

**TAX ADMINISTRATION AND PUBLIC HEALTH SERVICE DELIVERY, A CASE
STUDY OF MAKINDYE DIVISION EAST, KAMPALA DISTRICT-UGANDA**

BY

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**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF HUMANITIES
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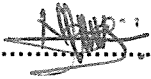
MARCH, 2017

DECLARATION

I declare that this research report is my own original work and that it has never been submitted in any University for a similar or different degree award.

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APPROVAL

This research report was administered and presented for examination with my approval as a university supervisor.

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Date 24/03/2017

Signed 

DEDICATION

I dedicate to my parents, beloved mother Nakajjumba Goret and my father Nsamba John Baptist who raised me up right away from childhood to date and always encouraged me to pursue my studies and finish up. To my husband, Mr. Bewayo Samuel, to my favorite children Bewayo Brian and Mutalya Emmanuel.

I also dedicate this to my family members for the fact of being there for me. Through their prayers this work is fulfilled.

I also dedicate this study to my supervisor Mr Muhwezi Ivan for helping me finalizing this research report from the beginning to the end. May god bless you abundantly.

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It has been a struggle finishing this work; there has been great support from different individuals and institutions without which it wouldn't have been possible. It is therefore, essential to recognize their contribution.

First, I would like to express my sincere gratitude and appreciation to my almighty God for enabling and guiding me through my academic life.

I am grateful to Kampala International University, especially those of political and administrative department for the academic enrichment they have offered me through the academic program. My vote of thanks goes to my supervisor, Mr Muhwezi Ivan who patiently guided me throughout the entire work. To the head of department Dr. Muzaare Gerald, I am so grateful. To my brothers and sisters who have supported me in one way or another, up to this level, may God bless you all.

Special thanks also go to the staff of Makindye division agents for sparing their time to fill in questionnaires, without all of them; this research would not have been done.

May the almighty God reward you abundantly.

LIST OF ABBREVIATIONS

KCCA	Kampala Capital City Authority
OECD	Organization for Economic Co-operation and Development
NPPA	National Programmes Priority Areas
SCG	Sub-Central Governments

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CHAPTER ONE: INTRODUCTION

1.0 Introduction

This part of the research report covers the background of the study, problem statement, purpose of the study, objectives of the study, research questions, and scope of the study and significance of the study.

1.1 Background of the study

According to the National Service Delivery Survey (2015) it was noted that, effectiveness of service delivery in local governments can be gauged by the expenditure amounts allocated to various service items in regard to the National Programmes Priority Areas (NPPA). This report included some other attributes like the perception of service delivery and level of achievement of value for money by the locals, to determine the level of achievement of local governments like KCCA in attaining reasonable levels of service delivery to its residents/taxpayers. Meanwhile, in order to positively change the attitudes of the tax payers, Uganda's decentralization policy (2015/16) provided for the transfer of powers and functions from the central government ministries and departments to local governments in order to ease service delivery to the local tax payers. This mandate is embedded in the 2011 constitution of the republic of Uganda.

Nangobi, (2011) defined service delivery as an "attitude or dispositional sense, referring to the internalization of even service values and norms" (Nangobi, 2012) said that service delivery is concerned with supplying "superior products" based on the opinion of the customer. Whereas (Kitimbo; 2011) asserts that service delivery should be designed in such a way to provide maximum levels of location and time (Cousell; 2010) confirms it by saying that location of service delivery and their accessibility contribute to customer needs and preferences satisfaction. Article 176 (2) of the constitution of the republic of Uganda 2006, schedule 2 of the Local Government Act (2006) and sections 97 and 98 of local governments were to offer services including and not limited to

education, medical and health services, sporting facilities while using their local revenue collection forces which Ms. Cotilda Mbabazi secretary for Finance on June 12th, 2009 said that they contribute 0.9% funding their budget (New Vision June 12, 2012).

A survey by (Satich, 2010) reveals that uneven tax administration is a major contribution to revenue shortfalls that augment inflationary pressure while depriving governments' resources with which to provide public goods. Tax administration involves structural organization of the tax authority (Okello, 2012). Bird (2010) added that three ingredients, that is Political will, a clear strategy and adequate resources are important in effective tax administration. If the political will exists, the blue print for effective tax administration is relatively straightforward. Tax Administrative practices refer to the interactions between taxpayer and tax authorities concerning identification of tax liabilities, actual tax payment and collection and prosecution (penalty) of tax evaders. Centre for tax policy and administration May 2001Pg 35 indicated that given sorts of considerations, revenue bodies ideally require a systematic approach or strategy for arriving at an optimal mix of channels for service delivery, one that achieves high standards of effectiveness while at the same time also meets efficiency objectives, both from the viewpoint of the revenue body and taxpayers at large.

In addition, the organization for Economic Co-operation and Development (OECD) (May 2012) that taxpayer service delivery function plays a crucial role in the administration of the tax legislation in all countries. Providing services that are user-friendly, in the sense of being accessible and understandable for all, helps to maintain and strengthen the taxpayers' willingness to comply voluntarily and thereby contribute to improvements in overall levels of compliance with the laws. An effective and efficient program of taxpayer service activities is a critical objective of all revenue bodies. The general complexity of tax laws coupled with the relatively large populations of taxpayers to be administered mean that all revenue bodies must rely substantially on taxpayers' voluntary compliance to achieve the outcomes expected of them. It is axiomatic that to achieve high levels of voluntary compliance, taxpayers and their representatives must

have a good standard of services to help them determine their obligations under the laws and to complete the steps required to acquit those obligations.

1.1 Statement of the Problem

The 1997 local government Act ushered in a system of decentralization to ease service delivery among the citizens in the country. Among the decentralized was fiscal decentralization. This made it possible for local governments to collect their own revenue and decide on which priority areas to spend it on. Indeed, urban centers unlike rural areas have many services of taxation which gives them an advantage over rural areas in the delivery of services (health services). However, in spite of the above, we still witness poor health service delivery in Makindye East. For example, we still get reports of mothers dying in labour of the health centers or hospitals in this division. It is on this basis that the researcher decided to carryout research to find out, whether health service delivery is hindered by poor tax money or whether there are others involved responsible for poor health service delivery.

1.2 Objectives of the study

1.2.1 General objective

The general objective of the study was to examine the effects of tax administration and public health service delivery, a case study of Makindye division East, Kampala district-Uganda

1.2.2 Specific objectives

This research was guided by the following objectives

- i. To find out the criteria of levying and collecting taxes in Makindye division, Kampala district
- ii. To identify the factors affecting effective tax administration in Makindye division, Kampala district

- iii. To establish the effect of tax administration on public health service delivery in Makindye division, Kampala district

1.3 Research Questions

- i. What is the criterion used in levying and collecting taxes in Makindye division, Kampala district?
- ii. What are the factors affecting the effective tax administration in Makindye division, Kampala district?
- iii. How does tax administration affect service delivery in Makindye division, Kampala district?

1.4 Scope of the study.

1.4.1 Geographical scope

This study covered areas of Makindye division especially in Makindye East. The researcher chose this area mainly because the issues in the above mentioned area was more evident and observable and it was easily accessible by the researcher.

1.4.2 Content scope.

The study aimed at the establishment of the criteria of levying and collecting taxes, the factors affecting effective tax administration and the effect of tax administration on service delivery in Kampala district.

1.4.3 Time scope

This research work was done within a period of six months that is from November 2016 to April 2017.

