RESEARCH ARTICLE

CHALLENGES OF TAX COLLECTION IN SAYINT WOREDA

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Manuscript Info	Abstract
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The focus of this paper is to identify tax collection challenges in Sayint woreda by using primary data of regression and correlation models. The objective of the study is to identify problems hindering tax collection in Sayint woreda. A study is important to identify significant variables affecting tax collection. Both descriptive statistics and multiple regression method were employed to analyze and present the obtaining data. The identified problems facing tax payers were tax poor understandings of proclamations, policies and rules, Poor institutional framework, low delivery of social services by the government. It was also discussed the challenges facing tax officials of Sayint woreda included mainly poor tax payers and public perception, taxpayers 'low penalty, poor stakeholder's integration. Based on the findings the researcher recommends that tax payers, tax collectors, and stock holders must come together and discuss every challenges to each other to have a sound tax collection system.

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Introduction:-

The economic resources available to society are limited, and so an increase in government expenditure normally means a reduction in private spending. In this regard James (2000) stated that taxation is considered as one mechanism of transferring resources from the private to the public sector. Other writers like Auld & Miller (1984) described that the role of tax as an instrument is to stabilize the economy and to reduce private demand so that resources can be released for public sector use. Generally, governments levy taxes for multiple purposes, but mainly for raising funds to cover public expenditures and to properly allocate resources.

As stated by Misrak (2008), the history of taxation in Ethiopia has a strong relationship with the history of government structures of the country. There are different arguments in terms of when taxation was exactly introduced in the country, however different stories and evidences point out that Emperor ZeraYakob started taxation in Ethiopia during the 15th century. Following that, different governments that came to power in Ethiopia in different periods have frequently established different taxation systems based on the ideologies and policies the governments follow.

On behalf of the federal government (FDRE), Ethiopian Revenues and Customs Authority (ERCA) is the body responsible for collecting revenue from customs duties and from domestic taxes. In addition to collecting revenue, ERCA is responsible to protect the society from adverse effects of smuggling. It seizes and takes legal action on the people and vehicles involved in the act of smuggling while it facilitates the legitimate movement of goods and

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people across the border. The tax policy of Ethiopia is based on taxpayers' voluntary compliance, which is termed as self-assessment and self-declaration. The tax policy has been designed not only to collect taxes but also to promote investment, to support industrial development, to broaden the tax base, to decrease the tax rate and so on. Thus ERCA has the mission for achieving all these policy objectives at the federal level.

ERCA was established on July 14, 2008 as a result of the merger of the Ministry of Revenues, the Ethiopian Customs Authority and the Federal Inland Revenues, thus ERCA became a giant organization (Proclamation No .587/2008).ERCA has head office located in Addis Ababa around Megenagna square. It has also 18 branch offices of which one of them is coordination office located outside the country at the port of Djibouti. The main function of the coordination office is to provide transit service for the goods imported into the country and exported from the country. ERCA, including its branch offices, currently has about 10,000 employees.

Statement of the problem:
Tax is the main component of government revenue that will use to finance all the government Expenditure to stabilize the economy. The expenditure here means that use government's revenue for the development and operational expenditure that will bring an economic growth. Taxation in Sayint woreda is a challenging topic and has attracting to increase attention for ten years. Many problems observed like poor administration, failing to collect sufficient tax revenues, tax structures where tax horizontal and vertical equity considerations are not integrated. In many developing countries, it is observed that there is low capacity of tax administration to monitor compliance among rental taxpayers (Tanzi, 2000). In Ethiopia, especially Sayint woreda like any other developing countries faces difficulty in raising revenue to the level required for the promotion of economic growth. Hence, the country has been experienced a consistent surplus of expenditure over revenue for long period of time. To tackle this problems, the government impose tax (direct and indirect), among others; as major and important sources of public revenue. However, this imposition of tax couldn't still bring the required result due to a number of reasons such as lack of clear understanding about the tax system by the tax payers, tax payers don't comply with their tax obligation, hostility between the tax payers and tax officials, negative attitude of tax payer towards the tax system, that is, understating their taxable income by significant amount and related. For these reasons, the actual amount of tax couldn't be collected properly (Tadele, 2010). Therefore, in line with the foresight problems, this research is initiated to assess the challenges of tax collection and it is very important to study factors that affect collection of tax in order to increase government revenue and assure economic stability.

