.

1.0. CHAPTER ONE: INTRODUCTION.

1.1. Paper Outline.

This chapter focused on Personal Factors that Influence Tax Compliance in Education Sector. It entails history of the study, problem statement which explains what influenced the researchers to carry out the study, objectives of the research, which explains more on why the researchers were conducting the study. It also consists of the research questions that will be answered at the end the research, significance of the study that explains the importance of the study to the researchers, organization, government and tax authorities, delimitation of the study that elaborates on the parameters of the study and limitation of the study which explains the challenges and obstacles researchers experienced while conducting the study.

1.2. Background of the Study.

Ibrahim, Musah, and Abdul-Hanan (2015), observed that revenues collected from taxes are of great importance in supporting and promoting economic and social development. Tax compliance refers to meeting all the tax obligations as expected by the tax authorities or the extent to which taxpayers remain tax compliant in their respective countries (Musimenta, Nkundabanyanga, Muhwezi, Akankunda & Nalukenge, 2017). It involves reporting and payment of taxes and filing of returns before and when they are due (Kamleinter, Korunka & Kirchler, 2012; Musimenta et al., 2017). Ristatos (2014), argued that there is a great increase in the significance of remaining tax compliant to countries that have huge financial debts, whereas Ibrahim et al. (2015), noted that revenues collected from citizens' taxes, help in aiding economic, social and technological growth and development of a country.

The best way the government can provide public goods and services to its citizens, is by ensuring that all organizations and individuals pay taxes as they are expected. Ndekwa (2014), stated that medium and small enterprises are some of the examples of economic agents. The essence of this research was to establish how compliance cost, tax administration and attitudes towards tax compliance affect the education sector in the Kenya and the country as a whole. Non- tax compliance is still a challenge, despite the significant role that taxation plays in the economy, Terkper (2003), and this has led to increased curiosity amongst a number of researchers to try discover why such tax compliance behaviors have managed to remain in small and medium enterprises.

The more motivated a taxpayer is, the more he/she is likely to comply to tax payments and with the tax authorities. According to Alm (2005), compliance is higher when individuals and organizations receive more benefits from the government such as; free roads that are well constructed, free access to public goods and services and employment opportunities created by the government for the jobless and the youth. Azmi, Anna, Perumal and Kamala (2008), observed that a person's choice to pay taxes and file returns as expected, relies on the morale he or she has and for that reason, it may be difficult for them to incur costs associated with tax compliance, since they are motivated to do so and not pressured to do so.

Nkwe (2013), suggested that opinions of taxpayers play a key role in determining whether they should pay the taxes or not. Research carried by Musimenta et al. (2017), showed that respecting the law and abiding by it boosts the morale of individuals, hence more taxes are paid leading to increased revenues to the government. Kasipillai and Abdul-Jabbar (2006); Doran (2009), noted that penalties given to those who avoid to comply with tax payment, makes them meet their tax obligations because the penalties are usually very high. However, compliance cost cannot be fully explained by any factors relating to tax compliance (Elffers, 2000; Torgler, 2002).

1.3. Statement of the Problem.

There are a number of factors that influenced tax compliance among individuals, some of which are isomorphic factors which included societies having respect to the tax authorities and regulators (Musimenta et al. 2017). Attitudes towards tax compliance means peoples' or individuals' opinions towards complying with the payment of taxes. It's always difficult to change peoples' mindset about tax compliance, because different people have different perceptions about tax compliance. Compliance cost is the cost that individuals incur when they are paying taxes or filing returns. Individuals may want to evade paying taxes as they are required, because the costs might be too high for them. Tax administration refers to the strategies and measures put in place to ensure that the process of filing returns runs smoothly (Musimenta et.al. 2017).

Problems related to the process of filing returns can be solved by teaching and educating individuals and organizations on how to file returns both manually and online and the need to file taxes as expected, and these will boost their morale, thus making them remain tax compliant. Educating the individuals on how to file returns on their own, helps them save the costs incurred when other people do it for them. Making the individuals aware about the need to pay taxes,

increases the taxes paid by the individuals, hence, raising more revenue for the government to cater for the public goods and services needed by the citizens. Tax payment systems should be made as simple as possible to use, in order to reduce the difficulties that individuals and organizations face while filing returns (Jayawardane & Low, 2016).

1.4. General Objective.

The research general objective was to investigate factors that influenced tax compliance amongst individuals.

1.4.1. Specific Objectives.

- (i). To examine how compliance cost affects tax compliance.
- (ii). To investigate how tax morale affects tax compliance.
- (iii). To examine how attitudes towards tax affects tax compliance.

1.5. Research Questions.

- (i). Is there any significant relationship between tax morale and tax compliance?
- (ii). Is there any significant relationship between compliance cost and tax compliance?
- (iii). Is there any significant relationship between attitudes towards tax and tax compliance?

1.6. Significance of the Study.

To the researchers, it will help them to determine the relationship between attitudes and morale of individuals towards tax compliance. It will help them have a wide knowledge and be component advantage towards tax compliance therefore, establishing a good rapport for other researchers towards tax payment process.

To the organization and individuals, it will help them understand the consequences of not paying taxes or not remaining tax compliant. This helps them avoid situations such as tax piling up to huge sums, hence, paying fines which will affect future crediting e.g., borrowing of loans from various financial institutions. Understanding the implications of not remaining tax compliant, will help them avoid having a bad history thus, retaining a good reputation of the organization.

To the government, it will them to know how to develop the country from the taxes paid by the citizens e.g., improving infrastructure, ensuring resources are available to the citizens and efficient

services and goods are provided. Through taxes, the government will be able to raise capital and come up with businesses that create employment to the unemployed and the youth and this will help reduce criminal activities as most people will be engaged.

To the tax authorities like Kenya Revenue Authority, it will help them to understand how morale and attitude will increase or improve tax compliance. It will also help the tax authorities to make tax payment systems much simpler, to reduce tax filing complications and to reduce or cut off the compliance costs incurred by individuals.

1.7. Delimitation.

The study focused on Personal factors affecting tax compliance only in Kenya. The study was only limited to the Education Sector in Kenya. The factors include, tax morale, attitudes and compliance cost. The three factors were considered because, according to research carried out by various researchers, the three factors are the major, since they tend to cover all other factors that influence tax compliance. The study was also limited to Riara University's formal employees. The study lasted from 1st January to April 2020.

1.8. Limitation of the Study.

Since the study was carried out during the Christmas season, people failed to answer the questionnaires provided, because everyone was busy preparing for the festive season. Tax is a very sensitive matter, so people failed to disclose all the information, thus insufficient data was obtained. More so, bad weather limited the study as it led to sketchy and incomplete information. Since, people speak different languages, language barrier affected the study since communication was difficult. There was limited access of information as top management altered the information.

2.0. CHAPTER TWO: LITERATURE REVIEW.

2.1. Introduction.

This chapter focused on theoretical review which elaborated more on institutional theory, empirical literature review which is expounded more on the factors influencing tax compliance. The factors included; tax morale, compliance cost and attitudes. The three factors were considered because, according to research carried out by various researchers, they were the major, they dominated and covered all other factors that influence tax compliance. There was also the conceptual framework which showed the interrelation between independent and dependent variables, operationalization of variables and lastly gaps which talked about researches that have been done before and how to fill the gaps with the research being done today.

2.2. Theoretical Framework.

2.2.1. Institutional Theory.

The study was based on institutional theory. It elaborated more on organizational activities that mostly rely on social forces for conformity and legitimacy than on technical forces (Kessler, 2013; Di Maggio & Powell, 1983). The theory was originated from organizational study carried out by Di Maggio and Powell (1983), but has since been diversified to cover the changes and trends on institutional analysis (Meyer & Rowan, 1977). The theory observed that companies and organizations act quickly to pressures originating from both their micro-environment and macro-environment and choose to take up structures and exercises that are approved as legal organizational choices and are considered right by other companies (Di Maggio & Powell, 1983; Meyer & Rowan, 1977).

Hoffman (1999), concluded that the theory deals with how institutions and organizations are affected by both external and internal forces, and what measures they put in place to deal with these forces. With time, the organizations tend to become isomorphic or similar (Hoffman, 1999; Meyer & Rowan, 1977; Scott, 2007). Theorists expound on two major organizations, which include; technical and institutional organizations. Technical organizations use modern and updated technologies for example manufacturing with good outputs. Technical institutions accomplish favorable results produced from high quality planning (Meyer & Rowan, 1977; Scott, 1987). Institutional organizations use complicated technologies, i.e., teaching or research in order to

achieve desired outputs (Morphew & Huisman, 2007). Mizruchi and Fein (1999), observed that firms and organizations mainly focus on balancing and maintaining legitimacy by responding positively to the forces that arise from their working environments. The forces include coercive pressure that originates from power that is exercised by the government authorities who are in charge of collecting taxes, mimetic forces that originate from individuals and organizations mimicking the behaviors of successful tax compliance competitors in uncertain environment (Dingwerth & Pattberg, 2009) and normative forces which expounds on the effect or the impact of cultural beliefs and the influence of professional communities on organizational characteristics (Ashworth, Boyne & Delbridge, 2007) .

McCoon (2011), observed that strengthening isomorphic forces, makes taxpayers to meet all their tax obligations, thus avoiding tax evasion behaviors. This theory delivers an important structure for achieving both social and financial legal effects on the countries and institutions and their tactical replies to those effects (Covaleski & Dirsmith, 1988; Carruthers, 1995; Brignall and Modell, 2000). DiMaggio and Powell (1983), concluded that the components of proper structures, are generated from the myths that relate to good economic and social customs. These myths are beliefs of the important rules that are acknowledged and that have been absorbed by various cultures and have gained legitimacy (Meyer and Rowan, 1977).

Scott (2007), observed that institutional theory focuses on very important features on how institutions should be shaped or changed in order to be compatible with the pressures arising from the business environments. The research further concluded that, Islamic financial institutions on human behavior compromise their guidelines and practices and, various organizational logics are presented and they acknowledge the independence of institutions. The research further observed that institutional theory involves analyzing how individuals and organizations' social systems compromise on the set rules, guidelines and procedures, and how they become recognized as working important strategies for organizational behavior.