1.5 Significance of the study.

The recommendations were made by this study helped government to discover other sources of revenue the Local governments can use to raise some income to fund the projects at hand. It was also able to understand the causes and effects of poor service

delivery and performance in Local governments therefore was able to find possible ways of managing service delivery.

The recommendations and findings of the study were important by suggesting the possible solutions to overcome the problems associated with service delivery and local Government performance.

It is also intended to enable the researcher to learn more on how service delivery in Kampala district Local government was conducted and managed, findings enabled her to discover more about service delivery and develop her academic career. The findings of the study might help future researchers who would be interested in conducting a study about the related variables and at the same time the study contributed to update information to the main library of K.I.U.

1.6 Definitions of key terms

Tax administration: Tax administration refers to the process of administering taxes like identifying the tax payers, assessing them and then levying reasonable taxes they are capable of paying (Ray Tomkinson, 2012). A survey by (Satich C Wadhawan and Clive Gray, 2010) reveals that uneven tax administration in Africa is a major contribution to revenue shortfalls that augment inflationary pressure while depriving governments' resources with which to provide public goods. Uneven tax administration also stimulates resort to more easily collected taxes on foreign trade with associated efficiency losses (Wadhawan and Gray, 2010) noted that theoretical and empirical research on why persons subject to tax comply or fail to comply with their legal liabilities has been pursued by social scientists from various disciplines. The direct benefit of successful tax evasion is obvious, it is the value of the payments evaded, comprising their resources thereby saved. Drowning from reference group theory (Grasmick and Scott, 2010, Thurman, 2010, Dickens, 2010) attribute tax evasion to Normal neutralization process that is tax evaders justifying their cheating by the belief

that everyone else does the same thing and or the benefit they receive from government fall below their share of the tax burden.

Service delivery: Nangobi (2011) defined service delivery as an “attitude or dispositional sense, referring to the internalization of even service values and norms” (Nangobi; 2012) said that service delivery is concerned with supplying “superior products” based on the opinion of the customer. Whereas (Kitimbo 2011) asserts that service delivery should be designed in such a way to provide maximum levels of location and time (Cousell; 2010) confirms it by saying that location of service delivery and their accessibility contribute to customer needs and preferences satisfaction. Ssentamu (2004) indicated that Local Governments are capable of providing public services, mobilizing community resources, stimulating private investments, expanding rural-urban linkages, adopting national development to Local conditions and investing in Local infrastructure. They can also be a crucial source of empowerment by offering opportunities for long neglected citizens to participate in the Local decision making processes. They hence act as a voice for Local needs at higher levels and providing adapted support for Local people’s initiatives.

A description indicating how services are being delivered to the community throughout the Local Government can be formulated. For example there is a section that sets out the summary for the District as a whole, then a section that splits the sector budget into geographical areas (for example the Local council, and provides information on the service outputs, such as the pupil to teacher and textbook and pupils in a given area. Indicators may be on service delivery levels and not traditional activities. For example in education, information on the enrolment and number of teachers, textbooks and pupils in a given sub county/division will be provided in place of indicators on the number of activities. This service being delivered data will provide information on the service delivery outputs, such as the pupil to teacher and textbook ratios.

The desegregation of data area helps to ensure that funds are allocated fairly throughout the District/municipality. For example, this involves service delivery investments by section and geographical area such as counties and sub counties. Members of sector committees, councilors, departmental managers are interested in service delivery in their areas and therefore ensure that proper policies are designed and later implemented to ensure effective service delivery to the community. Fitz W Bingling, (2012) requires that service delivery should take into consideration the completion rate and recovery rate by service providers and (Minnesota; 2008) found out that since technocrats undertake service delivery on behalf of governments, thus there is need for "a bottom-up "prioritizing to have effective spending public funds.

Public health service delivery: World Health Organization (WHO) defines public health service delivery as the way health inputs are combined to allow the delivery of a series of interventions or health actions (WHO,2001).The service provision function of the entire health system is often identified with just health service delivery(WHO,2000). The report states that health service delivery is the chief function that the health system needs to perform like reduction in maternal and child mortality. In this study, health service delivery means tangible goods and intangible services offered to the people so as to satisfy their fundamental health needs and wants. In this study, health Service delivery is the dependent variable and it has been interpreted to represent quality of service, time, sustainability, cost of service and impact.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

There are several studies that have been carried out on tax administration and public health service delivery such as local revenue collection and service delivery in developing countries, Uganda inclusive and little has been found about local governments. The chapter was further sub divided into theoretical review, conceptual framework and review of related study.

2.1 Theoretical review

This research study will be based on The Open Systems Theory by Ludwig Von Bertalanffy (1956). Bertalanffy (1956) propounded the notion that closed system theory cannot apply to what he called "open systems," which characterize living entities, including individuals, groups, and organizations hence the development of open systems theory. The term "open systems" therefore, reflects the new found belief that all organizations are unique and should therefore be structured to accommodate unique problems and opportunities (Katz & Kahn, 1978). The theory contends that for a new system to be adopted, it needs to be able to adjust to the changes that occur in the environment.

Open systems approach has been commended for its potential usefulness in "synthesizing and analyzing tax administration and health service delivery organizations. Katz and Kahn (1978) assert that comprehension of a system cannot be achieved without a constant study of the forces that impinge upon it. This is in agreement with other scholars like Basu(2009), who recommends an open-systems approach for studying contemporary local government entities which now exist in a swift changing social and economic environments.

Open systems theory will be preferred for this study over many of the classical theories because it looks at an organization as an open system. Basu (2009) argues that "the only meaningful way to study organization is to study it as a system" and further observes that the distinctive feature of modern organization theory was in its conceptualization of an organization as an open system. This compelled the researchers to study Rukungiri district as an open system vulnerable to any external forces and internal forces. The three independent variables of the study; budgeting, financial accountability and financial controls were looked at as inputs in an open system theory while dependent variables: quality of services, cost of services, timely services, sustainability and impact were regarded as outputs of the study.

