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## Customer Care a Recipe for Revenue Mobilisation

**Ronald Bunule Wulnye**

Lecturer, Department of Secretaryship and Management Studies, School of Business,  
WA Polytechni, Ghana

**Emmanuel Aikins**

Lecturer, Department of Secretaryship and Management Studies, School of Business,  
WA Polytechnic, Ghana

### **Abstract:**

*Despite the fact that the highest percentage of the labour force is engaged in the private informal sector form of employment in Ghana, the contribution of the sector to government revenue remains the least on the list. In this regard, the study examined the impact of tax education on revenue generation among tax payers (self-employed) in the Jirapa Municipality of the Upper West Region of Ghana. Data for the study was obtained using structured questionnaires and interview guide. The study comprised five management staff of the Assembly and 350 tax payers. Quantitative data analysis was performed using the Statistical Products and Service Solutions (SPSS), version 18. The study further revealed, there is a significant relationship between tax education and revenue mobilization. The study further revealed that there are significantly challenges confronting the successful implementation of tax education in the Jirapa Municipality including the lack of professional and competent staff to undertake tax educational campaigns. The Municipal Assembly should start a newsletter that will be published at the beginning of every year which should be distributed alongside with the property rates bill. The tax education campaign team should be given adequate logistics to help them carry out the education. Logistics such as vehicles that would make them mobile should be readily available to make taxpayer education effective and achieve its purpose. The Assembly is advised to conduct training needs assessment for revenue collectors to raise their efficiency in the revenue collection machinery. The training schedule must be reviewed and updated regularly to enhance the proficiency of the personnel in undertaking tax education.*

**Keywords:** Revenue maximisation, taxpayer education, compliance, taxpayer empowerment, strategies

### **1. Background of the Study**

The major aim of most governments in developing countries is to stimulate and guide their economic and social development. These governments continue to reach out for the goal of government promoted and directed development. However, Quarshie (2009) opined that, it has become increasingly demanding for governments all over the globe to devise appropriate means of generating adequate revenue to finance government expenditure which continue to soar as a result of growth in population with its accompanying demand for infrastructure and other social and economic investment. Kaldor (1964) pointed out the importance of government revenue in accelerating economic development. Whatever the prevailing ideology or political situation of a particular country, it must steadily expand a host of non-revenue yielding services such as education, health, infrastructure, and social security. The building of social amenities can be a reality if the government generates enough revenue through taxes from companies and employees. It is against this reason that taxation has become legally accepted all over the world as one of the most suitable means of generating revenue. A sound revenue system is an essential pre-condition for the success of any economy. In addition to raising revenues, local revenue mobilisation has the potential to foster political and administrative accountability by empowering communities (Oates, 1998; Shah, 1998). Diaw (1995) posited that, the capacity of local governments to generate internal funds to support their development is bleak. This is especially so regarding local government authorities' capacity to raise revenue to implement independent local level development programmes. Taxpayer education provides comprehensive tax education and information that promotes partnership and voluntary compliance with the objective of maximising revenue collection for national growth and development. Thus, taxpayer education is inextricably associated with tax base broadening (Misra, 2004). According to Misra (2004), taxpayer education performs the following functions: they encourage voluntary compliance; reduce errors by empowering taxpayers with knowledge; broaden tax base by an all-inclusive approach; make taxpayers aware of their tax obligations; create awareness about the need to pay tax; reduce costs by reducing errors, objections and complaints; increase service levels; and improve revenue collection. In the International Monetary Fund estimations, tax revenue collection equals 16.3 per cent of GDP (UNDP, 2002). However, in Ghana, many district assemblies have, however, been unable to raise

adequate revenue to pay their bills especially those related to development projects (UNDP, 2002; Bacho, 2001). Many of their development projects have been funded entirely by special grants from central government. The inadequacy of such budgetary allocation has always been an issue and control over such funds had rested with the central government rather than local authority. This has contributed in part to the slow pace of development at the local level (Diaw, 1995). According to Azubike (2009), the absence of information and enlightenment for taxpayers in Ghana is a major problem as tax payers are not sufficiently educated and enlightened on the provisions of the various tax laws in the country. Thus, ignorance about tax is a significant problem in Ghana. The low level of taxpayers' education is unarguably the major factor affecting the proper planning and administration of tax in Ghana (Ojo, 1998).

The need for District Assemblies to adopt effective means to block all leakages in order to generate enough revenue to augment what the Central Government sends as Common Fund is necessary. However, many Districts Assemblies are unable to have effective revenue mobilization strategies or plan including tax education which to a large extent accounts for their inability to implement many of their annual developmental plans of which the Jirapa Municipality is not an exception (Composite Budget of the Jirapa Municipality, 2000). In the Jirapa Municipality, performance in revenue mobilization has been abysmal. The total annual performance in the year 2008 was 30 percent (thus 30 percent of the revenue targeted was achieved). There was a sharp increase in 2009 where 100 percent of the targeted revenue was achieved. However, there was a 10 percent decline in revenue performance in 2010 and 2011 respectively (90 percent of revenue targeted was achieved). Additionally, in 2012, revenue performance of the Assembly declined to 60 percent (Jirapa Medium Term Development Plan, 2012). The differences that exist in revenue performance attest to the fact that the Jirapa Municipality needs to roll out more innovations to increase its revenue base. However, attempts to widen the tax base have not yielded much result due to numerous challenges with regard to revenue mobilisation such as tax payers' ignorance on the need to be tax compliant. Against this background, there is the need to examine the implications of tax education on revenue mobilisation for the financing of local projects in the Municipality as well as the factors confronting the Municipality in undertaking tax education campaign. Additionally, in the Jirapa Municipality, much of the studies that have been undertaken in the field of taxation have mainly centered on the problems of tax administration (Otioku, 1988), public perception of tax evasion (Song & Yarbrough, 1978) and managing small size taxpayers (Terkper, 2003). However, much work on the effect of tax education on tax revenue mobilization is yet to be systematically verified in the Municipality, thus the need for this research.

## 2. Theoretical Issues

### 2.1. *The Need for Taxation*

Tax revenue is arguably the major fundamental source of finance to nations and governments all over the world (Abdallah, 2010). Many nations and governments levied their people to raise revenue in order to defray the cost of financing public expenditure as well as development. In the United States and United Kingdom for instance, tax evasion is a crime tantamount to high treason (Rosen, 2008). A tax is a compulsory levy by government through its agencies on the income, consumption and capital of its subjects. These levies are made on personal income such as salaries, business profit, interest, dividend, and discount to royalties to obtain revenue. It is levied against company profit, petroleum profit, capital gains and capital transfer (Bello, 2001). Therefore, taxation is a compulsory payment or transfer of resources from private to public sector levied on the basis of the determined criterion and without reference to specific benefits received in order to accomplish some of the nation's economic and social objectives. Bello (2001) noted that taxation is a topic that stirs controversies at any given point in time and in any society, regardless of the degree of democracy. Without taxes, modern societies could not survive. The optimum level of public goods provided by authorities is achieved when every taxpayer is compliant and pays his fair share of tax liabilities. One of the main reasons government impose taxes is to generate income to manage the economy and redistribute resources. The importance of tax systems as a major revenue source in a country is undeniable (Slemrod, 1989), these statistics have evidenced that tax revenues are one of (if not the) main income source for many governments throughout the world but to maximize tax collection and minimize tax evasion among taxpayers is difficult to achieve in practice (Allingham & Sandmo, 1972). Taxes can be classified into two main types: direct and indirect taxes. Direct taxes mean the burden (incidence) of tax is borne entirely by the entity that pays it, and cannot be passed on to another entity; for example, corporation tax and individual income tax. Indirect taxes are typically the charges that are levied on goods and services/ consumptions (Barjoyai, 1987). Indirect taxes are not levied on individuals, but on goods and services. Customers indirectly pay this tax in the form of higher prices. It can be said that while purchasing goods from a retail shop, the retail sales tax is actually paid by the customer. The retailer eventually passes this tax to the respective authority. The indirect tax actually raises the price of the goods and the customer's purchase by paying more for that product. Unlike indirect tax, direct taxes are based on 'ability to pay' principle but (by being very obvious to the taxpayer), they sometimes work as a disincentive to work harder and earn more because that would mean paying more tax (Mansor, Tayib & Yusof, 2005).

