

**THE ROLE OF LEADERSHIP IN INCREASING REVENUE COLLECTION
IN LOCAL GOVERNMENT**

A CASE STUDY OF BUSHENYI DISTRICT LOCAL GOVERNMENT

BY

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DECLARATION

I do declare that the work provided in this book is of my original work and has never submitted to any higher institution of learning for the award of any academic qualification

NAME : NANTONGO JULIET

Signature

Date/...../.....

APPROVAL

This is to certify that the research report was under my supervision and it is now ready for submission for examination.

SUPERVISOR'S NAME:

MR. WALUSIMBI LEONARD

Signature

.....

Date

.....

DEDICATION

I dedicate my proposal work to my family members which includes my mother, Sisters and Brothers, and many more relatives not mentioned for their financial and other forms of support they have rendered to me.

My parents, thank you for giving me a chance to prove and improve myself through all my walks of life please do not ever change, A special feeling of gratitude to my loving Mother, your words of encouragement and push for tenacity ring in my ears.

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CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This chapter presents background of the study, statement of the problem, objectives of the study, research questions, scope of the study and significance of the study.

1.1 Background of the study

Leadership is the process by which a person exerts influence over other people and inspires, motivates and directs their activities to help achieve group or organizational goals. Development, on the other hand focuses on building knowledge and skills of organizational members so that they are prepared to take on new responsibilities and challenge (Gareth, 2003). Organizational development may be considered as the theory and practice of planned systematic change in the attitudes, beliefs and values of the employees through creation and reinforcement of long term training programs. Organizational development is action oriented. It starts with a careful organization-wide analysis of the current situation and of the future requirements and employs techniques of behavioural science, such as behaviour modeling, sensitivity analysis and transactional analysis. Its objective is to enable the organization in adopting better to the fast changing external environment of new markets and technology.

Leadership and organization are two concepts in which both of them can complete each other. It can be said that where there is organization there is a leader. Leadership without organization makes self-actualization cannot be expressed maximally, while organization without leadership makes group activities cannot be directed and goal achievement will be difficult and ineffective (Masmuh, 2010, p.243). In addition, organization is system of coordinated activity of a group of people working together to achieve common goal under authority and leadership (Kartono, 2011, p.204). Leadership is one of important factors within organization because it can give influential meaning towards employee performance (Chairunnisah, 2012). Therefore, it is very interesting to discuss both of them.

In Uganda local revenue collection has been facing a declining trend over the years which need attention to focus on the underlying causes of this declining trend. Local government revenue sources have faced a drastic decline and therefore have to depend on the central government funding which accounts for 95-98% of their budgets. Transfers to local governments as a percentage of

public expenditure has fallen from around 47% in 2001/2002 to about 22% in 2008/2009. Thus meaning more resources are being retained at the centre (Kadiresan, 2009). In this view, a number of studies have been conducted to reverse this trend among which is the inventory of best practices by local authorities inspection department (Ministry of Local Government, 2004) and other factors given for this trend include; over reliance on graduated tax, ignorance and existence of obsolete tax laws like Property Tax (Rating decree) 1997, Town and County Planning 1964, Public Health Act 1969, Liquor Licensing Act 1967, Markets Act 1942 and others.

In Local Government, revenue collection can be improved through sensitization of tax payers (Lubega, 2015) as means of shaping their attitudes and ensure compliance to tax payers. Regulations 28 and 34 of the Local Government Financial and Accounting regulations 1998 highlights duties of revenue collector, guides revenue collectors on accountability of revenue collected. In some instances where low revenues are collected, so as to enable delivery of services, it is attributed to uneven tax administration, (Silivan C, Albert H, 2012). Local revenue collection has to comply with certain general principles of raising revenue and how these principles should be fair, convenient and certain. The collection and administration of revenue must be economical to the collectors and administrators (Katarikawe, 2016) However, Stella, 2013 is against decentralization that if local authorities are left to make decisions for themselves, govern themselves, they will be less competent and more corrupt , abuse their powers and be unable to collect revenues due to public pressure since few modern sates have granted private collection a permanent stature in their revenue generating process.