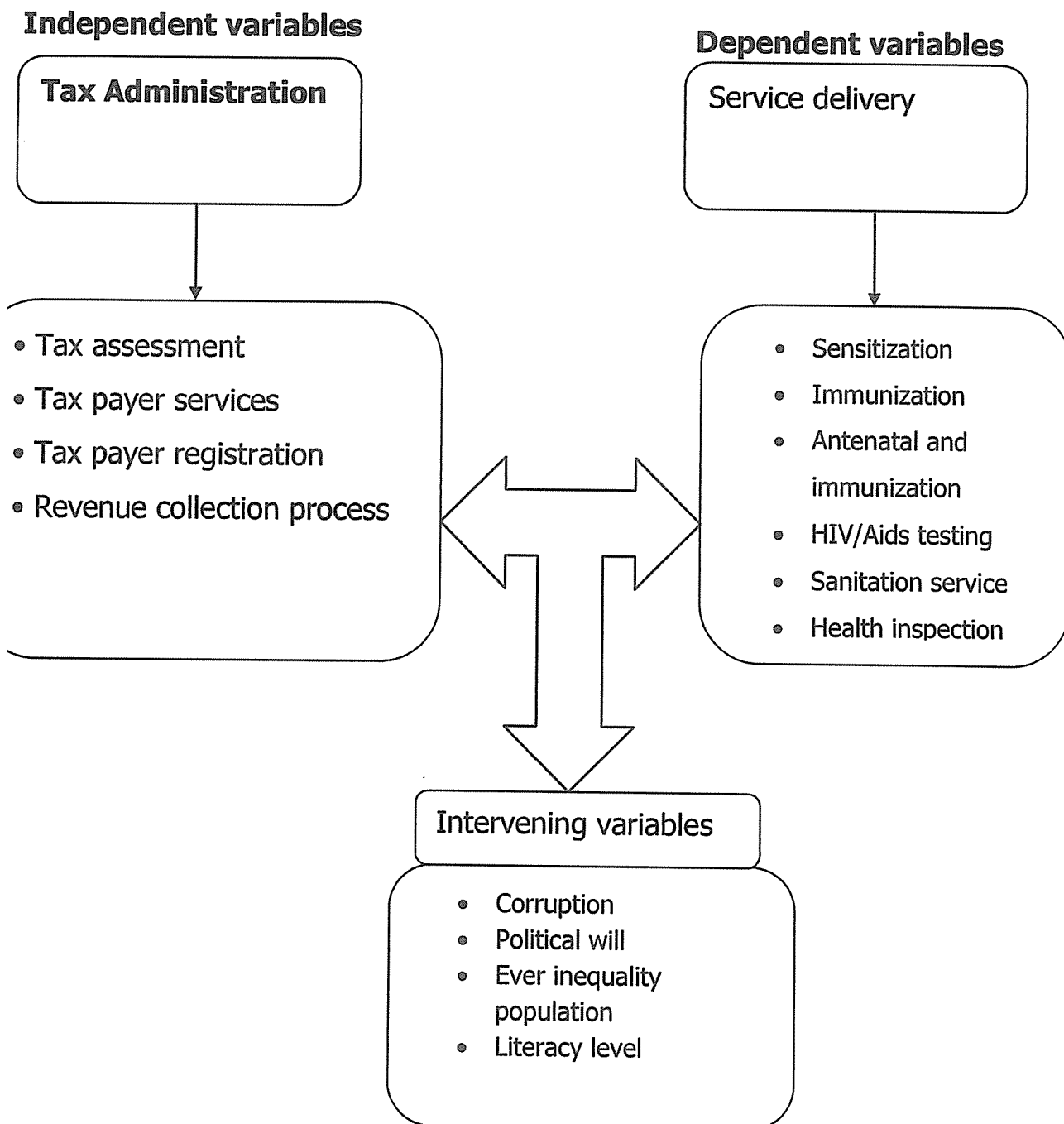
To conceptualize Makindye division east, Kampala district as an open system will be therefore, to emphasize the importance of its external and internal environment upon which tax administration survival as an open system depended in health service delivery. Open systems theory suggests that the secondary results of a given system increase or decrease the continuity of one's system. For instance, if a district health sector was affected by constant drug stock-outs and tax administration, open systems theory suggested that one should develop better systems that accurately determine re-order points and strict measures for better financial management (Basu, 2009).

The systems theory entails an understanding of how people work within systems to deliver services (Rose & Lawton, 1999). People are a resource unlike any other in that their value and availability can be difficult to quantify. Services are also judged partly by subjective criteria, so understanding the quality that is provided by any service system can be tricky. Therefore, Makindye division East, Kampala district should attempt to understand how to build the best system for the best health services, since health services are a fundamental human right. In addition health services exist as events and cannot be resold or shared with any other district sector. This therefore implies that delivering health services to the citizens involves having a

real individual interact with the people as a system and meet their health needs.

2.2 Conceptual Frame work

Figure 1: *Showing the Conceptual Frame work*



Source: Primary data, 2017

According to Figure 1. given above, the researcher conceptualized tax ministration by identifying the activities embedded in tax administration which included tax assessment and assessment methods, tax payer services, tax payer administration based on capacity to pay and efficient revenue collection process in the sector. The attributes such as Corruption, Political will, Ever inequality population and Literacy level represent the intervening variable since service delivery is highly determined by the two bodies. Therefore as per the researcher's conceptual framework, public health service delivery is comprised by Sensitization, Immunization, Antenatal, HIV/Aids testing, Sanitation service and Health inspection to monitor the service of public health within the community of Makindye east division.

2.3. Related literature review

The review of related literature was done according to the stated objectives.

2.3.1 Tax Administration.

Kaldor's statement (2012) that the efficiency of a tax system is not determined only by appropriate legal regulation but also by the efficiency and integrity of the tax administration. The review of revenue performance involves an overview of budgeted against realized revenues broken down into revenue items (sources) and an analysis of the reasons behind the major deviations between budgeted d realized amount. The revenue analysis shows the actual annual collections by each type of generated revenues compared with the estimates to check how rate the estimates have been. Furthermore, the revenue analysis shows commonly collections for any revenue type to establish definite pattern or revenue. However, Jenkins (2012) emphasizes that the major constraints to the collection of different revenues are highlighted, alongside any successes. Focusing on tax Administration accountability, a percentage can be determined of how much last years' local revenue sources can be increased to forecast next years' revenue. He also 'wins that many ambitious tax reforms failed because of the inefficient tax administration. In tax reforms there is a close correlation between

successful tax policy and efficient tax administration. In other words, there is no good tax policy without efficient tax administration (Jenkins; 2010).

2.3.1.1 Sound revenue projections.

According to the Local Governments Act, 2012, Section 78(1), indicated that the importance of correct forecasting and budgeting of revenues for any Local Government cannot be overestimated. Realistic expenditure estimates can be framed only if revenue estimates are being based on realistic expectations. In other words, the announced grant figures from the ministry of finance, planning and economic development, secured funding from donors and the previous financial years and locally collected revenues add a reasonable percentage increase this was also indicated in Local Government budgetary frame work paper in November.

The Directorate of Revenue Collection which was created by Act of Parliament 2010 and became effective 1st March 2011 indicated that sometimes the Governments produce optimistic and thus unrealistic revenue budgets, which in turn create frustration amongst the implementers who have to slow down or put on hold ongoing and planned activities. This frustration could however be avoided if the principle of producing sound revenue budgets was taken seriously by the politicians and technocrats which is always difficult to adhere to due to political interests as well as lack of well trained personnel to formulate sound revenue budgets.

2.3.1.2 Local revenue, assessment and enumeration process.

According to the Local Government Financial and Accounting Manual 2012 and the Local Revenue Enhancement Plan 2009-2010, the Chief Executive shall carry out proper assessment of the Council's revenue regularly. In order for proper assessment to be carried out, the process should start with the enumeration exercise conducted by a team of enumerators who should record all the sources of income for each individual tax payer in the Lower Local Government.

2.3.1.3 Basis and methods of assessment

Tax assessment is supposed to be carried out by a Tax Assessment Committee which every District Council is required to establish. The nature of tax payable determines the basis and method of assessment by the Tax Assessment Committee. The committee is charged with the responsibility of making assessment for the amount to be paid by eligible persons residing in the Council. Some taxes, fees or charges are payable every financial year and the assessment the taxpayer's income should likewise be carried out annually. Others are payable on a daily or monthly basis and assessment is done on spot daily or monthly (examples are market dues). For such revenues the procedure does not normally involve the issuance of assessment certificates because the rate is fixed and well known by the stakeholders. After assessment, the Tax Assessment committee issues a certificate of assessment to the prospective taxpayer indicating among other the tax liability. The certificate should be produced before the tax collectors at the time of paying the tax (Local Government Finance and Accounting Manual (2012 Pg 64)).