### 2.2. *The Concept of Tax Education*

Taxation is a universal knowledge needed by each citizen with potential tax liability. The "universality" of taxation knowledge however is very limited (McKerchar, 2007). The different tax systems practices in different countries of the world make knowledge very localized and the more rapid the development in the literature of taxation overtime, the more quickly

the previous knowledge becomes obsolete. Tax education can constitute any informal or formal programme organised by the tax authority or independent agencies which help taxpayers in completing tax returns correctly and also to cultivate awareness of their responsibilities in respect of the tax system (McKerchar, 2007). Information on the extent of taxpayers' knowledge is potentially useful to the tax authorities in the development of effective compliance enhancement policies. For example, if knowledge of a particular area of the tax regulation is low, compliance is also likely to be on the relevant items (Spicer & Lundstedt, 1976). Taxpayer education provides comprehensive tax education and information that promotes partnership and voluntary compliance with the objective of maximising revenue collection for national growth and development. Thus, taxpayer education is inextricably associated with tax base broadening (Misra, 2004). Countries such as the US, Canada, Japan, New Zealand, Australia, the UK and Malaysia have all been implementing a continuous tax education for taxpayers and children (as future taxpayers). Beside these programmes that educate taxpayers directly and instill public awareness regarding tax matters, various countries such as the USA, the UK and Australia also have developed interactive websites, disseminated leaflets together with tax returns, opened call centres, created advertisements or supplied reminders through television and radio (for example, to remind taxpayers of deadline dates for filings) (Palil, 2010). Tax education is so important that it is sometimes conflated with tax culture. Some experts actually define tax culture as "the removal of the general public's "tax illiteracy" and in this sense tax culture is considered to be the opposite of "tax illiteracy" (Birger, 2002). According to Ojo (1998), where the right attitude has been absorbed, the very next step should be that of educating the citizenry. The education would be successful when they have become aware of in their position in terms of the social amenities that are basic to their existence.

Most of the taxpayers can then be expected to react positively towards tax drives and a reduction in evasion. Ogundele (1994) also emphasizes that to comply with tax laws, taxpayers need to have adequate tax knowledge. Furthermore, Williams (2011) pointed out that information about taxation should be well publicized. Not many persons like to hear about taxes. Education about what the State does with the taxes that people pay should be encouraged on a grand scale. Persons should be reminded that the services that are provided at the hospitals, the construction of roads and bridges, the construction of schools, police stations and other government facilities are all as a result of the tax dollar. If persons know that their monies are being spent wisely there will be all the reason to make payment. Dadzie (2006) indicated that, governments must educate the masses about the need for the taxes. The average person must be made to understand that the government cannot develop the country and undertake all the projects the citizens demand without money. Furthermore, Dadzie (2006) stated that paying of tax cannot be left to only the civil servants and a few others in the country to pay taxes. Many self-employed people in Ghana pay little or no taxes, yet, demand services, one way or the other from the government. The way to make every self-employed person pay taxes is to issue tax identification numbers to each entity and ensure that their businesses, small or large, are registered with the IRS. Better still, the tax ID could also be issued when the business is registered. Those whose businesses are not registered should be charged with non-compliance and hauled to court. The laws on the books must be vigorously enforced.

### *2.3. The Concept of Revenue Mobilization*

One of the common challenges that confront several developing nations is the ability to mobilise sufficient domestic revenue (Botlhol, 2011). Yet one of the salient features of many of these countries is an apparent under-provision of public goods, large fiscal deficits, and over-dependence on foreign assistance. The disparity between foreign sources of revenue and domestic revenue is quite striking. On average, foreign aid accounts for 53 percent of GDP, compared to only 16 percent from tax revenue in developing countries (Botlhol, 2011). According to Davey (1984), local governments in developing countries derive their revenues from two principal sources: The sources of their revenue are: Funds transferred to them from a higher level of government; and Funds collected and retained in the locality itself. Funds coming from higher levels of government (national, regional, and/or state/provincial) are referred to as transfer payments. The rules governing the flow of transfer payments are part of the laws on intergovernmental fiscal relations. Transfer payments are typically allocated from a specific revenue source that is controlled by the higher-level government (e.g. a national value added tax, income tax, or oil revenues). Transfer payments may be allocated downward on an established formula basis, or an ad hoc basis. Transfer payments may be stable and predictable over time, or they may vary substantially from year to year. Regardless of their characteristics, transfer payments are not "own source revenue" because they are not under the direct control of the local government (Painter, 2000). On the other hand, funds collected and retained in the locality itself are the local government's own source revenues. In developing countries, it is typical to find that own source revenues are a small (or very small) portion of a local government's total revenue.

### *2.4. Challenges in Revenue Mobilisation*

One major administrative problem for many councils is their inability to realize fully the revenue due to them. Thus, the ratio between reported and projected revenues differs significantly both between councils and between areas within the councils (Fjeldstad & Semboja, 2000).

### *2.5. Impact of Tax Education on Revenue Mobilization*

Tax education, knowledge about tax laws plays a major role in determining taxpayers' compliance behaviour (Eriksen & Fallan, 1996). Taxpayer education assists taxpayers in meeting their tax obligations to the government. The primary existence of taxpayer education is to encourage voluntary compliance amongst taxpayers. Voluntary compliance amongst taxpayers is heightened when taxpayer education and enforcement functions are balanced to achieve the desired output in tax compliance (Misra, 2004). Tax education campaigns provide an opportunity for tax evaders voluntarily to put their tax affairs in order and become compliant. As well as unpaid tax received as a direct result of campaigns, tax educations are helping in changing behaviours and encouraging a sustained improvement in tax compliance within targeted sectors. Rizal (2010) studied the level of individual Malaysian taxpayers' knowledge and explores how tax knowledge levels influence tax compliance behaviour. The results suggested that tax knowledge has a significant impact on tax compliance even though the level of tax knowledge varies significantly among respondents. Knowledge about tax law is assumed to be important for preference and attitudes towards taxation. There is little research that explicitly considers how attitude towards taxation is influenced by specific knowledge of tax regulations' (Eriksen & Fallan, 1996). The research done by Eriksen and Fallan demonstrated the importance of tax knowledge in a tax system, the suggested that fiscal knowledge correlates with attitudes towards taxation and that tax behaviour can be improved by better understanding of tax laws. A study by Kirchler et. al. (2008) also emphasizes that tax knowledge in individual taxpayers is also positively related to tax compliance (Wahlund, 1992; Eriksen&Fallan,1996; Park & Hyun, 2003).

According to Park and Hyun (2003), it has long been discussed in tax compliance literature that there are many factors affecting tax compliance, with knowledge about tax laws being a major influence. Eriksen and Fallan (1996) attempt to determine the relationship between the level of tax knowledge and attitudes toward taxation; whether specific tax knowledge influences attitudes in general (not only tax attitudes) in Norway. The result of the study suggested that tax knowledge has a positive correlation with perceptions of fairness, tax ethics and attitudes to others' tax evasion. This result is in line with previous studies by Lewis (1982) where low tax knowledge correlates with negatives attitude toward taxation which intends affects revenue mobilization.

### *2.6. Methods that may be used for Tax Publicity and Education Campaigns*

The public needs to be informed of their duties and responsibilities under the tax laws in a way that can be easily understood by even the less educated taxpayers. It is important that tax administrations conduct different types of information campaigns for different types of taxpayers (e.g., tax return preparers, accountants, special trade associations, employers and the general public). These campaigns would be necessary for disseminating information on rulings, regulations, decisions, and other notifications, in order to foster a higher level of compliance and minimize misunderstandings of the tax laws and regulations. Tax authorities should provide adequate taxpayer service to make taxpayer compliance with the relevant laws and regulations as easy as possible. This can be done in several of ways, including the provision of sufficient information, pamphlets, forms, advice kiosks, extending payment facilities and options, as well as electronic filing of tax returns. Even tax bills can be used effectively to communicate information. As Bird and Zolt (2003) state, this approach rests on treating the taxpayer as a client (albeit not a willing one) to be served and not a thief to be caught. Williams (2011) further enumerated some methods that can be used to educate the tax payers which are outlined below:

#### 2.6.1. Publications

Guides, booklets and brochures may be used to inform and educate the public with information on the different tax types. For example, information on the nature of a tax, the tax rates, when the tax is due, penalties that are applicable, the filing of returns etc. can be included in these publications.