Therefore, researcher answered the following questions in order to achieve this objective:
1. What are the challenges of tax collection from officials' side?
2. What are the challenges of tax payers?

Objective of the study:-
General objective:
The general objective is to identify the challenges of tax collection in the Sayint woreda.

Specific objective:
1   To identify tax collection challenges in the study area from tax collectors point of view
2   To identify tax collection challenges from tax payers point of view

Scope of the study:
The study focus on discover problems of tax collection from both tax collectors and payers point of view in Sayint woreda using frequencies, percentages and content analysis.

Significance of the Study:
1. Serve as a benchmark for researchers and academicians in the domain of tax collection.
2. Provide data for researchers to investigate and use its results in other areas of focus interest.

Research Methodology:-
Research Design:
Both Quantitative and qualitative research methods were employed which in turn will be vital to exhaustively investigate and address the overall real picture of what is there on the ground.

Study Population:
In this study, the target population consists of people who believe to have useful information relating to the study.

Sampling Frame and Sample Size:
Sampling Frame:
The sampling frame consists of all stakeholders who were involved in the overall issue of woreda tax collection; i.e. they were workers from the revenue collection department, Sayint woreda revenue office have a total of 41 employees in different departments and 909 tax payers of Sayint woreda, totally 950 target populations.

Sample size:
The sample size from the total population is calculated by using a sample size calculator obtained from the website as well as Cochran (1977) formula. For the finite population of 950 employees the estimated margin of error is 5 % (e), the maximum variability is 50% (p=0.5) a confidence level of 95%. According to the distribution table, these values correspond to the value of ±1.96 (Z). Therefore, by using Cochran formula we can obtain the following result.

$P = 0.5$ and q=1-0.5= 0.5;   e=0.05; z = 1.96

$n0 = z^2.p.q/e^2$; $n0 = (1.96)^2(0.5)(0.5)/ (0.05)^2$;   n0 = 384

But Cochran pointed out that if the population size is finite the population size can be reduced slightly because the sample size 384 exceeds 5% of the population size I need to use the correction formula to calculate the finite sample size. I proposed a correction formula to calculate the final sample size given below. $n = n_o/1+ (n_o -1)/N$;

 $n= 384/1+(384-1)/950=273.69$ n $=274$

Table Summary of samples who will be included in each group.

No	Stratum	Population	In %	Sample taken
1	Administrative and Staff employees	41	4.3%	12
2	tax payers	909	95.70%	262
	Total	950	100	274

Sampling Technique:
The result obtained from the calculator as well as the formula shows a sample of 274 respondents have been taken from the target population. Accordingly, by proportional allocation of each stratum have the following allocation of respondent.

Data collection method:
The method of data collection were questionnaires both closed and open ended.

Data analysis technique:
The data that is collected and processed using SPSS and frequencies, tables, graphs and pi-charts

Data Analysis and Presentation method:
To meet the objectives of the study, primary data have been gathered and utilized with the help of appropriate instruments. Primary data were collected from the sample members through questionnaires. Five point Likert scale were constructed to measure the attitude of tax payers.

Source of data:
The study used primary data sources. The primary data source were the individual respondents from each selected respondent. 274 representative sample members were selected as primary source to give information.

Result and discussions:-
Overview:
The researcher distributed questionnaires to 274 respondents of Sayint woreda tax payers, employees and administrative staffs that randomly selected and total number of distributed questionnaires were completed and returned back to the researcher and used for the entire analysis study. To analyze the data collected from employees, statistical package for social science version 20 (SPSS 20) was introduced.

Demographic and Social Details of Respondents:
This study started with examining the demographic and social details of its respondents. Under this section the aspect of sexes of respondents were given prior consideration.

Sex of Respondents:
In this study, the aspect of sexes of respondents was examined simply to justify the participation of both genders in the study. However, this would help the researcher to know which group were more willing to cooperate with the course of the study.

Table 4.1:- Sex of Respondents.

		Frequency	Percent	Cumulative Percent
Valid	1	230	83.9	83.9
	2	44	16.1	16.1
	Total	274	100.0	100.0

Source: own survey 2018

Table 4.1 indicates that 230 (83.9%) respondents were male, while 44 (16.1%) respondents were female. This definitely implies that the participation of men in the study exceeded that of women. Despite the plurality of men in this study, during open ended questionnaires with respondents it was revealed that among government employee that worked in revenue office, woreda administrators and trader/ tax payers of Sayint woreda who were directly or indirectly order with tax collection.