However, Burges and Stern (1993) point out that the purpose of taxation is to raise revenue for government in a way that is administratively feasible, equitable and efficient. This implies that the administrative cost of revenue collection, distribution of tax base and tax rate are determinant of revenue collection.

Local Revenue:

According to Kampala Capital City Act 2010 (Section 50), the Council was mandated to levy charge and collect fees, revenue, including revenue ration and licensing fees or any other revenue. The fifth schedule of the local Government Act (2012) went to indicate that revenue shall be collected by a qualified and competent officer who is in an established post, and is so authorized in writing by the Chief Executive, on written recommendation of the Head of Finance. Council shall raise a demand note or an assessment form to each individual Revenue payer as per Council's approved rates. Before receiving any monies, the Revenue collectors shall check against records of

approved rates and shall ask the payer to produce a copy of the Council's demand note, or certificate of assessment so as to determine the particulars and amount of revenue receivable.

2.3.1.4 Revenue Sources

Sources revenue include: Property rates, Licenses, Taxi Parks, Markets, Ground Rates, Building Plans, Street Parking, Advertising, Land fees/Milo land, Lease extensions, Capital income, Local service tax, Hotel tax, Penalties and fines, Lock up shops, Public Conveniences to mention but a few. However (Cheasty; 2012) gave the factors for the decline of revenue collection as politics, declining tax bases that are a sharper decline in taxed activities, retailers failing to pay taxes because of minority policies, unemployment and deficiencies in governance that is tax administrator service delivery in the local government finds it difficult to deal with criminal elements (Yankelovick; 2010) stated that sizeable share of the population regard the tax laws as unfair. Empirical studies on tax compliance are handicapped by data scarcity. Revenue authorities do not reveal their audit strategy and official respect for tax payers' privacy further limits a researcher's access to data

2.3.1.5 Factors affecting tax administration

Pigou (2010), contents that any tax formula is made up of two elements, the project of assessment and a function. He points out that the function related to the quality of revenue to be raise from the individual tax payer to the quality of assessable object in their hands. That is, the relation between revenue and tax base. He asserted that theoretically, this base can be anything, but practically, it is largely some sum of money and in some cases it is a quantity of stuff such as commodities or land. In a nut shell, he suggests that tax revenue is a function of tax base. This is used as a theoretical basis of research. Zmarak and Squire (2010) on tax administration and base broadening argued that the instruments used to each base needs to be rationalized. Their research was on the whole of Africa but this is a Local

Government based research which also seeks to establish whether there is generation and flow of information in this Council.

Musgrave (2010) noted that assessment and collecting of taxes requires personnel and equipments. He argues that this activity provides an important public service and like all other services, it should be provided efficiently. He points out that the cost of administration per dollar of revenue rises with the complexity of law. He further argues that in setting criteria for efficient administration, the following issues have to be considered: How far auditing and enforcement should be carried out, increasing compliance by either threats of higher penalty if the offender is caught or by spending more on enforcement, how complex tax structures should be. Should the same issues seem to be present, there is need to determine whether Kampala Central Urban Council uses appropriate technologies, follows administrative procedures and carries out regular audits as far as revenue is concerned. Okumu (2010) asserts that discussion of the assessment and collecting of graduated tax merits attention at all levels of government. He quotes a letter from the Ministry of Local Government indicating that naturally, people hate paying taxes and that some complaints about tax increase were not genuine because some members of parliament had interfered by inciting people not to pay. He further notes that some tax assessments were affected by human weakness such as corruption.

2.3.2 Public health Service delivery.

According to constitution of the republic of Uganda (2011), it was provided that Uganda's decentralization policy allows the transfer of powers and functions from the central government ministries and departments to local governments. The provision of basic services such as water and sanitation, healthcare, primary education, feeder roads and other extension services is left to the local governments. Accordingly, Local Government Act (2012) also provides a frame work for an implementation strategy that designates and gives effect to local authority to become the primary service providers in their various localities. The general mandate of the Local government Councils relating

to economic and social rights are detailed in the second schedule to the Local Government Act (2012) and includes education services, Medical and health services, water services and road services. However, the recent policy changes in fiscal decentralization have brought questions about the capacity of local governments to effectively deliver services and ensure value for money in public expenditure. Some government policies which have had alarming impacts include the creation of new districts and the abolition of graduated tax. The creation of new districts has put more expenditure pressures on the local governments, reducing and in some cases taking away completely resources that would have been used in increasing and improving service delivery (Kadiresan; 2009).

This therefore calls for placing "a high priority on delivery of personalized efficient customer services" (Mourney; 2010). Attitudes exhibited by service providers, employees and managers must be aimed at developing good working relations and ensuring that customers are handled well while being served, (Musgrave; 2010), defined public sector as "those industries and services in a country that are owned and run by the state, such as "the education and railways (in many countries) in comparison with private sector. Thus delivery entails public sector delivery mechanism to the local residents of the local government.

According to the National Service Delivery Survey (NSDS) 2012, it was noted that, effectiveness of service delivery in local governments can be gauged by the expenditure amounts allocated to various service items in regard to the National Programmes Priority Areas (NPPA). This report included some other attributes like the perception of perception of service delivery and level of achievement of value for money by the locals to determine the level of achievement of local governments in attaining reasonable levels of service delivery to its residents/taxpayers. If prioritizing is not taken into consideration, only those governments that take the decision to provide an effective service delivery, architecture will be able to cost effectively meet citizens continually rising

expectations of government services (Stevens James,2012). (Weng;2012,) argues that since service delivery remains agency-centered such that government forced citizens to interact with them the way they are organized instead of the way that best makes sense from citizens' perspective, some of the services provided remain unattended to.

According to the Uganda Particulars Assessment process Wakiso District report (2010), it was indicated that people are unhappy with the service provision. The locals are much concerned about the quality of the services yet most of the poor are scared of inaccessible services, the quality of health service delivery for example are mentioned to the poor and consultants attribute the poor service delivery to mismanagement of public funds, lack of transparency, accountability and consultation from the poor people who never get to know of the services provided and participate little or not in planning for their funds. Thus from that above discussion, there is need for local governments to provide enough information concerning service delivery to the residents. In a budget, service delivery can be strengthened through a number of ways; improved service delivery, and strengthened governance and accountability.

However, (Zola, 2012) notes that despite the governments' determination and commitment, some of their expectations will take long time to be realized because we have to live in the resources that our country can afford. Tax evasion and avoidance is also explained by (Sanely; 2012) that compliance for locals to pay taxes to finance service delivery requires sending messages in the media tracing the benefits of compliance. According to Abigaba (2012) the decentralization of local authorities had a loophole in the revenue collection and efficiency of service delivery. This was due to the fact that laws were not clear at times at who should collect revenues and to whom to offer the services, the poor accounting system, untrained personnel and politicians all affected the performance of local authorities. This is in agreement with. Babiha (2002) who noted that the sub- counties in Kampala district give water programmes a less priority thus giving minimal funding hindering construction of new and rehabilitation of

old safe and communal water sources like springs around Kibuli parish and Namuwongo.