#### 2.6.2. Media

Television, Radio or Newspapers may be used to air programs or publicize tax matters and events. Appearances on Television and Radio by tax officials assists in building a relationship between the tax department and the public particularly where the public is given the opportunity to call and ask questions. During such programs, Williams (2011) noted that education of the public on numerous matters is tremendous. Also, advertisements could be aired during popular programs or published on the largely circulated newspapers. Press releases may be issued by Tax Departments to announce proposed changes in the law, a change in the administration's practice or some other change or initiative of interest to the public. Many tax administrations usually organize tax fairs, tax awareness sessions and other activities that may be recorded and rebroadcast on television or radio. Lots of important information which is disseminated at these events could reach the public through this medium since the viewing and listening public is quite large.

#### 2.6.3. Tax Clinics and Special Information Booths at fairs

Administrations can make use of the opportunity to showcase their products, talk to persons who attend those fairs and share much needed information. The IRS could organise one annual tax fair to attract numerous people.

#### 2.6.4 Video Cassettes or DVDs

Video Cassettes or DVDs on various important tax issues can be shown at tax offices for the public to view while awaiting service. Quite a bit can be learnt in the short time one stands in line waiting to make a tax payment.

#### 2.6.5. Presentations at Seminars

Tax administrations should embrace the opportunity to deliver presentations at seminars and workshops organized by voluntary organizations, trade unions, associations and other groups. At such sessions a diverse group of taxpayers can be educated. Tax administrations could organize their own town hall meetings where relevant issues can be addressed.

#### 2.6.6 Schools and Youth Groups

Educating the youth is very important and is a very effective means of spreading tax information. Going to schools to deliver lectures on taxation assist students in preparing for the business world. In Australia, for example, the Australian Tax Office (ATO) launched a programme called "Teaching Tax with Tax Files" in 1998 to educate school children aged 9 to 12. The programme is an innovative multimedia tax education kit which comprises an interactive CD-ROM and a hard copy which provides schools with extensive, up-to-date information about tax. This programme is expected to educate the school children to be aware of where government money comes from and what it is used for, the responsibilities of a taxpayer, and should develop their understanding of the role of taxation in a society (ATO, 2009 – cited in Palil, 2010).

#### 2.6.7. Websites

A very important and effective means for publicity and education is the use of websites. There, the IRS can make available to the world up to date information on a wide range of topics. Some of the things that could be put on the website include: information on taxes, information on filing, tax news, frequently asked questions (FAQ), tax laws and lots of tax educational material.

#### *2.7. Improving Tax Compliance*

Silvani and Baer (1997:11) define "voluntary compliance" as "the timely filing and reporting of required tax information, the correct self-assessment of taxes owed, and the timely payment of those taxes without enforcement action" As Bird (2003) correctly points out, "assessing the relation between administrative effort and revenue outcome is by no means a simple task". Maximizing revenue is only one dimension of the task of tax administration. How that revenue is raised, in other words the effect and impact of the revenue-raising task in equity, the level of economic welfare as well as the political fortunes of governments, may be as important. Rather than simply looking at the amount of revenue raised, that is the level of collection, to measure the effectiveness or success of a tax administration, a more accurate measure would be to measure the so-called "compliance gap" which constitutes the gap between actual and potential revenues (Casanegra de Jantscher and Bird, 1992). The Malaysian government has recently embarked on an initiative to encourage the collection levels of local revenue. Stars are awarded to individual local authorities on the basis of their success with the collection of their property taxes (Pawi, 2012). The idea is that there will be sufficient peer-pressure amongst local authorities to stimulate poorer-performing authorities to improve their star rating by collecting more property tax.

#### *2.8. Institutional Arrangements for Local Revenue Generation*

Asamoah (2010) intimates that with the current global recession, revenue mobilization has become a more serious business agenda of many governments including Ghana and, in her view, traditional rulers can assist the revenue collection agencies to improve their revenue base to support the provision of infrastructure like roads, hospitals and schools in the various localities since the Traditional rulers easily mobilize their subjects for various productive activities. Ngeyen, (2010) agrees and further opines that chiefs could do more to help in the dissemination of tax information and education due to their strategic positioning in society. Korbieh (1997) intimated that revenue mobilization by MMDAs was critical to government but the apparent laxity with which some districts approached the issue of revenue mobilization was deplorable. That quite a number of people have attributed this attitude to the fact that District Assemblies now receive "huge" supports from central Government through the District Assembly Common Fund and other development partners. Korbieh alluded to the fact that there would be no meaningful development without adequate funds and that, "If District Assemblies (DA's) are really serious about tackling the issue of under development in their jurisdictions, they should not consider their allocation of the common fund sufficient enough to avoid any complacency."

#### *2.9. Revenue Mobilization Performance*

There is empirical evidence that payment of taxes and levies is reported to have witnessed substantial improvement since the implementation of the decentralisation plan between 2002 and 2004 leading to a modest rise in IGR.

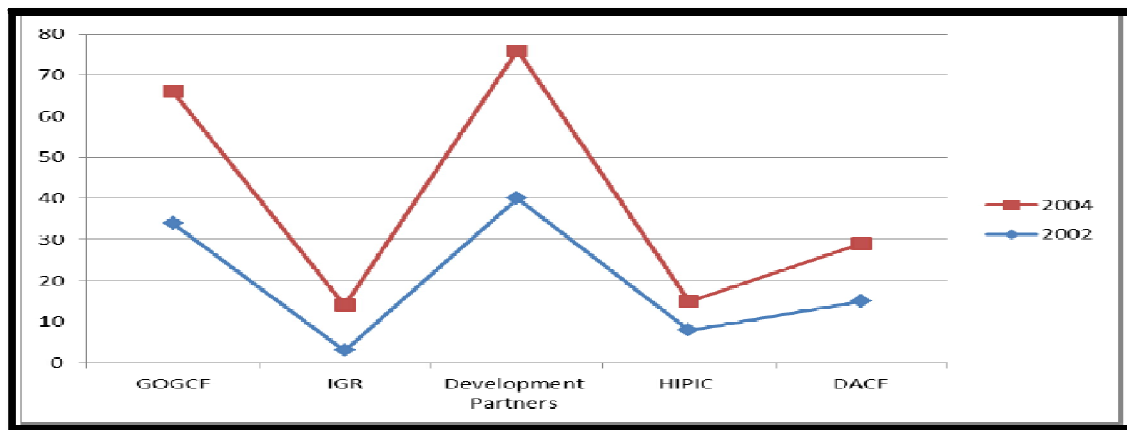


Figure 1: Sources of Funding District Assemblies Development  
Source: GPRS Annual Report 2004

### 2.10. Challenges of Institutions responsible for Local Revenue Generation

The revenue generating capacities of the assemblies have improved over the years; however, they still do not meet their target due to the following reasons:

- Attitude towards payment of rates: The people's unwillingness to pay basic rates is major challenge confronting several district assemblies. Basic rates form a considerable proportion of the district assemblies internally generated revenue therefore the evasion of the basic rates cripple the assemblies' efforts in ensuring sustainable development of the districts. The enforcement of user fees has resulted in a widespread resistance to pay from the poorer segments of the urban population (Fjeldstad & Semboja, 2000).
- Apathy on the part of revenue collectors: This phenomenon has become rampant in the district assemblies in Ghana. Revenue collectors fail to render accurate account to the assemblies on the revenue generated. Also, some revenue collectors connive and condone with tax payers not to pay the correct amount. This problem has emanated due to the unqualified nature of revenue collectors. These activities of the revenue collectors adversely affect the progress of district assemblies in Ghana. This affects the district assemblies' capacity and accountability (Fjeldstad and Semboja, 2000)
- Lack of enforcement of payment of property rates: The Local Government Act, 1993, Act 462 identifies property rate as one of the several ways the district assemblies can employ to raise revenue internally. It is however pathetic to note that several districts assemblies in Ghana do not use this means to augment their revenue. Also, due to the use of antiquated method of collecting property rates, property owners avoid the payment of rates. This has made property rates very costly to administer (Brosio, 2000)
- Poor tracking of economic activities: The district assemblies in Ghana are challenged by the failure of some individuals and small-scale enterprises engaged in economic activities to pay tax. Some district assemblies do not have the mechanism to ensure adequate monitoring of economic activities in their area of jurisdiction. This has resulted in a situation whereby these enterprises pay less than the expected amount of money (Devas and Kelly, 2001).
- Poor Record Keeping: Poor keeping of records on economic activities within the districts are bedeviling the smooth growth of the districts. District assemblies in Ghana have inadequate data on all economic activities found in the district. For instance, several district assemblies do not keep or have data on the number of hairdressers, tailors, traders, barbers, lotto kiosk among others operating in the district. This therefore militates against attempts to improve internally generated revenue in the districts. These revenues when well administered can provide substantial and reliable revenues for local government (McCluskey, 2003).
- Lack of effective internal and external control measures and the lack of staff with the requisite specialized skills to manage technical services partly accounts for the ineffectiveness of District Assemblies.
- Alifo (1997) attributed the low revenue base of the District Assemblies to their inability to enforce the regulation on tax evasion because politicians would not want to be unpopular especially in years preceding elections or even election years for obvious reasons.

## 3. Research Approach

### 3.1. Research Design

The study was structured basically within the framework of the descriptive survey research design. The relevance of descriptive approach is to make comparison or contrast and to also discover relationships between variables (Wiersma, 1995). Thus, descriptive research provides opportunities for researchers to gain valuable insights into the current status of phenomenon with respect to variables or conditions in a situation. In this method, the researcher poses a series of questions to

willing participants; summarises their responses with percentages, frequency counts, or more sophisticated statistical indexes; and then draws inferences about a particular population from the responses of the sample. According to Seifert and Hoffnung (1994), unless the respondents are people who can articulate their thoughts well and sometimes even put such thoughts in writing, the descriptive survey cannot be relied upon. This shortcoming was addressed by using interview guides to collect data exclusively from management staff of Assembly as well as the Revenue department of the Assembly who can read and write, while the questionnaire for the general public was administered using the face to face method of questionnaire administration. In spite of the few problems inherent in the use of the descriptive survey method, it was found to be the most appropriate for this study. In the first place, it is adopted because the objective of the study is to collect original data to describe a population too large to observe directly (Rubin & Babbie, 2000). Another reason, as pointed out by Creswell (2000), is that the descriptive survey design has the potential to provide a lot of information from quite a large sample of individuals within a short period. The descriptive survey gives adequate picture about the implications of tax education on revenue mobilisation in the Jirapa Municipality. Thus, the survey design was considered the most appropriate for this study on the basis of its advantages of economy of design, the rapid turnaround in data collection and the ability to identify attributes of the population from a sample derived from that population. Also, because it involves system organisation and presentation of data in order to arrive at valid and accurate conclusions. This is to help minimise errors in the research work.

### 3.2. Target Population

The population of the study was the management staff of the Jirapa Municipal Assembly and local people of the Municipality who pay tax. Specifically, the study's unit of analysis included management staff of the Revenue Department of the Assembly, the District Revenue Officer (DRO), District Finance Officer (DFO), the District Coordinating Director (DCD), the District Chief Executive (DCE) and the District Budget Officer (DBO). The study population in relation to the public included people who owned immovable property and pay property rate, and business operators. Clients Basic rate were exempted from the study as indicated in Chapter One. Available data from the office of the Jirapa Municipal Assembly shows that there are 2810 tax payers in the Municipality

### 3.3. Sampling and Sampling Technique

The concept of sampling arises from the inability of the researcher to test all the individuals in a given population. The sample must be representative of the population from which it was drawn and must have good size to warrant statistical analysis (Tannor, 2011). Due to the large sizes of populations, researchers often cannot test every individual in the population because it is too expensive and time consuming. This informed the choice of relying on sampling techniques in this study. Both probability and non-probability sampling techniques was applied in this study. Purposive sampling technique is the non-probability technique to be applied in the sampling of management staff of the Assembly's revenue department. Purposive sampling technique allows the researcher to choose subjects that will best serve the purpose of his or her study. Thus, purposive sampling allows for the selection of subjects who are more likely to provide the right information for the study. In this study, management staff of the revenue department and the Assembly are selected purposively because they are directly involved in the mobilisation of revenue while management of the Assembly are directly involved in the utilisation of the mobilised revenue for the development of the Municipality. On the other hand, the sampling of the general public involves probability sampling using the stratified sampling technique where the population is stratified based on the type of revenue the citizen pays. The strata include property rate payers, market dues, and business licenses among other types of revenue. However, in performing the simple random sampling methods, Probability Proportional to Size is employed using a sampling fraction in each of the type of revenue that is proportional to that of the total revenue population of the Municipality The study employed the stratified random sampling because:

- The method allows for greater precision;
- The result from each revenue type is of intrinsic interest and would be analysed separately;
- The method guarantees a prescribed number of observations from each revenue type

The sample size for the study was determined using the Slovin Formula (Umar,2000), stated below:

$$n = \frac{N}{1 + Ne^2}$$

Where

n= sample size

N= population size

e=significance level in percentage of error that is allowed is five percent

$$n = \frac{2810}{1 + 2810 (0.05)^2}$$

$$= \frac{2810}{8.025}$$

$$= 350$$

Thus 350 tax payers in the Municipality were to be selected across the various taxes to participate in the study.

### 3.4. Sources of data

The source of data for the study was gathered from two main sources; primary and secondary sources. Secondary sources are economical since they save efforts and expenses, helps to make primary data collection more specific since with the help of secondary data, one is able to make out what are the gaps and deficiencies and what additional information needs to be collected. On the other hand, the disadvantage of secondary data is that the accuracy of secondary data is not known while data maybe outdated. The secondary source of data was obtained from books, journals, articles, internet, among other publications. Specifically, secondary data was obtained from past revenue records, official reports and statutes and laws to establish the trend of revenue generation during the period 2008 to 2012. This is necessary to establish the pattern of revenue collection to help determine the weaknesses of the Assembly by comparing the revenue figures over the years, and the various components over the years. Primary data collection methods provided original data directly from the study population and unbiased information although the method is time consuming in gathering data. Also, is that the method requires direct and personal intervention to enhance the validity of the data obtained. Primary sources of data on the other hand were obtained during the field work directly from the study's unit of analysis using interviews and questionnaires.

### 3.5. Instrumentation

Two major data collection instruments were used in the collection of data from the study's population. These include questionnaires and interview guide.

#### 3.5.1. Questionnaire

The research used questionnaire over other research instruments because questionnaires give a series of questions asked to individuals to obtain statistically useful information about a given topic. Also, questionnaires are valuable methods of collecting a wide range of information from a large number of individuals or respondents. The questionnaire was administered using the face to face interview. The following reasons accounted for the choice:

- Most of the respondents are illiterate; and
- The method was to pave way for further probing by enhancing the accuracy of the research findings.