Education Levels of Respondents:
The aspect of education levels of respondents was secondly inspected in this study. Education is an important aspect determining the intellectual capacity working of an individual. Thus, in this study, the aspect of education would help to determine the intellectual capacity of those who were working in woreda tax collection. The higher their education was, would indicate efficiency in the exercise of tax collection.
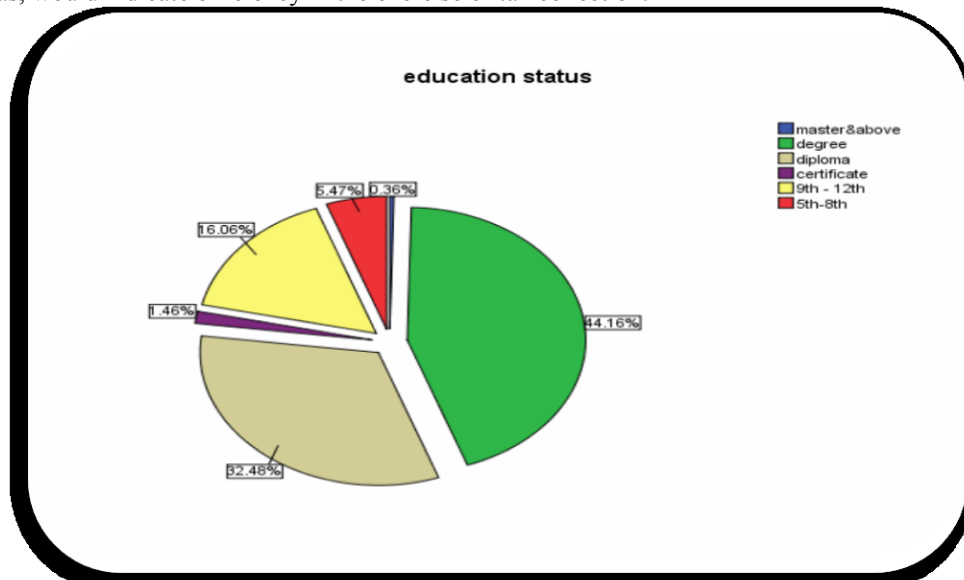

Figure 4.1:- Education Levels of Respondent.
Source: own survey 2018.

As presented in Figure 4.1 findings show that 0.36% of the respondents were master holders 44.1% of respondents were first degree holders, 32.48% of respondents were diploma holders, 1.46% of them certificate, 16.06% 9th -12th and the rest 5.47% of them were primary schools. Thus, majority respondents were first degree holders. This implies that they had a good level of education for undertaking and understanding the activities of tax collection. Open ended questionnaires with respondents further revealed that most of them had degrees in management, accounting and economics, which enabled them to handle their daily tasks competently.

Tax Payers Challenges:
Understanding tax proclamation, rules, regulations and policies:
In this study on the "problems hindering the effectiveness of tax collection in Sayint woreda", the first research question was methods of understanding tax proclamation, rules, regulations and policies for tax payers. Under this specific research question the researcher aimed at examining whether understanding of tax proclamation, rules, regulations and policies was a problem towards effective woreda tax collection.

Table 4.2:- Understanding tax proclamation, rules, regulations and policies.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	84	32.1	32.1	32.1
	No	178	67.9	67.9	100.0
	Total	262	100.0	100.0	

Source:- own survey 2018.

From the above tables findings indicate that 84 (32.1%) said "Yes" to indicate that one third of the respondent knows or understand tax proclamation, rules and regulations in detail. 178(67.9%) of the respondents said "No" this implies that tax payers have no clear understand with in tax proclamation, rules, regulations and policies that was concerned with issues of woreda revenue collection. To clarify the above information, a compilation of open ended questionnaires indicated that there was a poor understanding of tax proclamations, rules and regulations and policies.

Existence of Procedures for tax Collection:
The existence of procedures was also examined in order to see whether the lack of some guiding procedures was a problem hindering effective tax collection at Sayint woreda. In this vein, respondents were asked that as tax payer category can declare personal income level to pay proper taxes adopted for effective tax collection.

Table 4.3:- Tax payer's category that declare personal income level to pay taxes.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	94	36.9	36.9	36.9
	No	148	56.6	56.6	93.4
	don't know	16	6.6	6.6	100.0
	Total	262	100.0	100.0	

Source: own survey 2018.