2.3. Empirical Literature Review.

2.3.1. Tax morale and Tax Compliance.

Tax morale is a measure for a citizen to pay taxes without being pushed to do so by the relevant authorities (Ibrahim, Musah & Abdul-Hanan, 2015). It has to do with why citizens and individuals don't like to pay taxes. One's education levels, marital status, patriotism, employment specialization and being democratic is not critical in tax morale. Citizens and individuals are motivated to comply with taxes, once their financial position is as they expect and believe that the government will use the revenues to benefit the citizens through production of public goods and services (Ibrahim, Musah & Abdul-Hanan, 2015). There are a number of characteristics that have tried to explain why the low attitude towards tax morale. First, females have been found to show a higher morale towards tax compliance compared to the male. Secondly, tax morale is seen to grow with the increase in age. Thirdly, morale towards tax compliance is perceived to be of great importance amongst married couples and of less importance amongst couples who cohabit. Fourth, individuals blessed with children tend to be more tax compliant. Fifth, literate people are more tax compliant compared to the illiterate. Lastly, the unemployed and the self-employed have a lesser tax morale (Torgler, 2005b, 2006; Alm & Torgler, 2006; Cannari & D'Alessio, 2007).

Cevat (2014), observed that individuals' morale towards tax compliance is influenced by the citizens' government and parliament. If the citizens trust and believe in the government, they will be motivated to pay taxes as they are confident that the money will be used for the rightful purposes (Bananuka & Najjuma, 2018). According to Frey (2007), citizens do not like paying taxes and this has increased the crime rates such as corruption and tax evasion. If the government does not come up with ways and measures to end tax evasion and other crimes associated to tax, the problems will still be in existence and this will hinder the country's development as no revenues will be generated to provide essential goods and services (Winnicki & Damm, 2013). Most of the people involved in criminal activities always want to go unpunished and unknown, hence, the determination of the origin of the problem may not be accurate (Schneider & Enste, 2000). Belkaoui (2004), noted that, tax compliance is highest in countries that are democratic and, in the case, where individuals have democratic rights, their morale towards paying taxes is boosted.

2.3.2. Attitudes towards Tax Compliance.

Attitudes relates to a person's own opinion towards tax compliance. Payment of taxes is mandatory to every citizen in a given country. It is therefore anticipated that every citizen willingly complies

with tax payment, although, some opt not to pay taxes with many valid reasons well-known to them (Nkwe, 2013). Research done by Kiringa and Jagongo (2017), indicated that there is a magnificent relationship between the perception towards online tax filing systems in terms of how easy and simple is it to file taxes online and the system being safe and sound to ease the process of filing taxes online. This implies that if the perception towards online tax filing increases, tax compliance amongst individuals will also increase, thus revenues collected from taxes will also increase as also medium and small enterprises adhere to payment and filing of returns. They also proposed that attitudes of individuals towards online tax system is positively and directly influenced by beliefs and perceived website allegations which implies that if citizens and taxpayers find the e-tax system to be safe and secure, they will gain their confidence in the system and their negative attitudes and misconceptions towards e-tax system will change positively leading to increased levels of tax compliance (Kiringa & Jagongo, 2017).

Maisiba and Atambo (2016), however noted that electronic filing system has remained to be a problem since the website has many features some of which are not easily understood by the common citizens and small business owners because some of them are illiterate and no clear instructions and explanations about them is given. In the case where the taxpayers have a positive attitude towards tax payment, overall tax compliance is achieved and this leads to increased revenues to the government as payment of taxes is one of the sources where the government raises its funds from. Nkundabanyaga et al. (2017), suggested that transparency and accountability are of importance when it comes to convincing tax payers and organizations to adhere to tax payment. Citizens and organizations will want to see what the government does with the revenues collected from taxes paid by them and these will determine whether they will comply to taxes or not. Musimenta et al. (2017), argued that there is that internal pressure that drives tax payers to fulfill their tax obligations as they are expected by the law. When the citizens and the organizations have a positive attitude towards remaining tax compliant, they will do anything within their means to ensure that they meet their tax obligations, for example, they will be willing to incur compliance costs with no much difficulties.

2.3.3. Compliance cost and Tax compliance.

Compliance cost is the cost incurred by taxpayers when they file returns or pay taxes, according to Binh & Glover (2002). Hansford and Hasseldine (2012), classified compliance cost into external and internal compliance costs. External compliance costs are fees paid to expertise and tax advisers

excluding Value Added Tax (VAT), since firms and organizations can claim back. Faiday, Copp, Freudenberg and Sarker (2014), further reported that most of the people interviewed, accepted that they do not put into consideration compliance costs with VAT and only consider the costs related only to their businesses. Others argued that they could not recall the correct figures about VAT compliance costs, but concluded that the costs to VAT compliance are usually high compared to other types of taxes. People eligible to paying taxes, usually use tax expertise to file returns on their behalf because of some reasons which according to Devos (2012), include the need to present the correct and accurate returns mainly because of their inadequate knowledge about tax filing and the need to evade penalties associated with not filing returns on time.

Complicated tax systems have made it difficult and complex for some individuals to meet their tax obligations since the laws and regulations about tax are not easily understood and individuals do not want to remain tax compliant because of the extra costs they will have to incur in order to file returns before the due date. Taxpayers have continued to complain about the extra costs they have to incur because some of them feel inconvenienced by the costs since they had not planned to incur them Bird and Wallace (2004), hence the need to incur administration costs and professional cost. This has forced small and medium enterprises i.e., foreign exchange bureaus and other small and medium enterprises in countries that are still developing like Kenya to carry out their activities and operations outside the expected legal systems as observed by Kanyaga (2007). Sourcing information from developed countries, high costs related to tax compliance leads to an increased resource costs to the society, poor production decisions, decline in the levels of investment, increased tax debts and increase in the general level of prices in a country and price fluctuations. (Chattopadhyay & Das-Gupta, 2002).

2.4. Literature Review.

2.4.1. Tax Compliance.

Musimenta et al., (2017), Ritsatos, (2014) and Ibrahim et al., (2014), observed that tax compliance is very essential for all the nations around the world, because the governments continue to search for revenues to improve the delivery of public services to the citizens. The public services that the government provides its citizens include health services, where the citizens are allowed to access free health services in public hospitals. Revenues from taxes, provide the various governments with the funds they need to invest in development and build the various physical and social infrastructures, for long-term growth of the nation. The physical and social infrastructures include hospitals, schools and roads for public transportation (Nkundabanyanga et al., 2017; Ibrahim et al., 2015).

There are a number of factors that influence tax compliance amongst individuals, some of which are isomorphic factors which include societies having respect to the tax authorities and regulators (Musimenta et al. 2017). The factors include; tax morale, attitudes and compliance costs. Tax morale is a measure for a citizen to pay taxes without being pushed to do so by the relevant authorities (Ibrahim, Musah & Abdul-Hanan, 2015). It has to do with why citizens and individuals don't like to pay taxes. One's education levels, marital status, patriotism, employment specialization and being democratic is not critical in tax morale. Citizens and individuals are motivated to comply with taxes, once their financial position is as they expect and believe that the government will use the revenues to benefit the citizens through production of public goods and services (Ibrahim, Musah & Abdul-Hanan, 2015).

Attitudes relates to a person's own opinion towards tax compliance. Payment of taxes is mandatory to every citizen in a given country. It is therefore anticipated that every citizen willingly complies with tax payment, although, some opt not to pay taxes with many valid reasons well-known to them (Nkwe, 2013). Research done by Kiringa and Jagongo (2017), indicates that there is a magnificent relationship between the perception towards online tax filing systems in terms of how easy and simple is it to file taxes online and the system being safe and sound to ease the process of filing taxes online. This implies that if the perception towards online tax filing increases, tax compliance amongst individuals will also increase, thus revenues collected from taxes will also increase as also medium and small enterprises adhere to payment and filing of returns.

Compliance cost is the cost incurred by taxpayers when they file returns or pay taxes, according to Binh & Glover (2002). Hansford and Hasseldine (2012), classified compliance cost into external and internal compliance costs. External compliance costs are fees paid to expertise and tax advisers excluding Value Added Tax (VAT), since firms and organizations can claim back. Complicated tax systems have made it difficult and complex for some individuals to meet their tax obligations since the laws and regulations about tax are not easily understood and individuals do not want to remain tax compliant because of the extra costs they will have to incur in order to file returns before the due date. Taxpayers have continued to complain about the extra costs they have to incur because some of them feel inconvenienced by the costs since they had not planned to incur them Bird and Wallace (2004), hence the need to incur administration costs and professional cost.

Dennis and Emmanuel (2014) argued that, the revenue generated from citizens paying taxes, play a significant role when it comes to Gross Domestic Product (GDP). They further noted that, for the government to continue to raise revenue from taxes, they need to urge the citizens or the taxpayers to comply to payment of taxes, and that they should comply by paying the correct amount and on the correct time. Jayawardane and Low (2016), stated that tax compliance is of great importance for governments of various countries to provide their citizens with the essential public services and be able to reallocate wealth effectively. Ibrahim et al., (2015), concluded that revenues collected as a result of citizens paying taxes, helps to sustain economic development in a country and they help in financing both social and infrastructure investments.

Hatega (2007) carried out a research in Uganda and concluded that, small medium enterprises employ approximately two and half million and contribute about seventy five percent (75%) of the country's gross domestic product. All the small medium enterprises in Uganda, fall under the presumptive tax system, but do not pay taxes to the relevant authorities, based on the field inspection of businesses. The Ugandan government has initiated the introduction of electron tax systems to make tax payment easy and faster, thus encouraging more people to comply to tax payment, but still it has continued to face high levels of non-compliance from the citizens and the small medium enterprises.

