AN ASSESSMENT OF THE IMPACT OF ELECTRONIC TAX REGISTER ON REVENUE COLLECTION BY KENYA REVENUE AUTHORITY WESTERN REGION, KENYA

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ABSTRACT
The Electronic tax registers (ETR) were introduced in Kenya in 2005 with the main aim of combating vices that were associated with the collection of taxes. As much as it was initially looked from such a perspective, a clear analysis has to be made to establish if it also benefits the traders as well. The adoption of Electronic Tax Registers by traders as a means of processing tax returns has been met with mixed reactions. On the contrary KRA is of the view that the ETR machine has helped to increase efficiency in operations as well as in revenue collection. It is therefore important to assess the impact of the ETRs in revenue collection. The study was guided by the following research question: what is the impact of ETRs on tax compliance? A survey research design was employed. The study population comprised of 14 management staff of KRA (Kisumu office) and 364 wholesale traders in Kisumu town, adding up to 378 people. From this target population, a sample size of 124 respondents was derived, which included all management staff and 30% of the wholesale traders. Simple random sampling was used to select wholesale traders. The study employed the use of questionnaires and interview guide to collect data. The content validity of the data collection instrument was determined through piloting, where the responses of the subjects was checked against the research questions to establish that the wording and framing of the questions in the questionnaire are easily understood and clear. The Cronbach’s Coefficient Alpha was used to test the reliability of the questionnaires and it was computed for each item in the Likert scale. A reliability coefficient of 0.7 was assumed to reflect the internal reliability of the instrument. The collected data was analyzed using qualitative techniques. The findings indicated that 75% of the respondents were of the opinion that ETR machines have helped to curb cases of tax evasion 86% of the respondents were of the opinion that ETRs have helped increase revenue collection due to their efficient nature. Therefore the research findings will help KRA and other revenue collection bodies around the world to have an understanding of the current usage of ETR in Kenya and extent to which it has improved domestic revenue collection.
KEYWORDS: Efficiency, Electronic Tax Registers, revenue collection, Tax compliance, wholesaler trader.

REFERENCE