As stated in Table 4.3, findings indicate that 94 (36.9%) said "Yes" to indicate that most of the respondent didn't know their tax category and declare personal income. 148 (56.6%) of the respondents said "No" and the rest 16(6.6%) said "don't know" it means can't say either yes or no. This implies that no clear understand with tax payer's category that declare personal income level to pay taxes with the given tax proclamation and regulations concerned with lack of awareness regarding with income category. Then woreda revenue collection office must capture into consideration.

Method and assessment of income tax:
Method and assessment of income tax is an obstacle for effective tax collection. This implies that when the given tax rules and regulations applied with appropriate method of assessment problems occurred with the time of tax collection.

Table 4:4:- Method and assessment of income tax.

		Frequency	Percent	Valid Percent	Cumulative

					Percent
Valid	Yes	93	35.4	35.4	35.4
	No	169	64.6	64.6	100.0
	Total	262	100.0	100.0	

Source: own survey 2018

As stated in Table 4.2.5 findings indicate that 93 (35.4%) said "Yes" and 169 (64.6%) of the respondents said "No". This implies there is poor understand with tax collection method and assessment of income tax according to the given tax collection proclamation, rules, regulations and policies.

Understood the tax year of a person regarding the given tax proclamation and according to their tax category is necessary to pay taxes without penalty. See table 4.5

Table 4:5:- Understood the tax year of a person.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	113	43.1	43.1	43.1
	No	149	56.9	56.9	100.0
	Total	262	100.0	100.0	

Source: own survey 2018

Table 4:5 shows that 118 (43.1%) of the respondents said "Yes" and 156 (56.9%) of the respondents said "No". this implies that most of the respondents didn't know when taxable income should be paid according to their tax payer category and regarding to the given regional proclamation. This is so difficult with to collect taxes easily and revenue office perform awareness creation measures.

Problem of tax Collection proclamation, rules and regulations:
Under this sub-section, respondents were primarily asked to indicate do you know penalty for late filing or non-filing, understatement of tax, late payment, and keep failure to keep proper records. If there did poor understand that was concerned with woreda revenue collection office? There was an assumption that the non-existence of this proclamation penalty would be one of the problems that hindered effective tax collection.

Table 4.6:- understand of penalty with the given proclamation.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	97	37.2	37.2	37.2
	No	165	62.8	62.8	100.0
	Total	262	100.0	100.0	

Source: own survey 2018

Table 4.6 shows that 97 (37.2%) of the respondents said "Yes" and 165 (62.8%) of the respondents said "No". this implies that most of tax payers didn't know get penalty for late filing, understatement, late payment and keep failure.

Tax Collectors Challenges:
The attitudes of tax payers towards tax collection:
In this study on the "problems hindering the effectiveness of tax collection in Sayint woreda", the 2nd research question was "What are the attitudes of tax payers towards tax collection in Sayint woreda?" Under this specific research questions, the researcher examining whether the attitude of tax payers was a problem towards effective woreda tax collection or not.

The researcher assumed that some problems within the organizational framework may hinder effective tax collection. Under this assumption, the study carried this research question. In order to come up with findings to answer the research question, various questions were providing to respondents as presented next.

Attitude of tax payers towards the general level of taxation:
Under this sub-section, respondents were asked to indicate whether there were tax payers attitude towards taxation is the problem of effective tax collection or not compilation of answers to this question is presented in Table 4.7.

Table 4.7:- Attitudes of tax payers towards the general level of taxation.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	5	11.36	11.36	11.36
	Agree	7	15.90	15.90	27.26
	Neutral	4	9.01	9.01	36.35
	Disagree	26	59.09	59.09	95.44
	strongly disagree	2	4.66	4.66	100.0
	Total	44	100.0	100.0	

Source: Own survey 2018.

Table 4:7 shows that 28 (10.2%) of the respondents said "strongly agree," 7(15.9%) of the respondents said "agree 4 (9.01%) of the respondents said "neutral," 26 (59.09 %) of the respondents said "disagree" and the rest 2(4.66%) of the respondents said "strongly disagree," this implies that most of the respondent's attitude towards taxation is poor. Attitudes of tax payers towards tax collection are one problem of collecting appropriate tax voluntarily without any Barney. This is so difficult there is absence of transparency in the overall tax system to collect taxes easily and revenue offices perform different attitude changing measures.