2.5. Conceptual Framework.

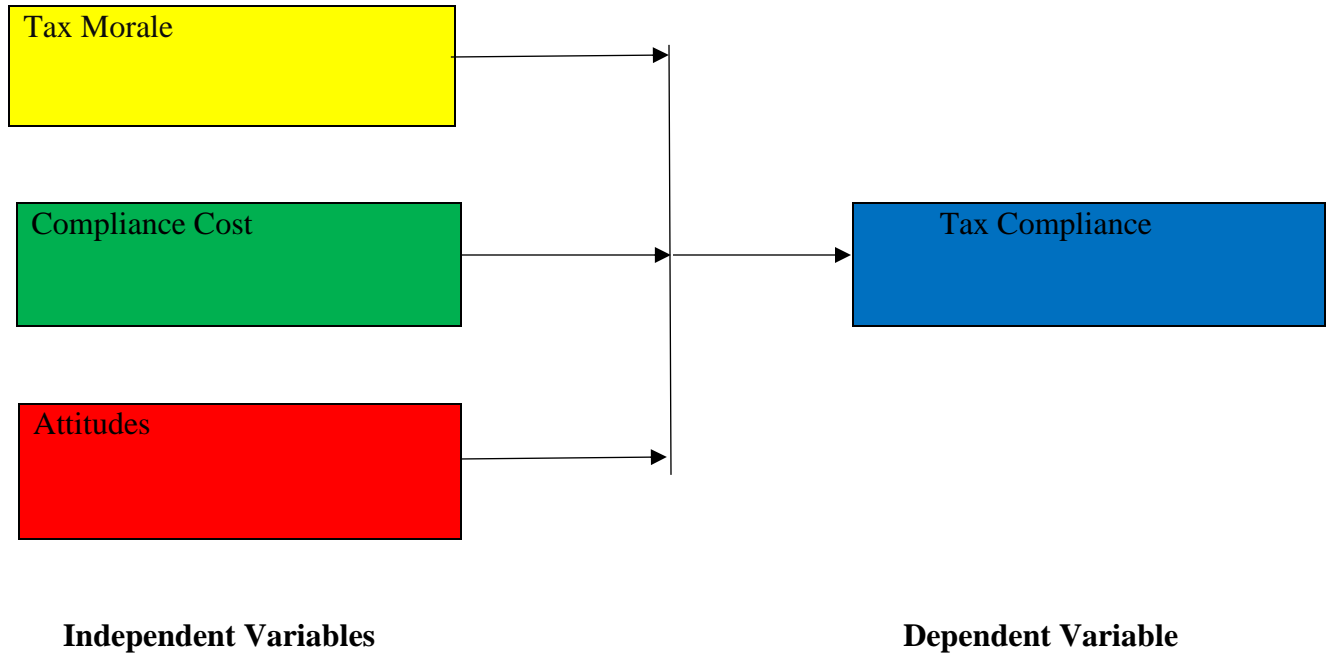


Figure 2.1. Conceptual framework showing Personal factors influencing tax compliance.

Source: Authors, (2020).

2.2. Operationalization of the Variables.

Variable	Definition	Operationalization
Tax Morale	Refers to the natural motivation to pay taxes (Torgler, 2003). Tax morale is a measure for a citizen to willingly pay taxes without being forced (Cevat, 2014).	When individuals and organizations are motivated, they pay their tax obligations as they are expected and on the correct time.
Attitudes Towards Tax Compliance	Refers to a person's own opinion towards tax compliance (Nkwe, 2013). They are individuals' positive or negative views about tax compliance (Damayathanthi, 2016)	Positive attitudes influence tax payers to comply to payment of taxes, while negative attitudes make individuals not to comply to payment of taxes.
Compliance Cost	It is the cost incurred by taxpayers when they pay taxes (Binh & Glover, 2002). They are costs incurred when tax specialists are hired to help in payment of taxes (Hansford & Hasseldine, 2012).	Individuals and organizations, fail to comply to payment of taxes, because they do not want to incur the compliance costs, since they claim that they are expensive for them.
Tax Compliance	It is the meeting of all tax obligations as expected by the law (Musimenta et al., 2017). It is the degree to which taxpayers comply or fail to comply to their tax obligations (Musimenta et al., 2017)	Compliance costs, attitudes towards tax compliance and tax morale, all play a key role in influencing tax payers to comply to tax payment.

Figure 2.2. Operationalization of variables and their definitions.

Source: Authors, (2020).

2.6. Research Gaps.

In a research conducted by Bananuka and Najjuma (2019), on tax compliance of financial services: a developing economy perspective suggested that, future research should be carried out in other departments that are not highly regulated like Savings and Credit Cooperative Societies (SACCOs) and the hotel industry as well as the industrial and manufacturing sectors through the use of a mixed methodology. Further, in a research carried out by Bananuka (2019), on Antecedents of tax compliance of small business enterprises: a developing country perspective states that, future research should be carried to investigate other antecedents of tax compliance that affect small and medium enterprises given that the study's independent variables only put into consideration fifty seven percent of the variance in tax compliance.

In 2014, Hayes and Baker researched on participant observation study of the resolution of audit engagement challenges in government tax compliance audits and suggested that future research should be conducted to include communication, negotiation and the differences between public accountants and auditors employed by the government. Kirchler and Stark (2017), carried out a study on Inheritance tax compliance – earmarking with normative value principles and recommended that further research is needed to determine the impacts of earmarking on inheritance tax behavior and the characteristics of systems that would prove to be effective and efficient.

In a research done by Bornman and Ramutumbu in (2019), on a conceptual framework of tax knowledge, suggested that further research is to be done on the strength and significance of each element as factors that influences tax compliance would be identified. Further, Bananuka and Night (2018), conducted a research on the mediating role of adoption of an electronic tax system in the relationship between attitude towards electronic tax system and tax compliance and recommended that future studies should be conducted in other developing countries to establish the relationship between attitude towards electronic tax systems and tax compliance.

Research carried out by Ritsatos (2012), on tax evasion and compliance; from the neo classical paradigm to behavioral economics, proposed that further research should be conducted to identify the effects of interaction between the various contributive factors. In 2019, Khlif and Amara, researched on political connections, corruption and tax evasion: a cross-country investigation and suggested that further research should be done to determine the impacts of foreign political

connections on tax evasion, tax avoidance and tax aggressiveness at country and company levels, in relation to the data that is provided.

Khelif and Guidara (2017), conducted a research on the quality of management schools, strength of auditing and reporting standards and tax evasion on a cross-country analysis and proposed that future research should be done on tax evasion to enable distinguish between developed and developing countries. Researchers of 2020 are conducted a research on Personal factors that influence tax compliance in education sector in Kenya – a case study of Riara University, to fill the gap since the research has not been carried out before.

3.0. CHAPTER THREE: RESEARCH METHODOLOGY.

3.1. Introduction.

This chapter entails the research design used to carry out the research, which is an arrangement for collecting and analyzing data, operationalization and measurement of variables, the target population of the study which was limited to formal employees at Riara University. It also entails the sampling design which is convenient sampling design, data collection method which is questionnaire method, data collection procedure, data analysis technique and presentation and lastly ethical considerations.

3.2. Research Design.

The study adopted Exploratory research design, which according to Field (2009), is a way of determining variables and has the capability of decreasing information to a good size that is easily manageable. Exploratory factor analysis is done by basically running a rotated component matrix, hence reducing the questions that are irrelevant and do not make sense. This research design was used when finding out the factors or variables that influence a phenomenon, thus, according to this study, it was more effective, since the study focused on factors that influence tax compliance. The factors include; tax morale, attitudes and compliance cost. This research design was proven effective and successful, as it was used by Mugabe & Kulabako (2016), to find out how tax administration affects the economy of Uganda in October 2015.

3.3. Operationalization and Measurement of Variables.

Variable	Definition	Operationalization	Measurement
Tax Morale	Refers to the natural motivation to pay taxes (Torgler, 2003).	When individuals are motivated, they pay their taxes on time	Likert Scale was used for measurement
Attitudes Towards Tax Compliance	Refers to people's opinions about tax compliance (Nkwe, 2013).	Positive attitudes influence people to comply to tax payment.	Was measured using Likert Scale.

Compliance Cost	They are costs incurred by taxpayers when paying taxes (Binh & Glover, 2002).	Individuals and organizations fail to comply to tax payment, because of the compliance costs.	Likert scale was used for measurement
Tax Compliance	Is the meeting of all tax obligations as expected by the law (Musimenta et al., 2017).	Compliance costs, attitudes towards tax compliance and tax morale, all play a key role in influencing tax payers to comply to tax payment.	Was measured using Likert scale.

Source: Authors, (2020).

3.4. Target Population.

The target population was formal employees at Riara University, employed by the school, and were eligible to paying taxes. The size of the population was approximated to be 150 employees aged 23 years and above. The study included the working employees of the university that were employed to work within the school premises. The employees were of various schools, including the school of business, journalism, education, international relations, law and computing science.

3.5. Sampling Design.

Convenience sampling design was adopted, since, the population was easy to reach and contact, as the population was from Riara University. Convenience sampling was used to collect data under each school in the university because, the employees were from various schools. This type of sampling was affordable, since it did not require much efforts and resources. It also saved the researchers’ time, because the researchers did not need to go look for a population to use for data collection, since it was readily available. This type of sampling design has limited rules on how data should be collected (Maravelakis 2019).

3.6. Data Collection.

The data was collected from respondents using questionnaire to obtain substantial information. The questionnaire entailed closed-answer format which allowed the respondents respond as they wished (Bananuka et al., 2018). Questionnaires have advantages over some other types of surveys in that they are cheap, do not require as much effort from the questioner as verbal or telephone surveys, and are often easily understood. They are limited to the fact that respondents must be able to know how to read the questions and how to respond to them.

3.7. Data Collection Procedure.

Data was collected through the use of questionnaires. The questionnaires were sent to respondents through various platforms, including; Gmail account and WhatsApp. Gmail was considered because, it is official, since the research involved the Riara university staff who were formal employees, not informal. Gmail is also safe and secure, when compared to WhatsApp. WhatsApp was also used, but in rare occasions; in the case where email of the respondent was not active or accessible.

3.8. Data Analysis and Presentation.

SPSS method of analyzing data was used. It is a short form for Statistical Package for the Social Sciences, and was used to compile and analyze statistical data. The software was first launched in 1968 by SPSS Inc., and International Business Machines Corporation acquired it in the year 2009. It is widely and globally used, because of its flexibility, transparency, English-like command language and it thoroughly analyzes statistical data, giving transparent results. It is used by various departments when carrying out research, including health, education, marketing and government itself, in order to get the most accredited results from their research projects. SPSS provides solutions for data management problems, that allows researchers to carry out case selection, analyze data and transfer data into files and then reshape the files. (International Business Machines Corporation, 2020). Data will be presented in charts, i.e., pie- charts and graphs.