To ensure that the survey instruments contain relevant questions that can answer the research questions and objectives, the questionnaires and interview guides was structured into sections with each section focusing on one of the objectives of the study. The first section of both instruments elicits the demographic characteristics of the respondents. The major demographic variables included age, gender, educational background, occupation (for the public), number of years of working with the Assembly (management staff of the Assembly). The rest of the sections of the instruments covered areas such as the effectiveness of tax education in the Jirapa Municipality, the impact of tax education on revenue mobilization in the Jirapa Municipality; and the challenges confronting tax education in the Jirapa Municipality. According to Creswell (2002), questionnaires have certain disadvantages. The first is that they do not allow for probing, prompting and clarification of answers given. The second is that they do not provide opportunity to collect additional information from the respondents. Although the study acknowledges these limitations, efforts would be made to ensure that the questionnaire provides respondents with open-ended items to enable them explain, opine, and make further elaborations to the closed-ended questions. Thus, in terms of wording of questions, both the closed and opened –ended items would be used. The close-ended items limit the respondents to the set of alternatives being offered, while open ended questions allow the respondents to express an opinion without being influenced by the researcher (Foddy, 1993). The opened ended questions are to allow the respondents to include more information, including feelings, attitudes and understanding of tax education and its impact on revenue mobilisation in the Jirapa Municipality.

### 3.6. Pre-testing of Instruments

According to Tannor (2010), to determine the effectiveness of a survey instrument, it is necessary for it to be pre-tested. The instruments for this study thus the questionnaire and the interview guide were pre-tested. This was done by asking five tax payers and two management staff to complete them in writing after which each question was discussed. Pretesting of the survey instruments was to help identify potential challenges during the main study by improving the interview questions, avoid repetition and identify key issues to be investigated. Few revisions were made to the questionnaire after the pre-test.

## 4. Method of Data Analysis

The data obtained from the field was processed before analysis. The data processing involved cleaning the data. This was done at the data entering stage. At this stage, the data was inspected, and erroneous data was corrected. The Statistical Package for the Social Sciences (SPSS), version 18 now the Statistical Products and Service Solution as well as Microsoft Excel was used in analysing the data. The results of the data analysis were presented using descriptive statistics through



percentages and frequencies. Figures such as pie chart and bar graphs were also used to show the graphical distribution of the results obtained.

**5. Results and Discussion**

*5.1. Demographic Characteristics of the Respondents*

This section presents the analysis and discussions of respondents' demographic characteristics. In all, 355 respondents participated in the study. This comprised 350 tax payers from the Jirapa Municipality and five management staff of the Jirapa Municipal Assembly. In examining the demographic characteristics of the respondents, the following four variables were analysed: Gender, age, educational background and the occupation of the respondents respectively. The gender analysis of the respondents is illustrated in Figure 2.

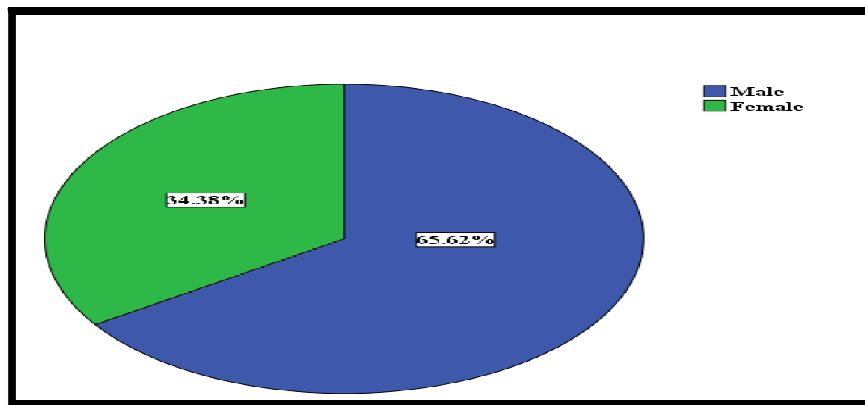


Figure 2: Gender of Respondents  
Source: Field Work, 2014

It is seen in Figure 2 that majority (65.62%) of the respondents were made up of males. Thus, the proportion of males who participated in the study was 31.24 percent higher than that of the females who also participated in the study. This suggests that tax education campaigns should be developed to be gender friendly. The ages of the respondents were also examined. Descriptive analysis of the ages of the respondents presented an average age of 33 years with minimum and maximum ages of 19 years and 54 years respectively. A standard deviation of 8.273 was obtained which indicated that the ages of the respondents were uncluttered around the mean age. The ages of the respondents were further coded into six consistent age groups based on the minimum and maximum ages obtained. The result is showed in Table 1.

Age (Years)	Frequency	Percentage
19-24	39	11.1
25-30	145	41.3
31-36	66	19.0
37-42	50	14.3
43-48	33	9.5
49-54	17	4.8
Total	350	100.0

Table 1: Age of Respondents  
Source: Field Work, 2014

The results in Table 1 revealed that the most reported age among the respondents was 25 -30 years (41.3 %). Further analysis shows that a little over 60 percent (60.3%) of the respondents were aged 25-36 years with only 4.8 percent aged above 48 years. The result gives an indication that only a few elderly tax payers participated in the study. Thus, the respondents were young and had much of youthful traits, hence could be economically viable for higher revenue generation to enhance developmental projects in the Municipality. The implication for tax educational campaign is that the youth who are economically active should be educated on their tax obligations and other related tax issues to become tax compliant. In examining the educational background of the respondents, six variables were used; First degree, Second degree, HND/Diploma, SHS/Middle School Certificate, Primary and no formal education. The detailed results are presented in Table 2.

Education	Frequency	Percentage
First degree	89	25.4
Second degree	6	1.6
HND/Diploma	133	38.1
SHS/MSc	94	27.0
No formal education	28	7.9
<b>Total</b>	<b>350</b>	<b>100.0</b>

Table 2: Educational Background Of Respondents  
Source: Field Work, 2014

The most prevalent educational qualification among the respondents was HND/diploma (38.1%) followed by First Degree (25.4%) An assessment of the results in Table 2 shows that although a marginal proportion of the respondents (1.6%) had a second degree, the proportion with higher education (thus at least HND/Diploma) was over 60 percent (65.1%). However, about 35 percent had at most a SHS/MSc. The results suggest that majority of the respondents were literates and had higher educational backgrounds. Taxpayers having higher educational backgrounds meant has implications for tax compliance as illiteracy contributes to the problem of filing out of income returns, preparation of accounts and in general the lack of voluntary compliance (Otioku, 1988). Further analysis was carried out to determine the education of the respondents across their gender.

Education	Gender					
	Male		Female		Total	
	f	%	f	%	f	%
First degree	67	75.0	22	25.0	89	100.0
Second degree	6	100.0	0	0.0	6	100.0
HND/Diploma	94	70.8	39	29.2	133	100.0
SHS/MSc	44	47.1	50	52.9	94	100.0
No formal education	17	60.0	11	40.0	28	100.0
<b>Total</b>	<b>228</b>	<b>65.1</b>	<b>122</b>	<b>34.9</b>	<b>350</b>	<b>100.0</b>

Table 3: Benefit of Tax Education across Gender  
Source: Field Work, 2014

The results in Table 3 reveals that majority (75.0%) of the male respondents had a first degree as against 25 percent of the females with similar educational background while none of the females had a second degree. However, more than half (52.9%) of the respondents with SHS/MSc were females. Although there were some variations in the educational backgrounds of the respondents across gender, further analysis shows that the educational background of the respondents was independent on their gender and that both the male and female respondent had similar educational background although the males seemed to have higher qualifications than the other. Figure 3 illustrates the graphical view of the results.

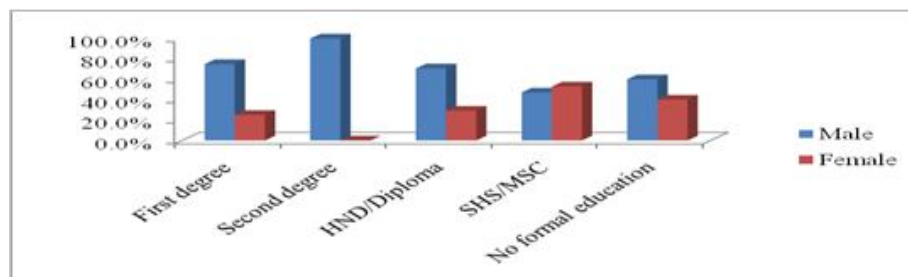


Figure 3: Education of Respondents across Gender  
Source: Field Work, 2014

The occupation of the respondents was also explored with the results shown in Figure 3. The most prevalent occupation among the respondents was trading (49.1%). However, further analysis performed shows that over 60 percent (65%) of the respondents were engaged in the informal sector. In other words, 35 percent of the respondents were employed in the formal sector. Figure 4 shows the graphical view of the research findings.