2.3.2.1 Quality of public health service delivery

Service quality has been a frequently studied topic in the service marketing literature. Efforts to understand and identify service quality have been undertaken in the last three decades, many scholars have attempted to replicate and refute its structure and conceptualization (Carman, 2012; Cronin and Taylor, 2012; Teas, 1993). Lehtinen and Lehtinen (2010) defined service quality in terms of physical quality, interactive quality and corporate (image) quality. Physical quality relates to the tangible aspects of the service. Interactive quality involves the interactive nature of services and refers to the two-way flow that occurs between the customer and the service provider, or his/her representative, including both automated and animated interactions. Corporate quality refers to the image attributed to a service provider by its current and potential customers, as well as other publics. They also suggest that when compared with the other two quality dimensions, corporate quality tended to be more stable over time.

2.3.2.2 Dimensions of public service delivery

With the suggestion that the "perceived service quality model" replace the product features of a physical product in the consumption of services, Gronroos (2010) identified two service quality dimensions, the technical aspect ("what" service is provided) and the functional aspect ("how" the service is provided). The customers perceive what s/he receives as the outcome of the process in which the resources are used, i.e. the technical or outcome quality of the process. But s/he also and often more importantly, perceives how the process itself functions, i.e. the functional or process quality dimension. For some services the "what" (or technical quality) might be difficult to evaluate. For example, in health care the service providers' technical competence, as well as the immediate results from treatments, may be difficult for a patient (a customer) to evaluate. Lacking an ability to assess technical quality, consumers rely on other measures of quality attributes associated with the process (the "how") of health

care delivery. For health care service, consumers would likely rely on attributes such as reliability and empathy to assess quality. Gronroos also emphasized the importance of corporate image in the experience of service quality, similar to the idea proposed by Lehtinen and Lehtinen (2010). Customers bring their earlier experiences and overall perceptions of a service firm to each encounter because customers often have continuous contacts with the same service firm (Gronroos, 2010). Therefore, the image concept was introduced as yet another important component in the perceived service quality model, so that the dynamic aspect of the service perception process was considered as well.

2.3.2.3 Basic Services delivered

Public sector, sometimes referred to as the state sector or the government sector, is a part of the state that deals with either the production, ownership, sale, provision, delivery and allocation of goods and services by and for the government or its citizens, whether national, regional or local or municipal.

Examples of public sector activity range from delivering social security, administering urban planning and organizing national defense and these include the following;

a. Education

This could involve supervision and monitoring of Nursery and primary schools as well as secondary schools. There is currently a global trend of decentralizing education systems. Most countries are experimenting with or contemplating some form of education decentralization. The process transfers decision-making powers from central Ministries of Education to intermediate governments, local governments, communities, and schools. The extent of the transfer varies, however, from administrative deconcentration to much broader transfer of financial control to the regional or local level. While there are solid theoretical justifications for decentralizing education systems, the process requires strong political commitment and leadership in order to succeed. The path, depth, and ultimately, the outcome of decentralization reforms

depend on the motivations for reforms, the initial country and sector conditions, and the interaction of various important coalitions within the sector as to the Decentralization and sub national Regional Economics by 2010 the World Bank Group.

b. Maintenance of roads and drainages

According to the International Road Maintenance Handbook, Practical Guidelines for Rural Road Maintenance Volume I of IV Financed and coordinated by transport research laboratory Revised by R C Petts of Intech Associates, UK with the financial support of ODA. The road transport network of any country plays a vital role in its economy, and the physical condition of its infrastructure is critical. Without adequate and timely maintenance, highways and rural roads alike inexorably deteriorate, leading to higher vehicle operating costs, increased numbers of accidents, and reduced reliability of transport services. When repair work can no longer be delayed it will often involve extensive rehabilitation, and even reconstruction, costing many times more than simpler maintenance treatment carried out earlier. The need to protect the existing network and keep it in good condition is paramount, often taking precedence over new investment. PIARC has been in the forefront in promoting this message and in drawing attention to the dangers of neglect. The matter has become increasingly important in recent years for all the highways of the world, but especially so for those in developing countries where there is constant pressure on slender budgets and, in many, an urgent need to cater for growing traffic loads and volumes.

c. Garbage collection

According to Private Sector Involvement in Solid Waste Management by Adrian Coad the contributors of the case studies of Part II as listed in Appendix 1 Person responsible, Dr. Franz-Josef Batz, Head of project, some people suggest that private sector participation is the only way to provide solid waste management services. Others argue that corruption is inevitable if the private sector provides public services and that essential public services should not be a source of financial gain for individuals, particularly individuals coming from outside the area being served. Many cities in

industrialised countries seem satisfied with the services being provided by private enterprise, but the reports coming from low- income countries are more diverse. Since there have been many attempts to involve the private sector in developing countries, it is useful to review the experience to decide if private sector provision of solid waste services is a sustainable and preferable alternative to the conventional dependence on local government.

d. Food and drug inspection

A survey conducted during 2012-1993 using a questionnaire to assess the existence of quality assurance systems in the WHO African Region (AFRO) found that of the 26 countries that completed the questionnaire, 11 had a quality assurance system (including quality control laboratory), but that it was not functioning well. A further nine countries had some kind of quality assurance system without quality control laboratory and six did not have any quality assurance system. Nineteen countries mentioned illegal importation as a serious problem. Of 21 countries that had domestic pharmaceutical manufacturing, six did not have a quality control laboratory and four were without an inspectorate. The reasons why drug regulation in many countries is ineffective and why so few countries have achieved effective drug regulation must be addressed. According to Dynamic Services International, a client's goal, as a government agency responsible for sanitary health inspections, is to automate restaurant and food inspection processes in a way that would speed inspections, track violations, reduce paper load, and minimize human error.

2.3.3 Relationship between tax administration and public health service delivery

The relationship between revenue collection and service delivery can be clearly portrayed by various rules and regulations governing the Local Governments. Revenue projections should be based on documented capacity to collect taxes and activities like tax campaigns, training, and mobility of tax collectors which Local Governments always fail to uphold. For example, Local Governments 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. Published reports as well as some tools for integrated planning such as the Local Government act, 2012, the Local Government financial and accounting regulations, 2012, Compliance with national priorities, The Local Government budget framework paper, Linkage between the Local Government budget framework paper and annual work plans. For example Local Governments budgetary powers laid down in the Local Governments Act, 2012, Section 78(1), which states that Local Governments shall have the right and obligation to formulate, approve and execute their budgets and plans provided the budgets should be balanced.

The Act further states that no appropriation of funds by a Local Government can be made unless approved in a budget by its council (the Local Governments Act section 83, subsection 1). Thus the Local Government budget, including the explanatory notes, constitutes the decisive financial management tool as it forms the legal and operational basis for the implementation of the policies set by the council in order to deliver services to the public. Without an approved budget or vote on account, the administration may not collect revenue nor incur expenditure, and any deviation from this rule may call for appropriate legal action by the relevant stakeholders. The Local Government Act provides that the Local Government budget shall reflect all revenues to be collected or received by the Local Government, and to be appropriated for each year (section 78, subsection 4). In this way a Local Government serves as an administrative management instrument providing detailed information about revenues to be collected and the expenditures to carry out the projects and activities set by the council hence effective service delivery (Local Government Act 2012).

Prior to decentralization local governments used not to be economically viable (MOLG, 1993). This was partly attributable to the local administration's act 1967, which gave most sources of revenue to the central government rather than the local authorities. To reserve this situation, decentralization was put in place. With decentralization, sources

of revenue were reverted to local authorities and they were mandated to retain up to 30% of the revenue collected from local authorities. Looking specifically at tax revenue collections in local governments, various studies have come up with different findings, for example, Sigisbert (2012) discerned that local governments in Uganda have so much empowered to collect up to 65% of local revenue from 0% before decentralization; others are not convinced that local revenue authorities collect all the revenue as they should.