3.9. Ethical Considerations.

The research will be useful to the government, tax authorities, organizations and employees. It will assist the government to know what are the favorable tax policies and rates to set in order to encourage citizens to comply with tax payment process. It will enable the tax authorities to come up with systems that are easy and simple to use in order to enable taxpayers file their returns and pay their taxes on time. The research will assist the organizations and the employees to understand why they need to pay taxes and what the revenues collected from taxes are used for. Plagiarism

will be addressed by citing and quoting the relevant authors and paraphrasing their original work. The work will also be referenced at the end of the research in order to reduce plagiarism. Plagiarism will also be addressed by the use of plagiarism checker, to enable identify the plagiarized areas and enable the researchers to correct on those areas.

Privacy will be addressed by not mentioning and not listing the names of the respondents who participated in the questionnaire during the research, assuring the respondents that their information will be kept confidential and assuring the respondents that the information provided will be used for academic purposes only and not for selfish interests.

4.0. CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSIONS.

4.1 Introduction.

This chapter is about data analysis regarding the Factors Influencing Tax Compliance among the Riara University employees. The data analyzed has been interpreted in relation to the research objectives and has been presented in table form, graphs and charts.

4.2 Response Rate.

Table 4.1: Response Rate.

Response	Frequency	Percentage
Actual Response	37	93%
Not Responded	3	7%
TOTAL	40	100%

Source: Primary Data, (2020).

Out of the 40, only 37 personnel responded to the questionnaire thus presenting 93% which was very adequate for the analysis.

4.3 Demographic Information.

This refers to a set of characteristics, a behavior or trend that is observed in a given study that targets a population of choice. This section covers the age bracket and gender of the respondents. This information is important as it helps to understand the composition characteristics of the target population of study.

4.3.1 Gender of the Respondents.

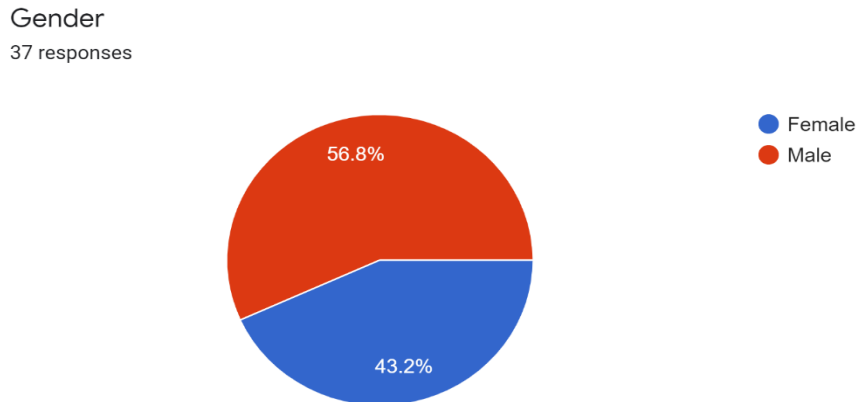


Figure 4.1 Gender.

Source: Primary Data, 2020.

The study found it essential to determine the respondents' gender in order to ascertain whether gender parity was in consideration. Based on the findings in figure 4.1, majority of the respondents were male with a total percentage of 56.8% and 43.2% female.

4.3.2 Age of the Respondents.

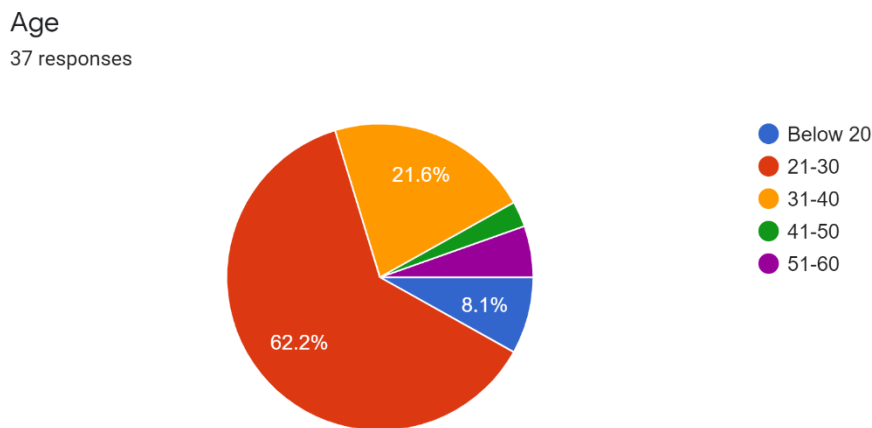


Figure 4.2 Age of the Respondents.

Source: Primary Data, 2020.

Figure 4.2 shows that 8.1% of the respondents were below 20, 62.2% were between the age of 21-30, 21.6% between 31-40, 2.7% between 41-50 and 5.4 % between 51-60. This indicated that majority of the respondents were between the age of 21-30, while the minority were between the age of 41-50.

4.4 Personal Factors Influencing Tax Compliance among Riara University Staff.

The study assessed the Personal Factors Influencing Tax Compliance among the Riara University employees thus; 1 indicated strongly agree, 2-agree, 3-not sure, 4-disagree and 5-strongly disagree.

4.4.1. Tax Attitude.

The study aimed to find the relationship between the attitudes of the tax payers and tax compliance. This section had four questions or statements that were posed to the respondents. The first statement was “the tax system is flexible”. 2 (5.4%) of the respondents strongly agreed, 19 (51.4%) agreed, (5) 13.5% were not sure, 10 (27%) disagreed and (3) 8.1% strongly disagreed. The second question on tax attitude was “the tax system is reliable” it received the following responses. 3 (8.1%) strongly agreed, 17 (45.9%) agreed, 3 (8.1%) were not sure, 9 (24.3%) disagreed and 6 (16.2%) strongly disagreed. The third question was “the tax system is user friendly”. This question received the following responses. 4 (10.8%) strongly agreed, 21 (56.8%) agreed, 3 (8.1%) were not sure, 6 (16.2%) disagreed and 4 (10.8%) strongly disagreed.

The last question was question was “the tax authority employees are accommodating” and it had the following responses. 6 (16.2%) strongly agreed, 13 (35.1%) agreed, 10 (27%) were not sure, 8 (21.6%) disagreed and 2 (5.4%) strongly disagreed. According to Kiringa and Jagongo (2017), they indicated that there is a magnificent relationship between the perception towards online tax filing systems in terms of how easy and simple is it to file taxes online and the system being safe and sound to ease the process of filing taxes online. This statement is seen to be true as majority 19 (51.4%) agreed that the tax system is flexible, 17 (45.9%) agreed that the tax system is reliable, 21 (56.8%) agreed that the tax system is user friendly.

Maisiba and Atambo (2016), noted that electronic filing system has remained to be a problem since the website has many features some of which are not easily understood by the common citizens and small business owners, because some of them are illiterate and no clear instructions

and explanations about them is given. This statement is seen to be true as (3) 8.1% strongly disagreed that the tax system is flexible, 6 (16.2%) strongly disagreed that the tax system is reliable and 4 (10.8%) strongly disagreed that the tax system is user friendly.

Table 4.2 The Tax System is Flexible.

Findings	Frequency	Percentage (%)
Strongly Agree	2	5.4%
Agree	19	51.4%
Not Sure	5	13.5%
Disagree	10	27%
Strongly Disagree	3	8.1%

Source: Primary Data, 2020.

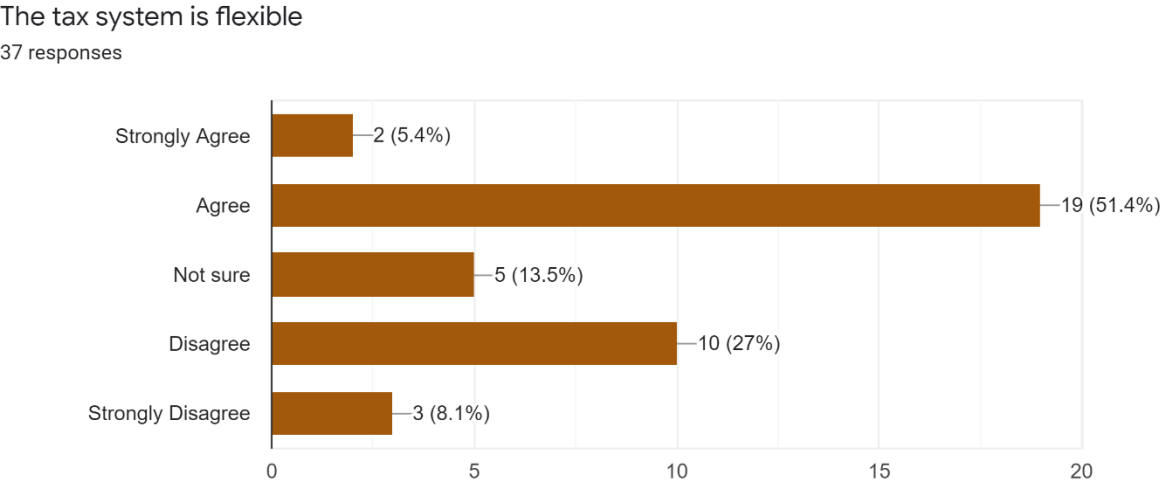


Figure 4.3: The Tax System is Flexible.

Source: Primary Data, 2020.

From the figure above, 5.4% of the respondents strongly agreed that the tax system is flexible, 51.4% agreed, 13.5% were not sure if the tax system was flexible, 27% disagreed and 8.1% strongly disagreed.

Table 4.3: The Tax System is Reliable.

Findings	Frequency	Percentage (%)
Strongly Agree	3	8.1%
Agree	17	45.9%
Not Sure	3	8.1%
Disagree	9	24.3%
Strongly Disagree	6	16.2%

Source: Primary Data, 2020.