Reason why tax payers pay taxes:
Under this sub-section respondent was asked to indicate why tax payers pay taxes? Means tax payers know that the purpose of collected taxes used. Is there clear understanding with the contribution of paying tax or not. How much of the respondent aware of their attitudes?
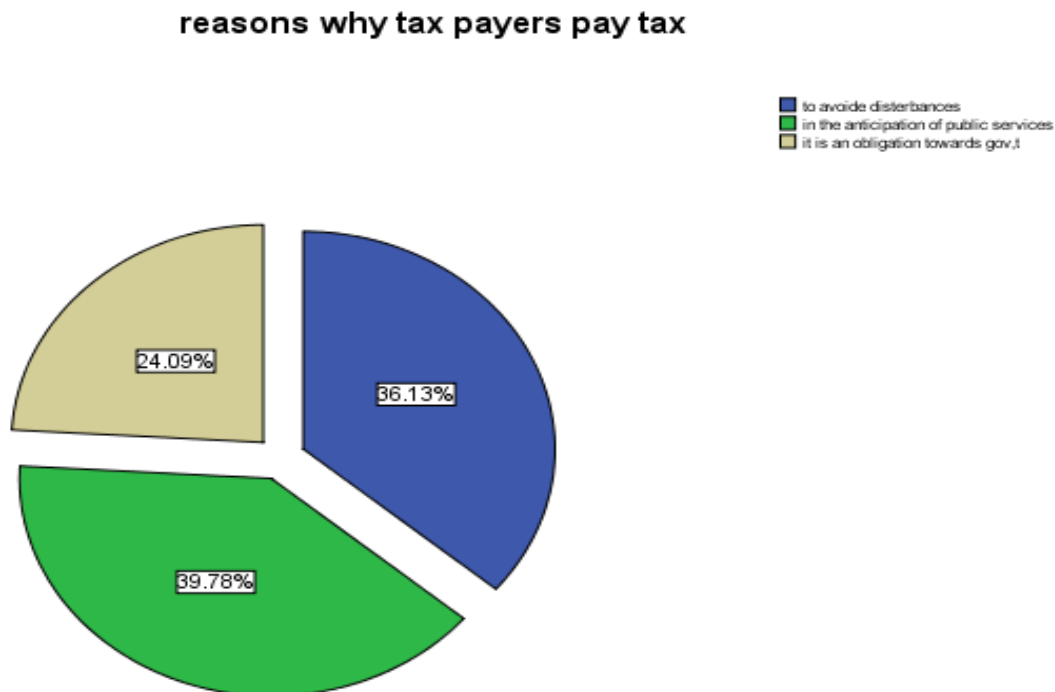

Figure 4.2:- Reasons why tax payers pay taxes.
Source: own survey 2018.

Figure: 4.2 shows that 16(36.36%) of the respondents pay taxes due to avoided disturbances, 18 (40.09%) in the anticipation of public service and the rest 10(22.72%) of the respondent says it is an obligation to wards government. This finding shows that tax payers have different attitudes towards tax.

Public attitude towards taxation:
The study examined the attitude of the community with the contribution of tax collection under the hypothetical view that the poor attitude would affect tax collection in one way or another and vice versa. Data on public attitude towards tax are presented in table below.

Table 4.8:- public attitudes towards taxation.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	8	18.18	18.18	
	Good	5	11.36	11.36	29.54
	Neutral	18	40.09	40.09	70.45
	Poor	6	13.64	13.64	84.08
	Extremely poor	7	15.91	15.91	100
	Total	44	100.0	100.0	

Source: own survey 2018

Table 4.8 Shows that 47(17.2%) of the respondent says public attitude towards tax is excellent, 45(16.4%) of the respondent says good, 30(10.9%) of the respondent says neither nor, 115(42.0%)of the respondent says poor and the rest 37(13.5%) of the respondent says extremely poor. This implies that public attitude towards taxation is poor, so tax collector authorities take communication system with the whole community to carry how taxation is performed? For whom tax collected? Government would create public attitude change to cooperate towards taxation.