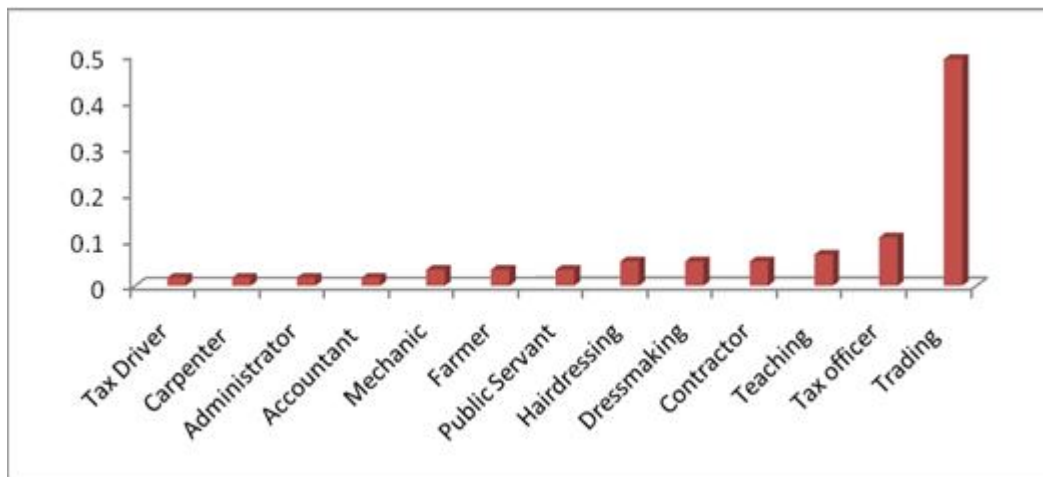


Figure 4: Occupation of the Respondents  
Source: Field Work 2014

Majority of the respondents were from the informal sector confirming the Ministry of Trade and Industry Report (2010).

5.2. The Effectiveness of Tax Education in the Jirapa Municipality

This section of the study examined how effective tax education has been carried out in the Jirapa Municipality. According to Azubike (2009), the absence of information and enlightenment for taxpayers in Ghana is a major problem as tax payers are not sufficiently educated and enlightened on the provisions of the various tax laws in the country. To this end, the study inquired from the respondents whether or not they have ever benefitted from any tax education campaign in the Municipality. The results are presented in Table 4.

Response	Frequency	Percentage
Yes	235	67.2
No	82	23.4
Not sure	33	9.4
Total	350	100.0

Table 4: Benefit from Any Tax Education Campaign  
Source: Field Work, 2014

The results in Table 4 revealed that majority (67.2%) of the respondents have benefitted from tax education campaign. In responding to educating the tax payer on the laws and other related issues which can help make the tax payer more compliant, management who responded to the study indicated that tax official of the Assembly undergo training and further monitor them in the way and manner they carry out the tax education in the Municipality. One of the management stated.

5.3. We the Management Sometimes Take Part in the Tax Education Programmers

However, having about 23.4 percent of the respondents who had not benefitted from any tax education campaign, it suggests that tax payers have not sufficiently been educated about their tax obligation as noted by Azubike (2009).

As part of exploring the effectiveness of the tax educational campaign, the study further explored whether or not benefiting from any tax educational campaign was dependent on the gender of the respondents. Majority (70.0%) of the males had benefited from some form of tax educational campaign as against 63.63 percent of the females who have also benefited from tax educational campaign. Thus, the proportion of males who had benefited from some form of tax educational campaign programmes was 6.4 percent higher than the proportion of females who had also benefited from similar programmes. However, further analysis performed shows that benefiting from tax educational campaign was independent on the gender of the respondents and that both males and female tax payers were likely to equally benefit from tax educational campaigns.

The study further investigated the means or approach through which the respondents were educated about their tax obligations or other tax related issues. The following major means were noted:

- Media; Television and Radio (53.8%)
- Workshops and seminars (23.1%)
- Brochures (18.6%)
- Community gathering (4.5%)

Thus majority (53.8%) of the respondents acknowledged that they were educated on tax through the media. However, using the community center through community gathering had not been a major means of educating the general public about their tax obligations and other tax related matters. Additionally, it was noted from the management through the interviews that tax payers were also educated in their local dialect through their chiefs and assembly members. As part of investigating the effectiveness of tax educational campaigns in the Municipality, the study further examined the last time the respondents had any education on taxation in the Municipality. Table 5 shows the results.

Forms	Frequency	Percentage
Do not remember	145	41.4
Less than a month	24	6.9
About a month now	60	17.2
Six months	31	8.6
A year	48	13.8
Above a year	42	12.1
Total	350	100.0

Table 5: Last Time of Education on Taxation  
Source: Field Work, 2014

The results in Table 5 revealed that most (41.1%) of the respondents did not remember the last time they had any education on taxation in the Municipality. However, among those who could recollect, about 25.9 percent shown to have had any tax education at least a year now. This result implies that although more than half of the respondents have benefited from some tax educational campaign, this had not been recent and that the organisation of tax educational camping in the Municipality is infrequent and non-continuous. Palil (2010) posited that countries such as the US, Canada, Japan, New Zealand, Australia, the UK and Malaysia have all been implementing a continuous tax education for taxpayers. This suggests that tax educational campaign should be frequently organized for the taxpayers. The study also examined the objectives of the tax educational campaigns among the respondents who have ever had education on taxation. The following major objectives emerged:

- To make taxpayers pay their taxes voluntarily and not to be coerced to do so.
- To make taxpayers aware of how tax revenue is important for the development of the country.
- To ensure tax compliance
- To create the awareness of taxpayer's tax obligation

Thus, tax publicity and education campaigns are critical elements to increase public awareness and encourage taxpayers to comply with the requirements of tax legislations. The above objectives suggest that generally, the goal and objectives of the tax educational campaigns is to make tax payers compliant and to avoid tax evasion and avoidance as noted by Misra (2004). However, it can also be deduced from the stated objectives that the few tax educational campaigns that have been organized for the tax payers have not focused on tax accounting. The study further investigated how effective tax educational campaign programmes are in the Municipality with the results depicted in Table 6.

Effectiveness	Frequency	Percentage
Very effective	74	21.1
Somehow effective	156	44.6
Ineffective	120	34.3
Total	350	100.0

Table 6: Effectiveness of Tax Education Programmes

It is seen in Table 6 that most (44.6%) of the respondents rated the tax educational campaigns in the Municipality as somehow effective followed by those who described the educational campaigns as ineffective (34.3%). An assessment of the result suggests generally that, the tax educational campaigns have not been very effective in making the employees more compliant. The following were noted among the respondents as reason for rating the tax educational campaigns as somehow effective:

- Infrequent organisations of tax educational campaigns
- There is no direct interaction between the tax officials and the tax payers
- The content of the educational campaigns is not detailed and very practical

One of the tax payers in responding to the lack of direct interaction between the tax officials and the tax payers stated:

There was no direct interaction between me and the tax officials during the last time I benefited from some form of tax education in order for me to interrogate more on other tax issues

The ineffectiveness of the tax educational campaigns was also confirmed by the management who responded to the study. The Head of the Revenue Department of the Assembly stated: Am not sure that the tax educational campaigns are highly ineffective since it does not reflect in the taxes they pay and that most people still evade the payment of their taxes

#### 5.4. The Impact Of Tax Education On Revenue Mobilization In The Jirapa Municipality

This section of the chapter focused on the performance of the assembly in the revenue mobilization as well as the impact of tax education on revenue generation and mobilisation in the Municipality. Table 7 shows the results of the respondents on the general performance of the Assembly in revenue mobilization.