Hansford Bloch liger and Oliver petzold (Taxes or grants the revenue mix of sub- central governments) says Sub-central governments (SCG) have two main revenue sources, the first being own taxes and the second being grants from other government levels. Both revenue sources are primarily aimed at financing sub-central public expenditure. Yet own tax revenue and grant revenue differ in the way they are generated, allocated and distributed to Sub-Central Governments, thereby shaping decisions of all government levels about where, when and on what to spend money. The sub-central revenue composition or revenue mix is hence likely to affect fiscal outcomes such as public sector efficiency, equity in access to public services or the long term stability of public finance at both the central and the sub-central level.

2.3.4 Related studies

A study done by Joha Dunia Kaongo (2015), assessment of local revenue in the tanzania local, government reveled that there is an immense need for mechanisms to ensure that they substantially increase their local revenues. In this regard, the Government needs to set broader revenue targets for the Councils and refrain from the revenue administrative activities, such as setting and approving of the collection rates. To achieve this, instead of issuing the 'closed list' of allowed local sources, the Government needs to provide a list of abolished local taxes and allows the Councils to charge all other genuine taxes which are within their area of jurisdictions. In light of the findings and the need for local revenue to provide services in Kinondoni Municipal Council since transfers from the central government are only to support the budget of

Kinondoni Municipal Council, local government to enable them fulfill their obligations. Therefore a lot of effort should be put in to ensure that local revenue collection and administration is improved in Kinondoni Municipal Council local government to fully provide quality service to the people Kinondoni Municipal Council needs to simplify the licensing process in order to reduce non-compliance of businessmen to pay taxes.

Kagaha stephen, (2011) focused on local revenue collection systems and quality of service delivery in local governments and concluded that the tax payers are properly assessed before set any tax; there should be rates of tax to be paid, and monitoring of the systems, enforcement on collection, proper legal action procedures should be instituted on defaulters. Some policies are effective for example revision of administrative reports annually as showed by 62% of the respondents.

2.3.5 Conclusion

Despite improvement in tax administration in local governments due to innovative measures, there are still many factors limiting local governments from realizing the estimated revenues and improving the quality of service delivery and these do vary from one local authority to another, hence the need to identify and establish these factors specifically for Kampala district. Thus, there is need to carry out the study with an attention of tracing the loopholes in revenue collections in relation to service delivery in the local government. So the local people should be satisfied on the importance of paying taxes so that it becomes easy to collect the revenues from them without resistance.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the methods that were used in the study to collect data and analyze it. They included Research Design, Data source and data collection methods, Data processing, Analysis presentation.

3.1 Research design.

The researcher employed both quantitative and qualitative design. The approach for the study was both qualitative and quantitative methods in collecting and analyzing data. Quantitative methods provides an overview of the research participants and a bigger picture of the questions asked in this study. Qualitative research 'involves the studied use and collection of a variety of empirical materials case study, personal experience, introspective, life story, interview, observational, historical, interactional, and visual texts that describe routine and problematic moments and meanings in individuals' lives' (Thomas, 2003).

3.2 Sample size.

This was the total possible number of respondents who were chosen. The survey population of this research included the staff, revenue officers, and revenue collectors at the division. The study was constituted by ten cashiers, revenue officer, Accounts Assistant, the Chief cashier, nine enforcement officers, eleven tax payers and seven members of tender board totaling to 40 people.

Table 1: Showing sample size

Category of respondents	Frequency
Revenue officer	01
Chief cashier	01
Accountant assistants	01
Member of tender board	07
Enforcements officers	09
Cashier	10
Tax payers	11
Total	40

Source: Primary data, 2017

3.3 Data sources

The source of data included both primary and secondary data sources

3.3.1 Primary data

Primary data refers to data observed or collected from firsthand experience original data collected at the source and compiled for the purposes of this research study. These were collected from the self-administered questionnaires.

3.3.2 Secondary data.

These data that were extracted from existing literature for example internal accounting reports, monthly financial reports, annual reports, audited reports, accounts manuals, annual budget proposal and the background to the budget.

3.4 Data collection methods

Survey method: This is where the researcher collected data from the entire population or large sample. This method was used due to its wider coverage and in addition it permitted the comparison and generalization of findings in a cross section of the study area.

Interviews: Face to face in depth interviews was conducted to collect data from people. This involved designing schedules on which respondents were met in the areas of Makindye division East.

3.5 Data processing

This was done by using editing and tabulation, editing was performed to detect and eliminate errors and identifying vital information that was relevant in coding and tabulation. Tabulations that were involved the use of statistical techniques like use of percentages and tables to test significance of the data from which meaningful interpretations were drawn.

3.6 Data presentation.

Tables were employed to present the data and to determine the levels of revenue collection.

3.7 Limitations to the study.

Lack of funds might be a big hindrance during the study and it threatened to bring the work to a halt. This is because the study necessitated constant movements, stationery materials like papers, pens and more so typing and printing some data. The problem of lack of enough funds to carry out the research was reduced by selecting a small sample size and carrying out work within the proximity of the researcher to reduce on the rate of movements.

Time constraint might be a challenge to the study, as the researcher could find it difficult to apportion time appropriately. Even the free time of the respondents could not match with that of the researcher. The researcher did her best to be precise to overcome time constraint. The researcher has been asking respondents direct questions that needed direct answers, summarizing the collected data.

The researcher also faced another limitation of some of the respondents giving information unwillingly and there was a belief that some of them might have been given wrong information which could not match with the purpose of the research. This problem was curbed by explaining to the respondents the purpose of the research. This helped to reduce on fear or suspicion among the participants.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents the critical analysis of data collected from the field. The data were based on face to face interviews and few distributed questionnaires which were derived from the study objectives. The findings were presented and analyzed using frequency tables and percentages.

4.1 General Information about Respondents

The demographic characteristics of respondents are characterized by age, sex, gender, positions held and others.

Table 2: Showing the gender of respondents

Gender	Number of respondents	Percentage (%)
Male	29	72.5
Female	11	27.5
Total	40	100

Source: Primary Data, 2017

From table 2, the male respondents account for 72.5% whereas the female respondents account for 27.5%. This means that male respondents were more willing to give information as compared to their counterparts the females.

Table 3: Showing positions held by respondents

Category	Frequency	Percentage (%)
Revenue officer	01	2.5
Chief cashier	01	2.5
Accounts assistant	01	2.5
Members of tender board	07	17.5
Cashiers	10	25
Enforcement Officers	09	22.5
Taxpayers	11	27.5
Total	40	100

Source: Primary Data, 2017

From table 3 above, the revenue officer accounts for only 2.5%, the same applies to the Chief cashier who also accounts for 2.5%, the Accounts assistant account for 2.5%, members of the tender board account for 17.5%, the Cashiers account for 25%, enforcement team comprises of 22.5% and finally tax payers account for 27.5%. The respondents generally reacted positively while giving information.

Table 4: Showing age of the respondents

Age	Frequency	Percentage (%)
18-30	09	22.5
09	18	45
31-50	09	22.5
51-59	04	10
60 and above	40	100

Source: Primary Data, 2017

From table 4, those with age ranging 18-30 account for 22.5%, those with 31- 50 account for 45%, 51-59 years account for 22.5% while those with 60 years and above

account for 10%. This means that those between 31-40 years were more participative in giving required information.