2. The tax system is reliable

37 responses

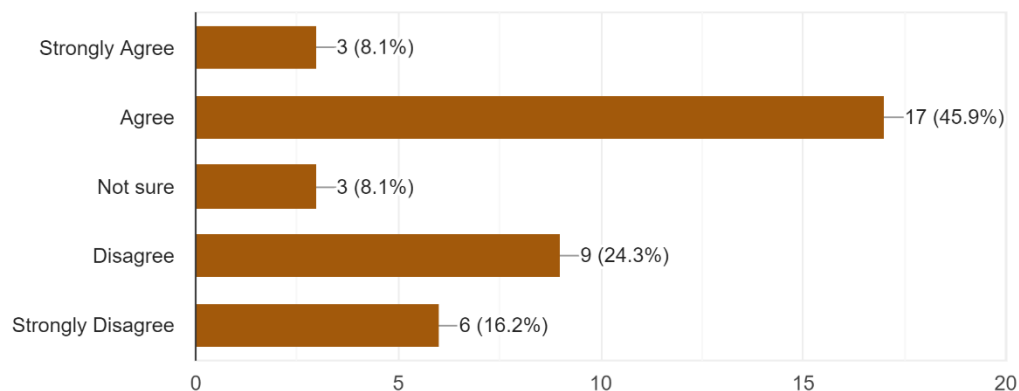


Figure 4.4: The Tax System is Reliable.

Source: Primary Data, 2020.

From the figure above, 8.1% of the respondents strongly agreed that the tax system is reliable, 45.9% agreed, 8.1% were not sure, 24.3% disagreed and 16.2% strongly disagreed.

Table 4.4: The Tax System is user Friendly.

Findings	Frequency	Percentage (%)
Strongly Agree	4	10.8%
Agree	21	56.8%
Not Sure	3	8.1%
Disagree	6	16.2%
Strongly Disagree	4	10.8%

Source: Primary Data, 2020.

3. The tax system is user friendly.

37 responses

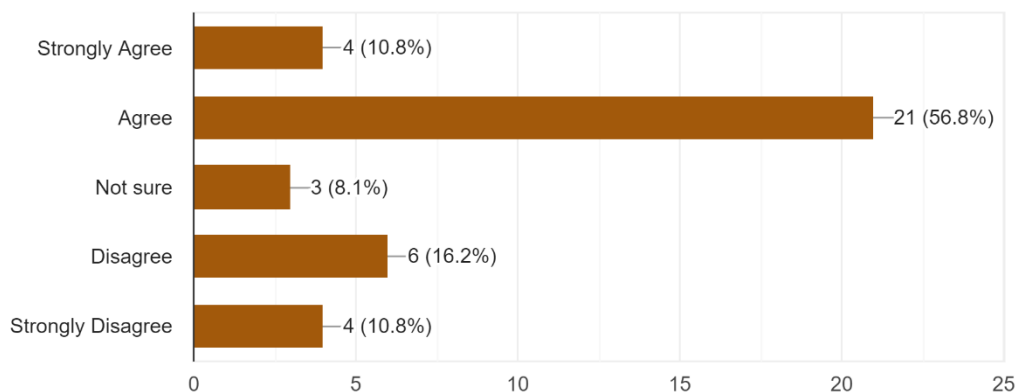


Figure 4.5: The Tax System is user Friendly.

Source: Primary Data, 2020.

From the figure above, 10.8% strongly agreed that the tax system is user friendly, 56.8% agreed, 8.1% were not sure, 16.2% disagreed and 10.8% strongly disagreed with the statement.

Table 4.5: The Tax Authority Employees are Accommodating.

Findings	Frequency	Percentage (%)
Strongly Agree	6	16.2%
Agree	13	35.1%
Not Sure	10	27%
Disagree	8	21.6%
Strongly Disagree	2	5.4%

Source: Primary Data, 2020.

4. The tax authority employees are accommodating

37 responses

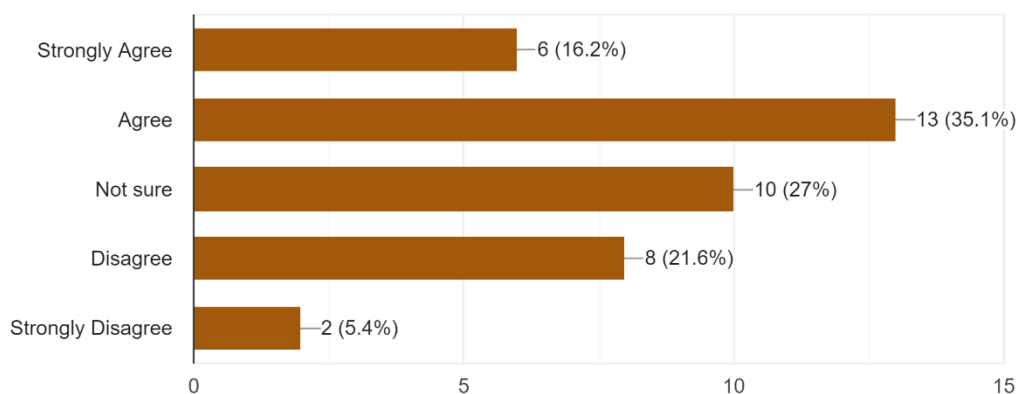


Figure 4.6: The Tax Authority Employees are Accommodating.

Source: Primary Data, 2020.

From the figure above, 16.2% strongly agreed that the tax authority employees are accommodating, 35.1% agreed, 27% were not sure, 21.6% disagreed and 5.4% strongly disagreed with the statement.

4.4.2: Compliance Cost.

The study aimed at finding the opinions of the respondents on compliance cost and tax compliance. This was done using the likert scale, the study posed four statements under which the respondents were to tick where appropriate. The first statement was “compliance cost incurred due to lack of filing returns is high”. The following were the responses. 15 (40.5%) strongly agreed, 14 (37.8%) agreed, 3 (8.1%) were not sure, 4 (10.8%) disagreed and 2 (5.4%) strongly disagreed. The second statement was “compliance cost incurred due to lack of filing returns is low. 5 (13.5%) strongly agreed, 4 (10.88%) agreed, 4 (10.8%) were not sure, 14 (37.8%) disagreed and 11 (29.7%) strongly disagreed. The third question was “tax evasion reduces compliance cost. 3 (8.1%) strongly agreed, 6 (16.2%) agreed, 7 (18.9%) were not sure, 13 (35.1%) disagreed and 9 (24.3%) strongly disagreed. The fourth question was “tax avoidance reduces compliance cost”. 2 (5.4%) strongly agreed, 11 (29.7%) agreed, 9 (24.3%) were not sure, 10 (27%) disagreed and 6 (16.2%) strongly disagreed.

Complicated tax systems have made it difficult and complex for some individuals to meet their tax obligations since the laws and regulations about tax are not easily understood and individuals do not want to remain tax compliant because of the extra costs they will have to incur in order to file returns before the due date. Taxpayers have continued to complain about the extra costs they have to incur because some of them feel inconvenienced by the costs since they had not planned to incur them Bird and Wallace (2004). This statement can be concluded to be true as majority 15 (40.5%) strongly agreed that compliance cost incurred due to lack of filing returns is high, 14 (37.8%) disagreed that compliance cost incurred due to lack of filing returns is low, 13 (35.1%) disagreed that tax evasion reduces compliance, 11 (29.7%) agreed that tax avoidance reduces compliance cost.

Table 4.6: Compliance Cost Incurred Due to Lack of Filing Returns is High.

Findings	Frequency	Percentage (%)
Strongly Agree	15	40.5%
Agree	14	37.8%
Not Sure	3	8.1%
Disagree	4	10.8%
Strongly Disagree	2	5.4%

Source: Primary Data, 2020.

5. Compliance cost incurred due to lack of filing returns is high.

37 responses

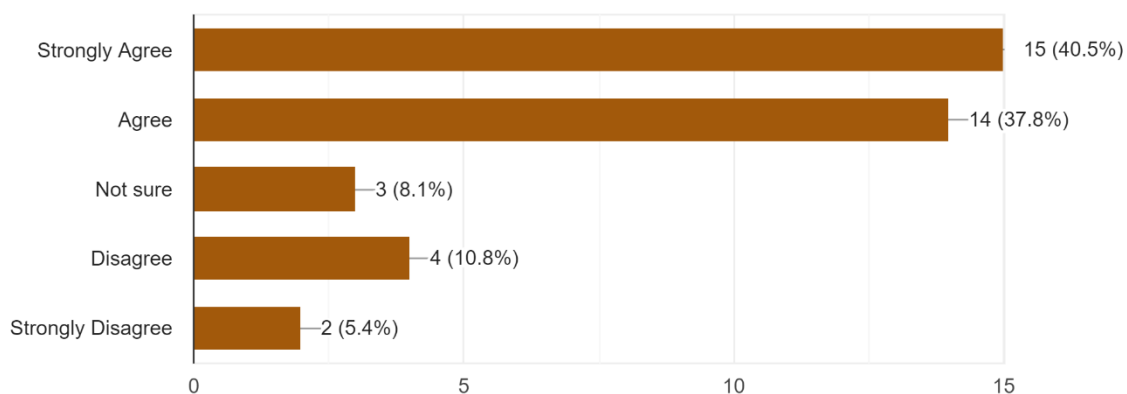


Figure 4.7: Compliance Cost Incurred Due to Lack of Filing Returns is High.

Source: Primary Data, 2020.

From the figure above, 40.5% strongly agreed that compliance cost incurred due to lack of filing returns is high, 37.8% agreed, 8.1% were not sure, 10.8% disagreed and 5.4% strongly disagreed with the statement.

Table: 4.7. Compliance Cost Incurred Due to Lack of Filing Returns is Low.

Findings	Frequency	Percentage (%)
Strongly Agree	5	13.5%
Agree	4	10.88%
Not Sure	4	10.8%
Disagree	14	37.8%

Strongly Disagree 11 29.7%

6. Compliance cost incurred due to lack of filing returns is low.

37 responses

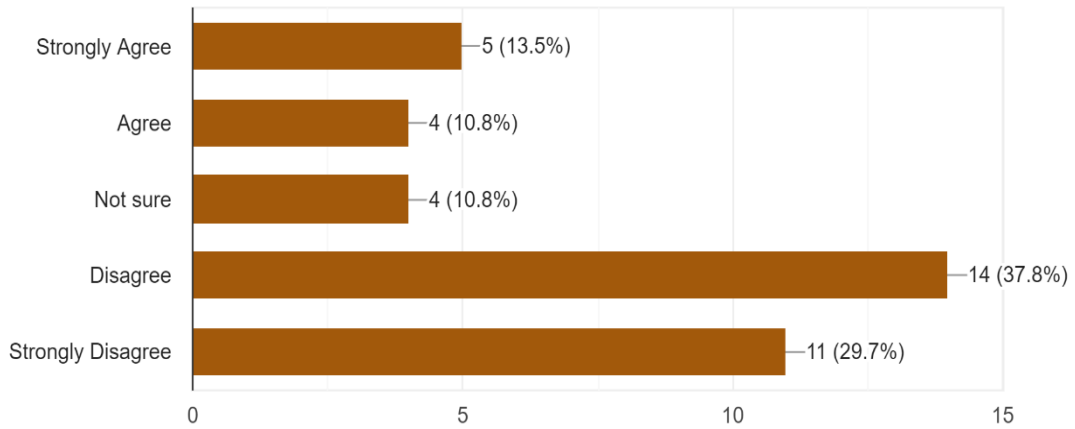


Figure 4.8: Compliance Cost Incurred Due to Lack of Filing Returns is Low.