Response	Frequency	Percentage
Very satisfactory	67	19.1
Partially satisfactory	200	57.1
Unsatisfactory	83	23.8
Total	350	100.0

Table 7: Performance of the Assembly in Revenue Mobilization

Source: Field Work, 2014

It is seen in Table 7 that more than half (57.1%) of the respondents rated the performance of the Assembly in revenue mobilisation is partially satisfactory. Additionally, the proportion who rated the performance as unsatisfactory was a bit higher (23.8%) while less than 20 percent (19.1%) rated the performance as very satisfactory. The results imply that the Assembly has been unable to meet the increasing service delivery role which local bodies are expected to play in their catchment areas as noted by Shah (2005). In this regard, it is vital that the Assembly's ability to raise resources, create and maintain infrastructure and pay for these costs over time is strengthened. The study further examined why the majority of the respondents described the performance of the Assembly in revenue generation as partially satisfactory. The following major reasons emerged:

- Tax officials do not go around the whole Municipality thereby limiting their tax net
- Low tax education
- Lack of competent revenue collectors
- High non-compliance by tax payers
- Lack of effective supervision of revenue collectors

The results suggested that the lack of effective monitoring and supervision has created rooms for revenue collectors to employ all clandestine methods to divert greater proportions of revenue they collect into their pockets leading to revenue leakages which therefore affect the performance of the Assembly in revenue generation. However, further assessment shows that the lack of monitoring and supervision by the Assembly was due to the lack of adequate logistics by the Revenue Department and that revenue collectors go to the field by public transport which however prevents them from visiting all tax payers. In responding to the performance of the Assembly in revenue generation, the District Coordinating Director stated: "The Assembly has remained solely dependent on the central government grants which is often not enough as the Assembly is unable to collect a large chunk of revenue"

The assertion by the Chief Executive meant that despite the fact that taxation is the most important single source of revenue mobilisation especially in developing economies like Ghana as indicated by Oates (1998), the Assembly has been unable to mobilise financial resources away from financial transfers, thereby making the Assembly financially independent. Additionally, the inability of the Municipality to mobilise a large chunk of the resources through the mobilisation of resources in the Municipality implies that the Municipality is most likely to become mere agents of central government funds recipient as noted by Diaw (1995).

To examine the impact of the tax education on the payment of tax, the study investigated from respondents whether or not there is any relationship between their payment of tax and their awareness on tax obligation.

Response	Frequency	Percentage
Yes	211	60.3
No	100	28.6
Not sure	39	11.1
Total	350	100.0

Table 8: Relationship between Payment of Tax and Tax Education  
Source: Field Work 2014

The results revealed that majority (60.3%) of the respondents admitted that there is a relationship between their payment of tax and tax education. This suggests that when tax payers are adequately educated on their tax obligation, the probability of being tax compliant could be higher. One of the respondents stated:

“Through tax education, I am able to appreciate the need to be tax complaint and not to evade and avoid the payment of tax which could be used for developmental purpose”.

Other respondents also explained that: “The awareness of tax obligation which leads to tax payment effectively increases revenue mobilization in the Municipality”.

Further analysis was carried out to determine whether or not the educational background of the respondents affects their perception on the impact of tax education on tax compliance.

All the respondents with second degree were of the view that tax education impacts on the payment of tax. Similar findings were noted among the respondents with first degree where over 70 percent (75.0%) indicated that there is a relationship between tax education and tax payment. For respondents with SHS/MSC (41.2%) and no formal education (20.0%), less than half respectively indicated that there is a relationship between tax education and tax payment. Further analysis shows that the educational background of the respondents affects the perception of the respondents on how tax education could positively impact on the payment of tax by the respondents. This implies that respondents with higher educational backgrounds were more likely to appreciate tax education as a critical determinant of tax compliance as compared to respondents with lower educational backgrounds. Figure 5 illustrates the graphical view of the findings.

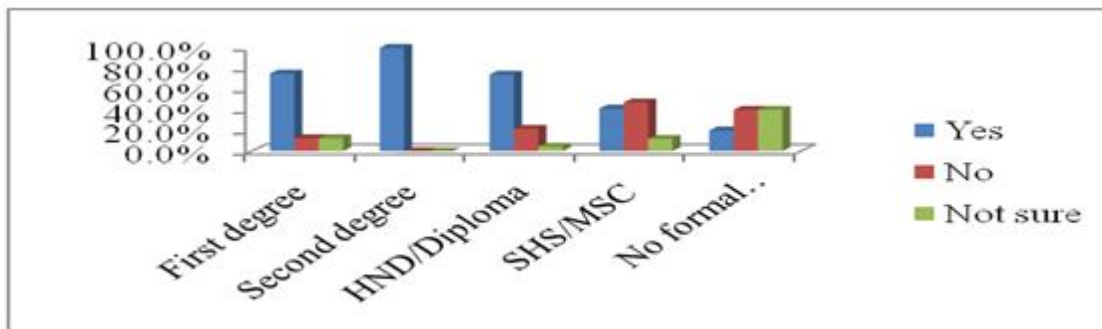


Figure 5: The Educational Background of the Respondents' And The Views on the Relationship between Tax Education and Tax Payment  
Source: Field Work, 2014

The study further inquired from respondents how significant tax education has impacted on their tax compliance in the Municipality. The results are presented Table 9.

Response	Frequency	Percentage
Very significant	142	40.7
Somehow significant	101	28.8
Insignificant	107	30.5
Total	350	100.0

Table 9: The Educational Background of Respondents' and Views On Relationship between Tax Education and Tax Compliance  
Source: Field Work, 2014

The results revealed that most (40.7%) of the respondents admitted that the relationship between tax education and tax compliance is very significant and that tax education has made them to be tax compliant. This is in congruence with Misra (2004) who posited that tax education and taxpayers' knowledge about tax laws plays a major role in determining taxpayers' compliance behaviour and assists taxpayers in meeting their tax obligations to the government. Thus, tax education is a



determinant of tax compliance which could lead to increase in tax revenue mobilization. The impact of tax education on tax compliance was further confirmed by the management who responded to the study. The District Budget Officer stated:

“Anytime the Assembly embarks on tax education, there is increase in revenue mobilization although the increase is not very high”

As part of understanding the awareness of the respondents on their tax obligation, the study inquired from the respondents whether or not they were aware that the payment of tax is a legal obligation. The results are presented in Figure 6.

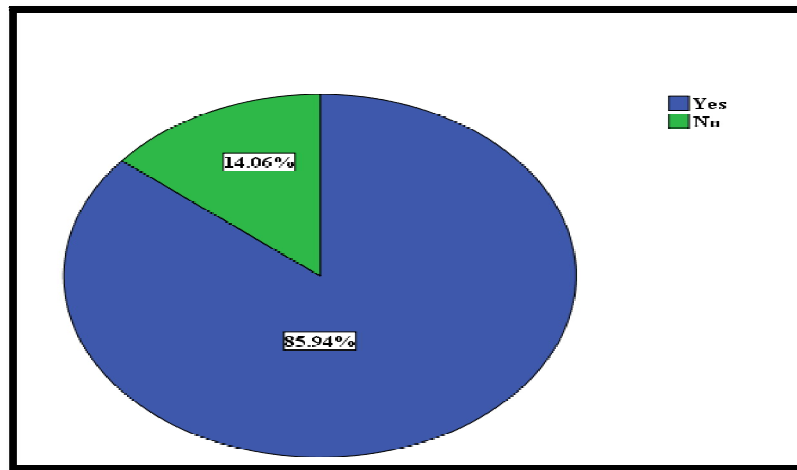


Figure 6: Payment of Tax as a Legal Obligation  
Source: Field Work, 2014

The results revealed that majority (85.94%) of the respondents admitted that they were aware that the payment of tax is a legal obligation. Further analysis performed shows that more than half of each educational category was aware that the payment of tax was a legal obligation. However, awareness was higher among the respondents with at least a university degree (100.0%) and HND (95.8%) as compared to those with no formal education (60.0%) and SHS/MSC (64.7%) respectively. Figure 7 shows the graphical view of the findings.