Table 5: Showing marital status of respondents

Marital status	Frequency	Percentage (%)
Single	15	37.5
Married	25	62.5
Total	40	100

Source: Primary Data, 2017

From table 5 above, 37.5% of the respondents were single whereas the married respondents account for 62.5% and this means that the married people have more time for giving information as compared to the single respondents. This shows responsibility and diligence at work place as compared to their counter parts the single.

Table 6: Showing the age of respondents

Items	frequency	Percentage (%)
Less than 2 years	12	30
2-5 years	18	45
5-7 years	8	20
Above 8 years	2	5
Total	40	100

Source: Primary Data, 2017

From table 6, 30% of the respondents have been employed for less than 2 years, 45% have been employed for 2-5 years, 20% have been employed for 5-7 years and only 5% of the respondents have been employed for 8 years and above. This implies that those who have been in the field for less time were more willing to give information as compared to those with more time in the field.

Table 7: Showing Education level respondents

Education level	Frequency	Percentage (%)
O level	5	12.5
A level	6	15
Diploma	14	35
Degree	15	37.5
Total	40	100

Source: Primary Data, 2017

From table 7 above, 12.5% of the respondents were O level certificate holders, 15% of them were A level holders, 35% were diploma holders and 37.5% were degree holders. This means that diploma and degree holders had enough information to give due to the experience they have as compared to their O and A level counterpart.

Table 8: Showing whether the level of one's income is a factor used in levying taxes in Makindye division East, Kampala district.

Response	Frequency	Percentage (%)
Strongly agree	05	12.5
Agree	24	60
Not sure	03	7.5
Disagree	06	15
Strongly disagree	02	5
Total	40	100

Source: Primary Data, 2017

From table, 72.5% of the respondents agreed that the level of one's income is one of the factors used in levying taxes, 7.5 were not certain of the factor while 20%

disagreed with the statement thus according to the percentage of response, it is clear that one's income is a factor used since a bigger percentage agree with it.

Table 9: Showing whether the level of one's consumption expenditure is used in levying taxes in Makindye division East, Kampala district.

Response	Frequency	Percentage (%)
Strongly agree	05	12.5
Agree	15	37.5
Not sure	10	25
Disagree	08	20
Strongly disagree	02	5
Total	40	100

Source: Primary Data, 2017

From table 9: 50% of the respondents agree that one's consumption expenditure is used in levying taxes, 25% were not sure of the decision while 25% disagreed with it. Therefore it was a 50:50 challenge to determine whether one's consumption expenditure is used in levying taxes in Makindye division East, Kampala district.

Table 10: Showing whether the level of one's wealth/property is used in levying taxes in Makindye division East, Kampala district.

Response	Frequency	Percentage (%)
Strongly agree	12	30
Agree	17	42.5
Not sure	01	2.5
Disagree	09	22.5
Strongly disagree	01	2.5
Total	40	100

Source: Primary Data, 2017

From table 10: 72.5% of the respondents agree that one's wealth/property is used in levying taxes, 2.5% were not sure while 25% disagreed with the statement. Basing on the majority respondents, the researcher found out that the level of one's wealth/property is used in levying taxes in Makindye division East, Kampala district

Table 11: Showing whether taxes collected are from tax payer directly.

Response	Frequency	Percentage (%)
Strongly agree	13	32.5
Agree	18	45
Not sure	02	5
Disagree	06	15
Strongly disagree	01	2.5
Total	40	100

Source: Primary Data, 2017

From table 11: 77.5% of the respondents agree that taxes collected are from tax payers directly, 2% were not sure and 17.5% disagreed with the idea. Therefore the researcher concluded with the biggest number that agreed with the statement.

Table 12: Showing whether taxes are collected through paying licenses.

Response	Frequency	Percentage (%)
Strongly agree	13	32.5
Agree	35	62.5
Not sure	01	2.5
Disagree	01	2.5
Strongly disagree	01	00
Total	40	100

Source: Primary Data, 2017

From table 12: 95% of the respondents agree that taxes are collected through paying licenses, 2.5% were not sure while the remaining 2.5% did not accept the statement. Since 95% agreed then it was concluded that some taxes are collected through paying licenses.

4.2 Factors affecting effective tax administration.

Table 13: on the level of education affects effective tax administration.

Response	Frequency	Percentage (%)
Strongly agree	14	35
Agree	20	50
Not sure	02	5
Disagree	04	10
Strongly disagree	00	00
Total	40	100

Source: Primary Data, 2017

From table 13: 85% of the respondents agreed that the level of education affects effective tax administration, 5% did not know the influence of education where as 10% disagreed with the idea. The fact that 85% agreed then a conclusion was drawn to favor the majority.

Table 14: Showing whether the level of investment affects effective tax administration

Response	Frequency	Percentage (%)
Strongly agree	14	35
Agree	25	62.5
Not sure	00	00
Disagree	01	2.5
Strongly disagree	00	00
Total	40	100

Source: Primary Data, 2017

From table 14: 97.5% of the respondents agreed that the level of investment affects effective tax administration while only 2.5 disagreed with it. With the highest percentage of respondents, a conclusion was drawn towards the majority respondents.

Table 15: Showing whether the level of accountability and transparency affect effective tax administration.

Response	Frequency	Percentage (%)
Strongly agree	16	40
Agree	21	52.5
Not sure	03	7.5
Disagree	00	00
Strongly disagree	00	00
Total	40	100

Source: Primary Data, 2017

From table 15: 92.5% of the respondents agreed that the level of accountability and transparency affects effective tax administration, where as 7.5% were not sure therefore the researcher went with the 92.5% and concluded.

Table 16: Showing factors affecting effective tax administration of health infrastructure development

Response	Frequency	Percentage (%)
Strongly agree	28	70
Agree	12	30
Not sure	00	00
Disagree	00	00
Strongly disagree	00	00
Total	40	100

Source: Primary Data, 2017

From table 16: all the respondents agreed that the development of health infrastructure is the biggest among the factors that impact on effective tax administration and this was supported by the respondents who strongly agreed to the statement and represented (30) 70% . Only 12 (30%) respondents agreed to the statement.

4.3 Effects of tax administration on health service delivery.

Table 17: Showing whether effective tax administration has led to development of health infrastructure.

Response	Frequency	Percentage (%)
Strongly agree	14	35
Agree	19	70
Not sure	00	00
Disagree	07	00
Strongly disagree	00	00
Total	40	100

Source: Primary Data, 2017

From table 17: 82.5% of the respondents agreed that effective tax administration has led to development of infrastructure, while 17.5% disagreed with the statement. Therefore the researcher concluded that effective tax administration has led to development of infrastructure since the majority of the respondents agreed with it.

Table 18: Showing whether effective tax administration has reduced corruption and embezzlement of government funds.

Response	Frequency	Percentage (%)
Strongly agree	4	10
Agree	10	25
Not sure	02	5
Disagree	18	45
Strongly disagree	06	15
Total	40	100

Source: Primary Data, 2017

From table 18: 35% of the respondents agreed that effective tax administration has reduced corruption and embezzlement of government funds, 5% were not sure while 60% disagreed with the statement. Therefore the researcher still concluded with the majority who disagreed with the statement.