Source: Primary Data, 2020.

From the figure above, 13.5% strongly disagreed that compliance cost incurred due to lack of filing returns was low, 10.8% agreed, 10.8% were not sure, 37.8% disagreed and 29.7% strongly disagreed with the statement.

Table 4.8: Tax Evasion Reduces Compliance Cost.

Findings	Frequency	Percentage (%)
Strongly Agree	3	8.1%
Agree	6	16.2%
Not Sure	7	18.9%

Disagree	13	35.1%
Strongly Disagree	9	24.3%

Source: Primary Data, 2020.

7. Tax evasion reduces compliance cost.

37 responses

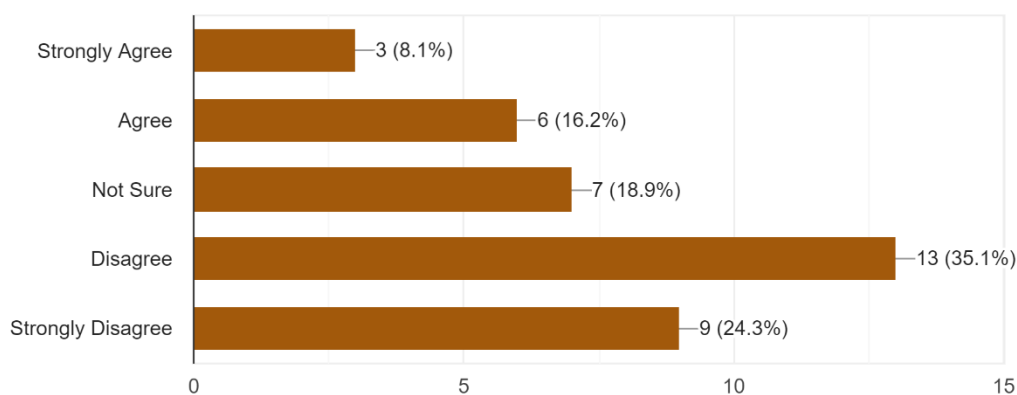


Figure 4.9: Tax Evasion Reduces Compliance Cost.

Source: Primary Data, 2020.

From the figure above, 8.1% strongly agreed that tax evasion reduces compliance cost, 16.2% agreed, 18.9% were not sure, 35.1% disagreed and 24.3% strongly disagreed with the statement.

Table: 4.9 Tax Avoidance Reduces Compliance Cost.

Findings	Frequency	Percentage (%)
Strongly Agree	2	5.4%
Agree	11	29.7%

Not Sure	9	24.3%
Disagree	10	27%
Strongly Disagree	6	16.2%

Source: Primary Data, 2020.

8. Tax avoidance reduces compliance cost.

37 responses

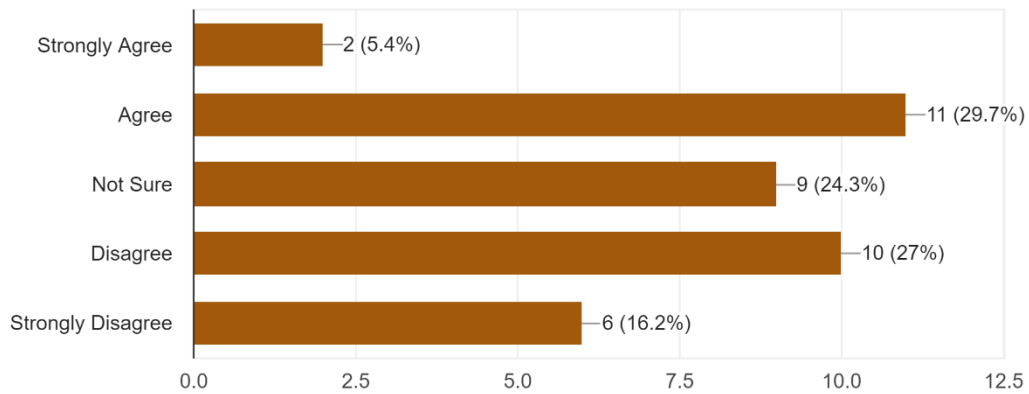


Figure 4.10: Tax Avoidance Reduces Compliance Cost.

Source: Primary Data, 2020.

From the figure above, 5.4% strongly agreed that tax avoidance reduces compliance cost, 29.7% agreed, 24.3% were not sure, 27% disagreed and 16.2% strongly disagreed with the statement.

4.4.3. Tax Morale.

The study intended to find out the relationship between tax morale and tax compliance. Using the Likert scale, the study posed four statements that the respondents were to tick where appropriate according to them. The first statement was “I file returns on time”. 12 (32.4%) strongly agreed, 21 (56.8%) agreed, 2 (5.4%) were not sure, 2 (5.4%) disagreed and 0% strongly disagreed. The second statement was “I like paying taxes”. 4 (10.8%) strongly agreed, 16 (43.2%) agreed, 5 (13.5%) were not sure, 8 (21.6%) disagreed and 5 (10.8%) strongly disagreed. The third statement was “the tax filing offices are in convenient places”. 4 (10.8%) strongly agreed, 13 (35.1%) agreed, 2 (5.4%) were not sure, 15 (40.5%) disagreed and 3 (8.1%) strongly disagreed. The last was “the tax authority employees provide services right in time. 5 (13.5%) strongly agreed, 15 (40.5%) agreed, 3 (8.1%) were not sure, 12 (32.4%) disagreed and 2 (5.4%) strongly disagreed.

Cevat (2014), observed that individuals’ morale towards tax compliance is influenced by the citizens’ government and parliament. If the citizens trust and believe in the government, they will be motivated to pay taxes as they are confident that the money will be used for the rightful purposes. This statement is seen to be true as majority of the respondents 21 (56.8%) agreed that they file returns on time and 16 (43.2%) agreed that they like paying taxes, this shows that they believe and trust their government with the revenues collected from taxes.

Frey (2007), stated that citizens do not like paying taxes and this has increased the crime rates such as corruption and tax evasion. If the government does not come up with ways and measures to end tax evasion and other crimes associated to tax, the problems will still be in existence and this will hinder the country’s development as no revenues will be generated to provide essential goods and services. This statement can be concluded to be true as 2 (5.4%) disagreed to the fact that they file returns on time and 8 (21.6%) disagreed to the fact that they like paying taxes.

Table 4.10: I File Returns on Time.

Findings	Frequency	Percentage (%)
Strongly Agree	12	32.4%
Agree	21	56.8%
Not Sure	2	5.4%
Disagree	2	5.4%
Strongly Disagree	0	0%

Source: Primary Data, 2020.

I file returns on time
37 responses

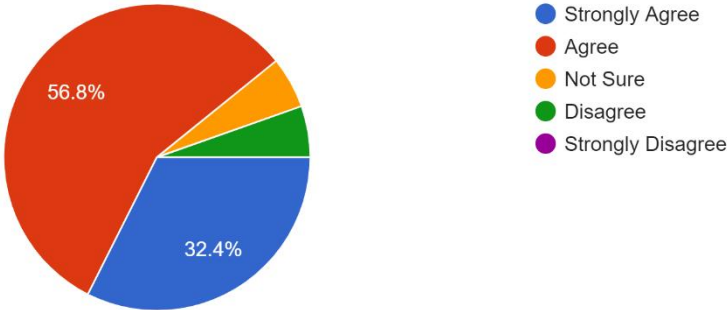


Figure 4.11: I File Returns on Time.

Source: Primary Data, 2020

From the above figure, 32.4% strongly agreed that they file their returns on time, 56.8% agreed, 5.4% were not sure, 5.4 % disagreed and 0% strongly disagreed with this statement.

Table 4.11: I Like Paying Taxes.

Findings	Frequency	Percentage (%)
Strongly Agree	4	10.8%
Agree	16	43.2%
Not Sure	5	13.5%
Disagree	8	21.6%
Strongly Disagree	5	10.8%

Source: Primary Data, 2020.

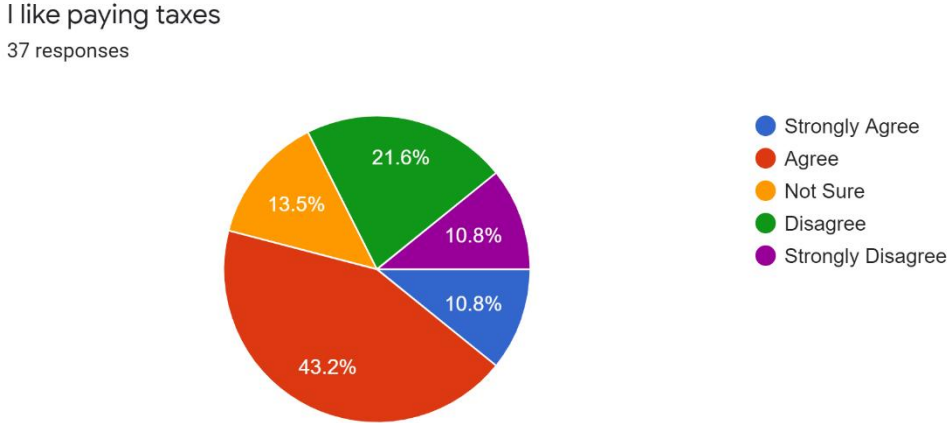


Figure 4.12: I like Paying Taxes.

Source: Primary Data, 2020.

From the above figure, 10.8% strongly agreed that they like paying taxes, 43.2% agreed to it, 13.5% were not sure, 21.6%, disagreed and 10.8% strongly disagreed with this statement.