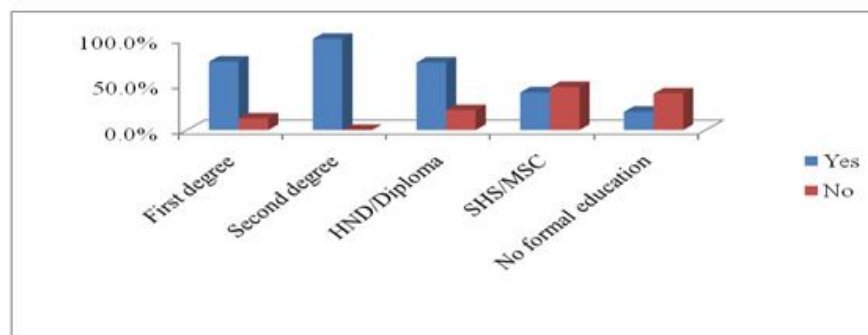


Figure 7: The Payment of Tax Is a Legal Obligation across Respondents' Educational Background  
Source: Field Work, 2014

The results in Figure 7 suggest that the awareness on tax obligation is higher among respondents with higher educational backgrounds as against those with lower educational backgrounds. This suggests the need for efficient tax educational campaign among the rural folks where illiteracy is generally higher. The study also inquired from the respondent's reasons for which they choose to evade the payment of tax or otherwise of which the following dominated:

- Low developmental projects from the Assembly
- Embezzlement of tax by some tax officials
- Non-penalty of tax evaders

The absence of strong deterrent punishment by the Assembly could be explained to influence tax compliance among the respondents could be explained by Otieku (1988) view that the use of force in tax compliance is not sustainable over a long period of time hence the need to work at voluntary compliance.

In responding to the low developmental projects being executed by the Assembly in relation to the revenue generated, one of the respondents stated:

“Just take a look at the appalling condition of the Municipality in terms of service delivery and yet the Assembly comes to collect revenue from us. What is the Assembly using the monies collected for? For me, I will pay the tax when the Assembly also change and become more responsive in utilizing the revenue generated for some developmental purpose”

The unwillingness to pay tax by the tax payers due to the lack of developmental projects supports Semboja and Therkildsen (1992) assertion that taxpayers see few tangible benefits in return for the taxes they pay and that this heighten taxpayers' perceptions of exploitation from local assemblies which promotes tax resistance on that part of the tax payer.

To further explore why tax payers, choose not to pay tax, the views of the revenue collectors as well as the management of the Assembly were also sought. The following major reasons dominated:

- Low income from their business. For example, one of the management staff of the Assembly stated that: “Most of the people are self-employed with little or no profit at the end of the month”.
- Mistrust for revenue collectors in the embezzlement of the tax collected

#### 5.5. Challenges That Confront the Implementation of Tax Education in the Jirapa Municipality

This section explores the challenges that confront management of the Assembly in the implementation of tax educational campaigns in the Municipality. However, as part of exploring the challenges, the study examined from the management their views on the successful implementation of tax education in the Municipality. Generally, all the management responded that the Assembly has not been very successful in implementing tax educational campaigns as a result of the numerous challenges that confront the Assembly in undertaking its revenue generation mandate. In this regard, the study explored the specific challenges that confront the tax education of the Assembly. The following major challenges were noted:

- Lack of adequate human resource to carry out the tax education campaigns in the Municipality. Since the human resources are not adequate, it becomes difficult to cover all areas in the Municipality
- Lack of professional and competent staff to undertake tax education
- Transportation: There are inadequate vehicles to convey officials to all places especially areas that are far from the Assembly in undertaking tax education
- Lack of logistics such as computers and office stationary for efficient and effective tax education

The lack of logistics being a major challenge for the Assembly in undertaking tax education is similar to Fjeldstad and Semboja (2000) assertion that in many cases, tax collectors must travel among market sites, making collection more occasional and difficult to enforce without any readily available means of transport. In overcoming the challenges, the study investigated from the management what measures can be instituted to ensure that the revenue department of the Assembly is well positioned to undertake tax education. The following recommendations are key:

- Refresher course and seminar for staff for effective revenue mobilization and tax education
- Timely and continuous delivery of tax educational campaign materials to tax revenue department by GRA
- Resourcing the revenue department with vehicles, motorbikes and computers

## 6. Conclusion

### 6.1. Findings of the Study

The first objective of the study analysed the effectiveness of tax education in the Jirapa Municipality. The following major findings were noted:

- Generally, tax education has been ineffective in the Jirapa Municipality as majority of the respondents could not even remember the last time they had any tax education
- However, the most prevalent means through which tax education is performed in the Municipality is via the Media (TV and Community Radio Stations)
- The use of community gatherings, mobile vans and seminars in educating the local people about their tax obligations were limited

The second objective of the study analysed the impact of tax education on revenue mobilisation. The following major findings were noted:

- Generally, there is a relationship between tax education and revenue mobilization
- However, the tax education in the Municipality has not significantly impacted on the tax compliance of the tax payers



- Through tax education, the respondents had been made aware that tax payment is a legal obligation which is somehow affecting the tax compliance positively

The challenges that significantly confront the Assembly in undertaking tax education was the focus of the third objective with the following major findings emerging.

- The lack of professional and competent staff to undertake tax educational campaigns
- Lack of logistics such as vehicles for transportation, computers for administrative works, and the human resource in undertaking tax educational campaigns

## 7. Recommendations

Based on the major findings from the study, the following recommendations are made for policy making:

### 7.1. Awareness Creation On The Use Of The Generated Revenue By The Assembly

There is apathy in the payment of taxes owed to the Assembly because people do not see and do not know what the monies collected are being used for. The Municipal Assembly should start a newsletter that will be published at the beginning of every year which to be distributed alongside with the property rates bill. This will contain information about the previous year's revenue and expenditure. It will also include a detailed report about projects that were executed and projects the Assembly intends to undertake, detailing locations and cost. Additionally, it is recommended that the Assembly organize regular outreach meetings and visits to the communities to raise and sustain their awareness on the payment of taxes.

### 7.2. Logistical Support

The tax education campaign team should be given adequate logistics to help them carry out the education. Logistics such as vehicles that would make them mobile should be readily available. The Ghana Revenue Authority (GRA) in conjunction with government and other stakeholders should make this possible so the education is effective and achieves its purpose.

### 7.3. Capacity Building of Staff

The Assembly is advised to conduct training needs assessment for revenue collectors. A well-structured training programme schedule must be drawn and implemented so as to raise the efficiency in the revenue collection machinery. The training schedule must be reviewed and updated regularly to enhance the proficiency of the personnel in undertaking tax education

### 7.4. Frequent Organisation of Tax Educational Campaigns

The education on tax that is provided to the people must be frequent. Although the people are educated on issues of tax, its frequency would enhance its effectiveness. Carrying out the education once in a blue moon will not have its objective achieved. The Ghana Revenue Authority (GRA) should make sure this happens as well as the traditional leaders of the area. The medium used to educate the people should not only be focused on the television and radio. Other mediums should be explored to make the education more effective. Community gathering for instance should be used more because not all of the people might have access to televisions and radios. Community gathering could also bring a lot more of the people together both literates and illiterates.

### 7.5. Language Used For the Education

The study recommends that the education on tax should be carried out using the local language of the people. It should be done more often in the local language but not neglecting the English language. This is because, not all of the tax payers in the Municipality could be conversant with the English language and not all are indigenes who understand their local dialect. The tax payers will get a very good understanding of what is imparted to them especially the indigenes when it is communicated to them in their local dialect.

### 7.6. Recruitment Of Tax Education Personnel

Since it is recommended by the study to widen the coverage of the tax education, it is therefore necessary to recruit more personnel to assist in the tax education campaign. The GRA should endeavor to get more hands-on deck to achieve the purpose of educating tax payers on tax. Recruiting more people would extend the coverage of the education and these people should not be in the big towns and cities but in the hinterlands as well.

### 7.7. Focus on Tax Payers in the Informal Sector

The study recommends that the education on tax should be focused more on tax payer's in the informal sector. There could be so many business people in the informal sector who do not have an in-depth knowledge on tax and therefore dodge tax payment. When they are given adequate education on tax, they would not be coerced to fulfill their tax obligation.

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