According to findings, there is also Tax defaulting by most tax payers; this is in other words called tax evasion. Most people decide to dodge paying taxes that have been levied on them by the authorities. This ranges from market dues to other forms of taxes as mentioned above including property taxes. People at times claim that they have not raised money to pay or decide to hide. This is also talked about by Ministry of Local Government Decentralization Policy Strategic Framework November 2006 that tax defaulting is a major hindrance of revenue collection in Local Governments.

Findings also have it that there is poor assessment of markets; "market estimation has been poorly done most especially by officials at the District tender board hence giving chance to tender holders to cheat them leading to less collection from the market" Procurement Officer said. In addition to that, it was also found out that hiding of wealth

and other transactions being made by business men is a hindrance to better tax assessment in Makindye division East, Kampala district; where most people and traders transact businesses very late in the night which makes the work of assessment, evaluation and collection difficult.

CHAPTER FIVE:

CONCLUSION AND RECOMMENDATIONS

5.0 Introduction.

This chapter presents the summary of findings, conclusion and recommendations of the findings arising out of the objectives of the study.

5.1. Summary of the findings.

Improvement in tax administration

The research findings showed that even though most of the challenges were inherent in the structures of the Local Government, they were not beyond control. It showed that low or poor revenue administration within the division could be improved by implementing various policies, such as; motivate the tax authorities, check on political interference, sensitizing communities, privatization of revenue collection services, increase on Government grants to Local Governments among others.

Challenges faced in the tax administration process

The study depicted that the District Local Government faced various challenges as far as revenue collections was concerned, ranging from social, economic as well as political spheres of life. However, the study showed that such challenges were inherent in the political setup of the Local Governments and were deep rooted in all the social and economic structures of the District Local Governments.

Findings on the impacts of tax administration on health service delivery

In Makindye division East, Kampala district revenue collected has led to improved health service delivery and the services that have been delivered include boosting primary education, construction of health centers, construction and maintenance of roads, provision of safe drinking water and sanitation services, financing sporting activities, financing the registration of tax payers and training their employees to ensure maximum production in the district.

Findings on the limitations of local revenue collection

There has been low local revenue collection in Makindye division East, Kampala district and this has been due to the harshness of tax collectors, high administrative expenses corruption practiced by revenue officers ,inadequate sources of revenue, political intervention for example tender defaulters who supported politicians during campaigns are being protected by tax authorities, poor enforcement of rules and procedures of collecting revenues, tribalism, low incomes and wealth which reduces the tax base thus leading to low local revenue collection and thus low health service delivery in the district.

5.2. Conclusion.

The findings of the study show that although part of the local revenue collected is channeled towards delivery of services, some percentage of the local revenues collected is misused by some of the administrators involved in planning for the revenues collected and thus strong measures have to be put in place to reduce the misuse as will be seen in the recommendations.

5.3 Recommendations

Following the findings, the researcher calls to address the main challenges that contribute to the declining trend of Local revenue collections in Local authorities that include, political interference, poor tax collection systems, inadequate facilitation, traditional defaulting. Such challenges should be addressed using the following measures as analyzed below:-

Motivating revenue collectors; the tax collectors should be highly motivated. For example, they should be given moral support from the District Local Government authorities. Motivation should also be in form of incentives like high salaries, high wages adequate security or protection from there would be threats to the lives of the tax collectors.

Trying to mobilize politicians not to interfere in revenue collection; the politicians should draw a clear line between their role and that of the tax authorities. They should be called upon to be professional in the approach as well as ethical for the proper running of the District affairs. For example, they should not be a safe haven for the tax defaulters.

Assessment and Enumeration; there is need for proper tax assessment. This will enable the taxpayers to know the amount of revenue they are supposed to contribute. This may involve analyzing the various tax bases within the Local Government. Sensitizing the entire community; the masses should be sensitized about the benefits of paying taxes. For example, they should be enlightened that their contribution in form of taxes leads to effective service delivery.

Training revenue collectors; the revenue authorities should be further sensitized about their role. For example through seminars, and others should be given scholarships by the District Local Government to go for further studies and acquire more skills. This will help to check on inefficiency due to inadequate education.

5.4 Suggested areas for future study.

This section suggests areas for further reading by the future researchers on tax administration and health service delivery in Local authorities. These areas are as seen below: Corruption and local government revenue collection in Kampala.

- Perceived enforcement of the tax law and tax compliance in Kampala central division, Kampala district
- Tax administration and infrastructure development in Kampala Tax administration and Economic growth in Rubaga division, Kampala district

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APPENDIXI: QUESTIONNAIRE

Dear respondent am Namugenyi Annet student of Kampala International University carrying out a research on a topic Tax administration and Service delivery in Kampala district and am requesting you to spare for me some time and respond to my questionnaire. All the response given to me will be treated with utmost confidentiality and only used for academic purposes.

Thanks.

Part A Demographic characteristics of the respondents. (Circle appropriately).

1 .Name.....(Optional)

2. What is your age bracket?

- | | |
|----------|-----------------|
| a) 18-30 | c) 51-60 |
| b) 31-40 | d) 60 and above |

3 What is your sex?

- (a) Male (b) Female

4 What is your marital status?

- (a) Single (b) Married.

5. For how long have you been in the field of employment?

- | | |
|------------------------|-------------------|
| (a) Less than 2 years. | (b) 2-5 years. |
| (c) 5-7 years | (d) over 8 years. |

6. What is your education level?

- a) O level b) A level.

c) Diploma

d) Degree.

7 .What position do you hold in the division? (Circle appropriately).

a) Revenue officer.

b) Chief cashier.

c) Accounts assistant

d) Member of tender board.

e) Enforcement officers

f) Cashiers

g) Tax payer

PART B. The criteria of levying and collecting taxes.

The following are the criteria of levying and collecting taxes. Circle appropriately to show whether you, Strongly Agree (SA), Agree (AG), Not sure (NS), Disagree (D), Strongly Disagree (SD). Scale: SA=5,AG=4,NS=3,D=2,SD= 1.

(a)

Levying criteria	SA	AG	D	SD	
Level of one's income					
Level of one's consumption expenditure					
Ones wealth (property)					
Collecting criteria					
Taxes are collected from tax payers directly					
Taxes are collected through paying licenses					

b) What percentage of local revenue collection is got from licenses? (Circle appropriately)

a) Less than 10%

c) 21-39%

e) are there other sources of local revenue collection not mentioned above?

(a) Yes B) No.

If yes given evidence

.....
.....

PART C: Factors affecting effective tax administration

Circle appropriately to show whether you Strongly Agree (SA), Agree(AG), Not Sure(NS), Disagree(D), Strongly Disagree(SD). Scale: SA=5, AG=4, NS=3, D=2, SD=1

Question	SA	AG	NS	D	SD
Level of education.					
Level of investment.					
Accountability and transparency.					
Level of infrastructure development.					

PART D. Effects of tax administration on health service delivery

Circle appropriately to show whether you strongly Agree (SA), Agree (AG), Not sure (NS), Disagree (D), Strongly Disagree (SD). Scale: SA=5, AG=4, NS=3, D=2, SD=1.

Question/statement	SA	AG	NS	D	SD
Has led to development of infrastructure e.g. roads, Hospital , schools etc					
Reduced corruption and embezzlement of government funds.					
Has reduced on traffic congestion in the city					

THANK YOU

APPENDIX II: MAP OF THE AREA OF INVESTIGATION