The major problems in tax collection system:
The study examined with assumptions what are the major problem in tax collection system? The attitude of the respondents about major problems encountered with effective tax collection.
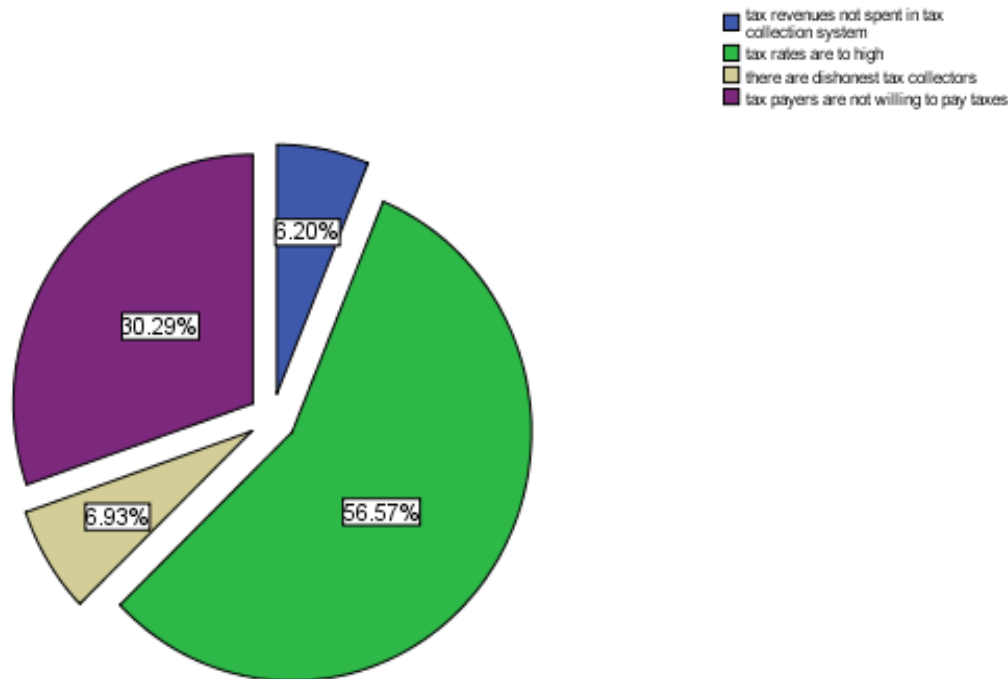

Figure 4.3: major problems in tax collection system.
Source: own survey 2018.

Figure 4.3 shows when the respondents were asked to rank the major problems in the tax system from the list of most probable options, majority of the respondents 25(56.6%)of the respondents says tax rates are too high, 13(30.3%) of the respondents said taxpayers are not willing to pay taxes 3 (6.9%) of the respondent said there are dishonest tax collectors and 8(6.2%) of the respondent said tax revenues are not spent on public services. From this response it is clear that the tax rate is not based on the ability-to-pay principle or it is perceived to be unfair by

taxpayers. Even though the principle says, tax should be based on the ability- to pay; the problem here is in determining this 'ability' for each taxpayer.

The most series crimes ranked related towards the attitude of taxation:
The attitude of the respondents about series crimes related with effective tax collection. Data attitude towards attitude of series crime ranked 1-4 are presented in table 4.8

Table 4.9:- The most series crimes ranked related towards the attitude of taxation.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Theft	3	6.9	6.9	6.9
	assassination	27	61.3	61.3	68.2
	tax evasion	6	13.9	13.9	82.1
	drinking driving	8	17.9	17.9	100.0
	Total	44	100.0	100.0	

Source: own survey 2018.

Table 4.9 shows that taxpayers understand that tax evasion is a crime and as it can be observed from the table above, 27(61.3%)of the respondents ranked assassination/homicide as the most serious crime ,8(17.9%) of the respondents said drunken driving is a serious crime, 6(13.9%) of the respondent said that tax evasion is a series crime and 3(6.9%) of the respondent said that theft is a series crime. From this response one can understand that taxpayers perceive tax evasion is not a series crime, even though it is ranked third rather than assassination, and drunken driving. This indicates that there is no attention towards taxation by taxpayers. The problem here is there is poor understanding though tax evasion is considered as crime by the taxpayers. Then woreda revenue office provides continuous communication to change the attitude of the whole community.

Institutional Framework Adopted For Tax Collection:
In this study on the "problems hindering the effectiveness of tax collection in Sayint woreda", the 3rd research question was "What is the institutional framework adopted for tax collection in Sayint woreda?" Under this specific research question the researcher aimed at examining whether the institutional framework was a problem towards effective woreda tax collection. The researcher assumed that some problems within the organizational framework may hinder effective tax collection. Under this assumption, the study carried this research question.