Table 4.12: The Tax Filing Offices are in Convenient Places.

Findings	Frequency	Percentage (%)
Strongly Agree	4	10.8%
Agree	13	35.1%
Not Sure	2	5.4%
Disagree	15	40.5%
Strongly Disagree	3	8.1%

Source: Primary Data, 2020.

The tax filing offices are in convenient places.
37 responses

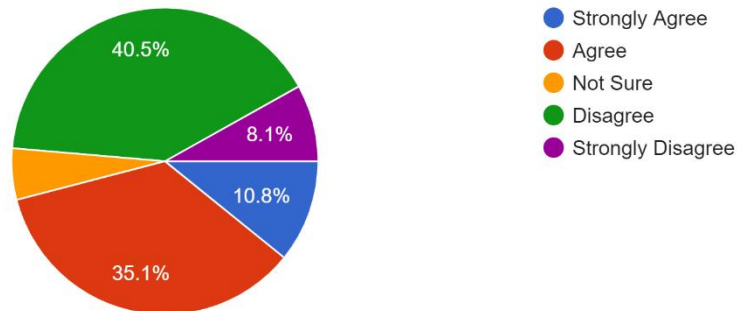


Figure 4.13: The Tax Filing Offices are in Convenient Places.

Source: Primary Data, 2020.

From the above figure, 10.8% strongly agreed that the tax filing offices are in convenient places, 35.1% agreed, 5.4% were not sure, 40.5% disagreed and 8.1% strongly disagreed with this statement.

Table 4.13: The Tax Authority Employees Provide Services Right in Time.

Findings	Frequency	Percentage (%)
Strongly Agree	5	13.5%
Agree	15	40.5%
Not Sure	3	8.1%
Disagree	12	32.4%
Strongly Disagree	2	5.4%

Source: Primary Data, 2020.

The Tax Authority Employees provide services right in time.
37 responses

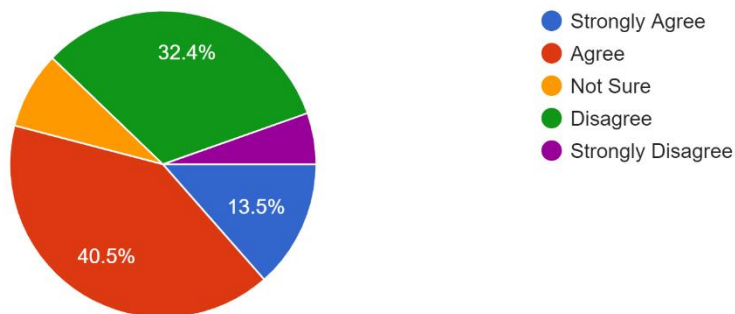


Figure 4.14: The Tax Authority Employees Provide Services Right in Time.

Source: Primary Data, 2020.

From the figure above, 13.5% strongly agreed that the tax authority employees provide services right in time, 40.5% agreed, 8.1% were not sure, 32.4% disagreed and 5.4% strongly disagreed with the fact that tax authority employees provide services right in time.

4.4.4 Tax Compliance

The study aimed to find out how tax compliance is influenced by empathy. The first statement about empathy was “the tax system has operating hours convenient to all its customers”. 5 (13.5%) strongly agreed, 21 (56.8%) agreed, 7 (18.9%) were not sure, 2 (5.4%) disagreed and 2 (5.4%) strongly disagreed. The second statement was “the tax authority employees give individual attention. 3 (8.1%) strongly agreed, 17 (45.9%) agreed, 8 (21.6%) were not sure, 6 (16.2%) disagreed and 3 (8.1%) strongly disagreed.

The third statement was “the tax authority employees understand your specific needs. 3 (8.1%) strongly agreed, 12 (32.4%) agreed, 8 (21.6%) were not sure, 12 (32.4%) disagreed, and 3 (8.1%) strongly disagreed. The last statement was “the tax authority customer care is never busy to respond to your requests. 2 (5.4%) strongly agreed, 13 (35.1%) agreed, 9 (24.3%) were not sure, 11 (29.7%) disagreed and 2 (5.4%) strongly disagreed.

Kiringa and Jagongo (2017), in their study, concluded that there is a significant relationship between the perception towards online tax filing systems and empathy in terms of how easy and simple is it to file taxes online and the system being safe, available and sound to ease the process of filing taxes online. This statement can be concluded to be true as 5 (13.5%) strongly agreed, 21 (56.8%) agreed, 7 (18.9%) were not sure, 2 (5.4%) disagreed and 2 (5.4%) strongly disagreed to the statement that the tax system has operating hours convenient to all its customers. Majority of the respondents 21 (56.8%) agreed, making the statement valid.

Table 4.14: The Tax System has Operating Hours Convenient to all its Customers.

Findings	Frequency	Percentage (%)
Strongly Agree	5	13.5%
Agree	21	56.8%
Not Sure	7	18.9%

Disagree	2	5.4%
Strongly Disagree	2	5.4%

Source: Primary Data, 2020.

The tax system has operating hours convenient to all its customers.
37 responses

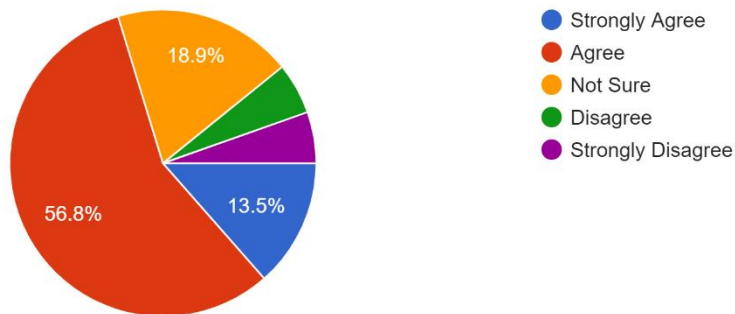


Figure 4.15: The Tax System as Operating Hours Convenient to all its Customers

Source: Primary Data, 2020.

From the figure above, 13.5% strongly agree that the tax system has operating hours convenient to all its customers, 56.8% agreed to it, 18.9% were not sure, 5.4% disagreed and 5.4% strongly disagreed.

Table 4.15: The Tax Authority Employees give Individual Attention.

Findings	Frequency	Percentage (%)
Strongly Agree	3	8.1%
Agree	17	45.9%
Not Sure	8	21.6%
Disagree	6	16.2%

Strongly Disagree 3 8.1%

Source: Primary Data, 2020.

The tax authority employees give individual attention.

37 responses

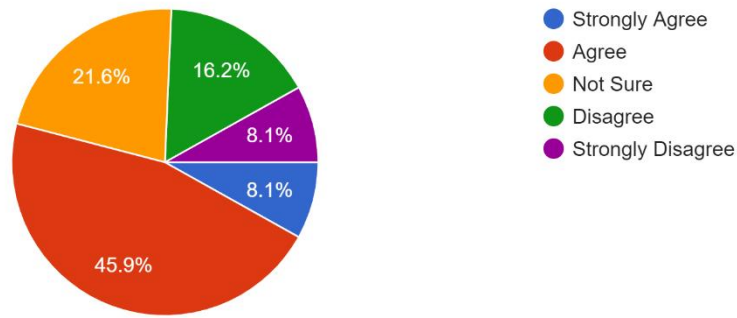


Figure 4.16: The Tax Authority Employees give Individual Attention.

Source: Primary Data, 2020.

From the figure above, 8.1% strongly agreed that the tax authority employees give individual attention, 45.9% agreed, 21.6% were not sure, 16.2% disagreed and 8.1% strongly disagreed with this statement.

Table 4.16: The Tax Authority Employees Understand Your Specific Needs.

Findings	Frequency	Percentage (%)
Strongly Agree	3	8.1%
Agree	12	32.4%
Not Sure	8	21.6%
Disagree	12	32.4%
Strongly Disagree	3	8.1%

Source: Primary Data, 2020.

The tax authority employees understand your specific needs.

37 responses

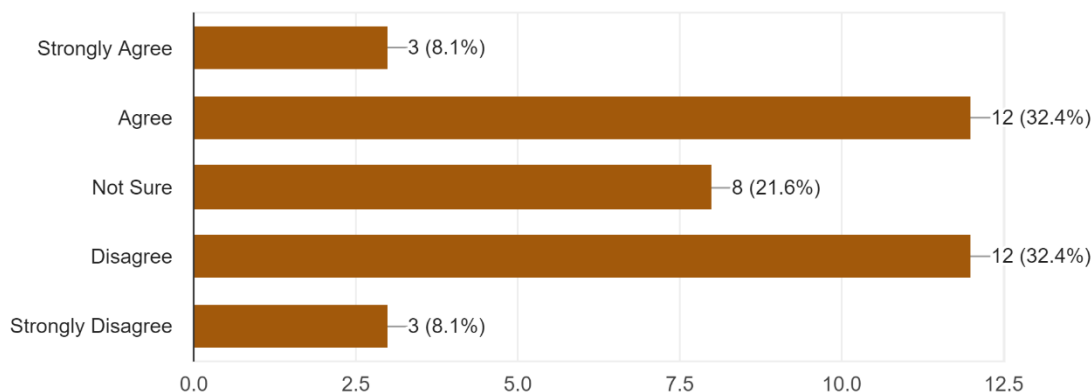


Figure 4.17: The Tax Authority Employees Understand Your Specific Needs.

Source: Primary Data, 2020.

From the above figure, 8.1% strongly agreed that the tax authority employees understand a customers’ specific needs, 32.4% agreed, 21.6% were not sure, 32.4% disagreed and 8.1% strongly disagreed with this statement.

Table 4.17: The Tax Authority Customer Care is Never Busy to Respond to Customers’ Requests.

Findings	Frequency	Percentage (%)
Strongly Agree	2	5.4%
Agree	13	35.1%
Not Sure	9	24.3%
Disagree	11	29.7%
Strongly Disagree	2	5.4%

Source: Primary Data, 2020.

The tax authority customer care is never busy to respond to your requests.