Existence of tax Collection Department:
Under these sub-section respondents were primarily asked to indicate if there was any department that was concerned with woreda tax collection. There was an assumption that the nonexistence of this department would be one of the problems that hindered effective tax collection.
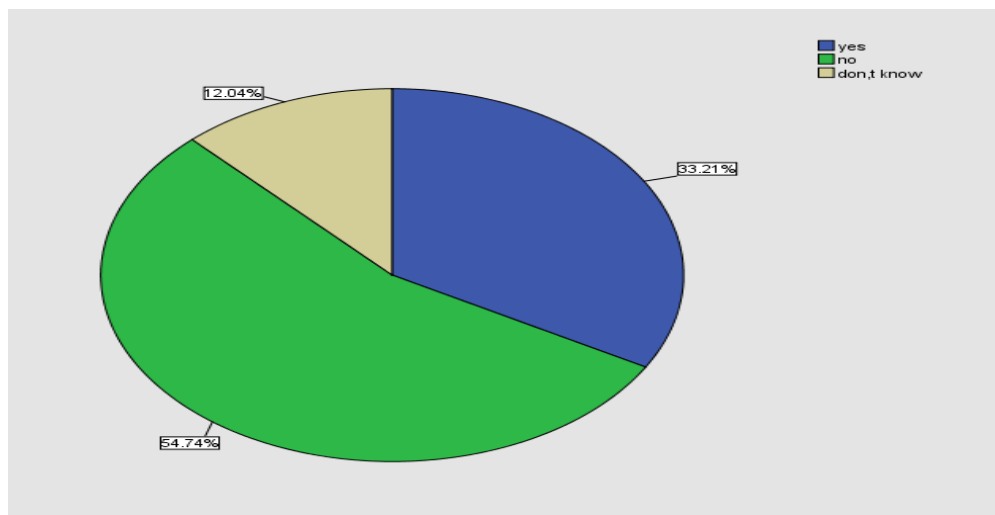

Figure 4.4:- Existence of strong tax Collection Department.
Source: own survey, 2018.

As depicted in figure 4.4, findings indicate that 91 (33.2%) said "Yes" to indicate that there was a department that was concerned with issues of woreda tax collection, and 150 (54.4%) respondents answered "No" to indicate that there was no strong responsible organized department and 33(12.0%) said that we don't know the department is either strong or not to indicate that there was not clear understanding to evaluate the departments activity. To clarify the above information, a compilation of open ended questionnaires indicated that there was no strong department that was overseeing the exercise of Sayint woreda collection. However, for those 150 (54.4%) respondents who answered negatively in figure 4.7 to indicate that there was no strong department concerned with tax collection.

Cooperate, if someone asks commercialized data's that used to assess income tax:
Under the section of institutional framework, the researcher secondly examined the availability of respondents employed for tax collection. Is there any volunteer cooperate societies to provide available market research data's or not?

Table 4.10:- Cooperation to give commercialized data's.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	193	70.4	70.4	70.4
	No	44	16.1	16.1	86.5
	don't know	37	13.5	13.5	100.0
	Total	274	100.0	100.0	

Source: own survey, 2018.

Information in Table 4.10 reveals that 193 (70.4.0%) respondents said "Yes" to indicate their acceptance of cooperation to provide commercial data's, 44 (16.1%) respondents said "No" to imply that there was no need of cooperation to provide commercialized data's regarding for the consumption of tax evader and 37(13.5%) of the respondents are not clear about the advantage and disadvantage of providing commercialized data's for tax authority. These implies that there is poor organized tax collection institutional system with collecting and compiling commercialized data's regarding for fair tax collection.

Application of Procedures/Regulations:
Along with providing comparable social services from the government the tax they pay. Respondents were asked whether those procedures/regulations were adequately used for ensuring for the purpose to obtained comparable social services and contribute with effective tax collection at Sayint woreda. Answers to this question are presented in Table 4.11.

Table 4.11:- Application of Procedures/Regulations.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	97	35.4	35.4	35.4
	No	158	57.7	57.7	93.1
	Don't know	19	6.9	6.9	100.0
	Total	274	100.0	100.0	

Source: own survey, 2018.