37 responses

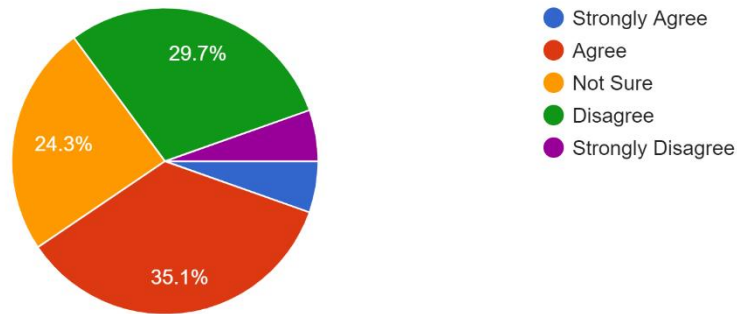


Figure 4.18: The Tax Authority Customer Care is Never Busy to Respond to Customers' Requests.

Source: Primary Data, 2020

From the figure above, 5.4% strongly agreed that the tax authority customer care is never busy to respond to customers' requests, 35.13% agreed, 24.3% were not sure, 29.7% disagreed and 5.4% strongly disagreed with this statement.

4.5. Conclusion.

Table 4.18.

Response	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Mean
The tax system is flexible	2	19	5	10	3	7.8
The tax system is reliable	3	17	3	9	6	7.6
The tax system is user friendly	4	21	3	6	4	7.6
The tax authority	6	13	10	8	2	7.8

employees are
accommodating.

Compliance cost
incurred due to
lack of filing
returns is high

15 14 3 4 2 7.6

Compliance cost
incurred due to
lack of filing
returns is low.

5 4 4 14 11 7.6

Tax evasion
reduces
compliance cost

3 6 7 13 9 7.6

Tax avoidance
reduces
compliance cost

2 11 9 10 6 7.6

I file returns on
time

12 21 2 2 0 7.4

I like paying
taxes

4 13 2 15 15 7.4

The tax filing
offices are in
convenient
places

4 13 2 15 3 7.4

The tax
authority
employee
provides

5 15 3 12 2 7.4

services right in time.

The tax system has operating hours convenient to all its customers

5 21 7 2 2 7.4

The tax authority employees give individual attention.

3 17 8 6 3 7.4

The tax authority employees understand customers' specific needs.

3 12 8 12 3 7.6

The tax authority customer care is never busy to respond to customers' requests.

2 13 9 11 2 7.4

Average 7.6.

Source: Primary Data, (2020).

From the table above, the results obtained from the study regarding personal factors influencing tax compliance among the Riara University staff, show that the average mean was 7.6 which implied that the respondents agreed to the fact that these personal factors influence tax compliance. This is because the average mean was 7.6, which was rated as agree.

Done by Leah Mabeya, P. Joyce Wangari and Daniel Muthoka.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.

5.1. Introduction.

This chapter gives the summary and conclusions that are derived from the findings in chapter four, recommendations from the study with regards to the objectives of the research, limitations of the study as well as suggestions for further research. The objective of the study was to ascertain how tax compliance is affected by tax attitudes, tax morale and compliance cost among the Riara University employees.

5.2. Summary of the Findings.

The main objective of this research was to determine the Personal Factors that Influence Tax Compliance amongst the Riara University Employees. The study was guided by these specific objectives; to examine how compliance cost affects tax compliance, to investigate how tax morale affects tax compliance, to investigate how tax attitudes affect tax compliance and to find out how empathy influences tax compliance. Data for the research was obtained from primary sources through administering questionnaires to the respondents. 40 questionnaires were distributed to the respondents and only 37 responded, which constituted 93%, which was sufficient for analysis.

The study found out that there is a positive relationship between tax attitude and tax compliance. From the findings, 19 (51.4%) agreed that the tax system is flexible, 17 (45.9%) agreed that the tax system is reliable, 21 (56.8%) agreed that the tax system is user friendly. This showed that there is a magnificent positive relationship between the perception towards online tax filing systems in terms of how easy and simple is it to file taxes online and the system being safe and sound to ease the process of filing taxes online.

The study concluded that a constructive relationship between compliance cost and tax compliance exists. From the findings, majority 15 (40.5%) strongly agreed that compliance cost incurred due to lack of filing returns is high, 14 (37.8%) disagreed that compliance cost incurred due to lack of filing returns is low, 13 (35.1%) disagreed that tax evasion reduces compliance, 11 (29.7%) agreed that tax avoidance reduces compliance cost. This showed that tax attitudes play a key role in influencing tax payers to comply with tax payment.

The research identified that a positive relationship exists between tax morale and tax compliance. From the findings of the research, majority of the respondents 21 (56.8%) agreed that they file returns on time and 16 (43.2%) agreed that they like paying taxes, this showed that they believe and trust their government with the revenues collected from taxes. Therefore, it can be concluded that individuals' morale towards tax compliance is influenced by the citizens' government and parliament. If the citizens trust and believe in the government, they will be motivated to pay taxes as they are confident that the money will be used for the rightful purposes.

The study established a constructive relationship between empathy and tax compliance. 5 (13.5%) strongly agreed, 21 (56.8%) agreed, 7 (18.9%) were not sure, 2 (5.4%) disagreed and 2 (5.4%) strongly disagreed to the statement that the tax system has operating hours convenient to all its customers. Majority of the respondents 21 (56.8%) agreed, making the statement valid. Therefore, it can be concluded that, empathy influences tax compliance among individuals eligible to paying taxes.

5.3. Conclusion.

The results from the study prove that tax morale, compliance cost and tax attitudes, influence tax compliance. In order for the government to collect a lot of revenues from the taxes, they need to show the taxpayers of the relevant country, how they use the revenues. If the government uses the revenues to provide the essential public goods and services, taxpayers will be motivated and their morale will be boosted, thus they will to comply with tax payment, leading to increased revenues for the government. The government should also set tax rules that are favorable, i.e., tax rates, in order to encourage citizens to pay taxes.

Tax authorities should also make the tax system much simpler and they should give simple instructions on how the system works. This will enable the taxpayers remain tax compliant, as they will find the system easier to use, and cheaper, as they do not have to hire experts to do it for them, thus saving on compliance costs. The tax authorities should also encourage their employees to be accommodating and ready to listen to the claims of the tax payers. This can also encourage the tax payers to remain compliant, as their needs and concerns are resolved.

5.4. Recommendation of the Study.

Based on the findings from the research, the study recommends that the tax authorities should ensure they have more offices and branches, and that they should be located in convenient places, where taxpayers can easily access them, so as to get help regarding tax payment process. Since majority of tax payers like to pay their taxes on time, the tax authorities should make the tax system easier to use, fast and reliable, in order to encourage the tax payers to remain compliant. The study recommends that the government should also remain transparent and accountable to the revenues collected from the tax payers' taxes. This will boost their morale, and they will develop a positive attitude towards tax compliance.

5.5. Limitations of the Study.

The study was limited to the use of primary data that is; the use of questionnaires. This indicates that the findings of this research may not be at par with the findings from both primary and secondary sources. This study was also limited to Riara University employees; thus, it may not match those that focused on various institutions across the country.

5.6. Suggestions for Further Studies.

This study focused on Personal Factors that Influence Tax Compliance and how they affect individuals in paying taxes with specific reference to Riara University employees. Future research should be done on how tax compliance affects the economy of an underdeveloped country.

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Appendix I: Questionnaire That Determines Personal Factors Influencing Tax Compliance For Formal Employees at Riara University.

We are in the process of conducting research on the Personal factors that influence tax compliance for formal employees at Riara University. We would like to hear your opinions about this important issue. This will help us to write a paper on the same. The questionnaire will take only five minutes of your time and your responses are completely anonymous and will be used for academic purposes only.

SECTION A.

1. Gender Male Female.
2. Age Below 20 21-30 31-40 41-50 51-60

SECTION B.

In all the questions please tick in the bracket where appropriate, against the statement as defined below;

3. Strongly Agree Agree Not Sure Disagree Strongly Disagree.

Attitude.

4. The tax system is flexible
 Strongly Agree Agree Not Sure Disagree Strongly Disagree.
5. The tax system is reliable.
 Strongly Agree Agree Not Sure Disagree Strongly Disagree.
6. The tax system is user friendly.
 Strongly Agree Agree Not Sure Disagree Strongly Disagree.
7. The tax authority employees are accommodating.
 Strongly Agree Agree Not Sure Disagree Strongly Disagree.

Compliance cost.

8. Compliance cost incurred due to lack of filing returns is high.

Strongly Agree Agree Not Sure Disagree Strongly Disagree.

9. Compliance cost incurred due to lack of filing returns is low.

Strongly Agree Agree Not Sure Disagree Strongly Disagree.

10. Tax evasion reduces compliance cost.

Strongly Agree Agree Not Sure Disagree Strongly Disagree.

11. Tax avoidance reduces compliance cost.

Strongly Agree Agree Not Sure Disagree Strongly Disagree.

Morale.

12. I file returns on time.

Strongly Agree Agree Not Sure Disagree Strongly Disagree.

13. I like paying taxes.

Strongly Agree Agree Not Sure Disagree Strongly Disagree.

14. The tax filing offices are in convenient places.

Strongly Agree Agree Not Sure Disagree Strongly Disagree.

15. The Tax Authority Employees provide services right in time.

Strongly Agree Agree Not Sure Disagree Strongly Disagree.

Empathy.

16. The tax system has operating hours convenient to all its customers.

Strongly Agree Agree Not Sure Disagree Strongly Disagree.

17. The tax authority employees give individual attention.

Strongly Agree Agree Not Sure Disagree Strongly Disagree.

18. The tax authority employees understand your specific needs.

Strongly Agree Agree Not Sure Disagree Strongly Disagree.

19. The tax authority customer care is never busy to respond to your requests.

Strongly Agree Agree Not Sure Disagree Strongly Disagree.

Done by all the group members.

APPENDIX II: BUDGET.

Budget Category	Unit Cost	Item	Total Cost
Personal Services	3000	1	3000
Printing of Questionnaires	300	5	1500
Transport	5000	1	5000
Indirect Costs	6500	1	6500
Total Costs			16,000

Done by all the group members.

APPENDIX III: TIME FRAME ACTIVITIES.

Time Frame Activities	1st Week	2nd Week	3rd Week	4th Week
Selection of the first topic	✓			
Collection of data from books and journal	✓			
Formulating research Design		✓		
Selection of the appropriate research techniques		✓		
Collection of data, data analysis and data interpretation.			✓	
Analysis of the findings and conclusion				✓
Submission of final report				✓

Done by all the group members.