Findings in Table 4.11 indicates that 158 (57.7%) respondents said "No" to mean that the procedures were not well put into application, while 97 (35.4%) respondents said "Yes" to mean that the procedures were well used and 19(6.9%) of the respondents are not clear about tax collection procedures and purposes. To evidence these tabular-form presented findings, information from open ended questionnaires maintains that "some" of the procedures were put into application to ensure for effective tax collection while there was some sort of negligence for other procedures. This justifies the "No" and "Yes" answers displayed in Table 4.11. Open ended questionnaires further demonstrated that it is the role of woreda revenue office to establish procedures and follow them clearly.

Conclusions, Major Findings and Recommendations:-

Conclusions:

According to the officials of Sayint woreda Revenue Development office, there is a substantial tax gap between the tax that is theoretically assumed to be collectable from economically active individuals in the woreda and the tax that is actually being collected.

One of the main reasons for the tax gap is poor understanding with rules regulations and different policies of taxpayers and also tax collectors, with the tax legislation.

One of the causes for poor understanding with rules regulations has been demonstrated to be the attitudes and perceptions of tax payers and other peoples.

The survey data has shown that majority of the taxpayers know (75.5 percent) why they pay taxes. It can be concluded that there is a positive understanding as to why people pay taxes and if successive works are done probably better results can be registered.

Tax authority is the responsible body for assessing and collecting the city's tax revenue.

The amount of tax collected is directly dependent on the efficiency and effectiveness of the authority.

From this study it is concluded that most of the respondents feel that people should pay taxes according to their ability. In other words, they feel that they do not pay about the same amount of tax as others in similar situations, the more they can generate income, the least they payed tax.

Generally, as long as the tax being levied is not fair and equitable it may reduce the motivation and effectiveness of current taxpayers and also deter potential taxpayers from joining the tax system voluntarily.

Major findings:

Tax Payers Challenges:

Regarding knowhow of tax payers, the researcher assures that there is not a clear understanding of tax proclamation, rules, regulations and policies.

There is no clear understanding with tax payer's category that declare personal income level to pay taxes with the given tax proclamation and regulations and so there is lack of awareness regarding with income category

There is poor understanding of tax collection method and assessment of income tax according to the given tax collection proclamation, rules, regulations and policies.

Tax payers didn't know when taxable income should be paid according to their tax payer category and regarding to the given regional proclamation

Most of tax payers didn't know get penalty for late filing, understatement, late payment and keep failure.

Tax collectors challenges:

There is absence of transparency in the overall tax system to collect taxes easily even if revenue offices perform different attitude changing measures.

The tax payers have different attitudes towards tax

The public attitude towards taxation is poor

It is clear that the tax rate is not based on the ability-to-pay principle or it is perceived to be unfair by taxpayers.

From the research one can understand that taxpayers perceive tax evasion is not a series crime, even though it is ranked third rather than assassination, and drunken driving. This indicates that there is no attention towards taxation

by taxpayers. The problem here is there is poor understanding though tax evasion is considered as crime by the taxpayers

A compilation of open ended questionnaires indicated that there was no strong department that was overseeing the exercise of Sayint woreda tax collection. There is poor organized tax collection institutional system with collecting and compiling commercialized data's regarding for fair tax collection

Recommendations:-
Based on the findings of the study revealed that there were some rules, regulations and procedures which were available for effective tax collection. But, most were not put into application and thus make in rules, regulations and procedures give tax collection not to be effective. It is therefore recommended that Sayint woreda tax authority should ensure that all of its guiding principles, rules and regulations are unsold with the whole tax payers, tax collectors, and stock holders and appropriately put into application so as to have a sound tax collection.

Tax law enforcement has negative impact on tax amount payed and it decreases tax amount payed. Then woreda authority better to make appropriate awareness creation before enforced the tax law. Awareness creation should go beyond simply giving tax education to taxpayers. It should be extended to having consultative sessions with elderly, religious leaders, prominent personalities in the society or other influential individuals. This can help to influence the whole society through these influential persons who have acceptance in their respective groups.

There should be more preventative education for the public and increased awareness of tax responsibilities in schools. Students should be educated early in their career about tax responsibilities. Only through tax education concepts of taxation and tax knowledge can be imparted. Furthermore, taxpayers' need more information about their tax obligations and their role in promoting the growth of the economy of the country and the wellbeing of its citizens.

To provide quality services woreda revenue office should increase the number of qualified employees, facilities such as cars were inadequate to ease transportation. For that reason, revenue collection overseers to undertake their activities with minimum use of physical efforts.

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