Different scholars and researchers describe it in different ways. Kouzes takes it as “an ideal and unique image of future for the common good” (Kouzes and Posner, 2007). Leadership and its role are pertinent issues for the business and organizations now days. The “Leaders are individuals who establish direction for a working group of individuals and who gain commitment from this group of members to established direction and who then motivate members to achieve the direction's outcomes” (Conger, 1992). The term leadership can be viewed through multiple angles and concepts. Traditionally leadership is a set of feature owned by the leader or it is a social phenomenon that comes from relationship.

Bushenyi District is fairly endowed with natural resources. The district has relatively low poverty levels among its residents. The economy of the district depends mainly on agriculture. Agriculture is a source of food for the population, subsistence income for most families and provides direct

employment to 86.7% of the district population, as well as supplying raw materials to industries. The majority of the people are involved in subsistence agriculture with some engaged in commercial production of crops. Bushenyi District Local Government is bordered by Rubirizi District to the northwest, Buhweju District to the northeast, Sheema District to the east, Mitooma District to the south and Rukungiri District to the west. The coordinates of the district are: 00 32S, 30 11E.

1.2 Statement of the problem

According to Lubega, (2015) revenue collection can be improved and increased through sensitization of tax payers, widening of the tax base, promote economic activities that generate tax revenues, and charge of indirect taxes among other factors.

However what is not clear is whether leadership is connected to the increase in tax collected in local government. The study therefore seeks to establish the relationship between leadership and revenue collection.

1.3 Objectives of the study

1.3.1 General objectives

The main objective of the study was to assess the role of leadership in increasing revenue collection in Bushenyi Local Governments

1.3.2 Specific objectives

- i.** To find out the causes of low tax revenue in Bushenyi district Local Government
- ii.** To establish the possible solution to poor tax revenue in Bushenyi district Local Government
- iii.** To find out challenges faced by local government when collecting tax revenue

1.4 Research questions

- i.** What are the causes of low tax revenue in Bushenyi district Local Government
- ii.** What are the possible solution to poor tax revenue in Bushenyi district Local Government
- iii.** What are the challenges faced by local government when collecting tax revenue?

1.5 Scope of the study

1.5.1 Geographical scope

The study was conducted in Bushenyi District Local Government which is bordered by Rubirizi District to the northwest, Buhweju District to the northeast, Sheema District to the east, Mitooma District to the south and Rukungiri District to the west. The coordinates of the district are: 00 32S, 30 11E. This district was chosen for this study because it's one of the districts with problems in tax collection.

1.5.2 Content scope

The study sought to investigate leadership and how it can help achieve high tax revenue collected. This is because during tax collection, tax administration is a key concept which require good leadership skills when collecting taxes from tax payers.

The study was also considered taking a look at the revenue collection; this is because tax revenue are key drivers for local government growth and service delivery.

1.6 Significance of the study

The study is reasonable on the basis that it would serve as good grounds for theory development which would give insight that would be useful in relation to other interventions for tax administration in Uganda This would be a useful resource which would be beneficial to individual tax administrators, the government and the academia.

Additionally, this study is justified on the grounds that it provides recommendation for further studies on the causes of low revenue collection in Uganda due to the fact that, there is no research that is exhaustive enough to cover the problem to be studied. The study gives theoretically knowledge to the students.

The study will be of significance to other researcher because it will act as a reference to further researchers and authors who take action to investigate on the same variable under the study.

The study will of importance to the researcher in the partial fulfillment for requirement of award of Diploma in Business Administration.

The study will also highlight some leadership skills employed and adopted by Bushenyi district local government.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews the related literature that was written by other researchers and authors that is in line with leadership skills and goal achievements in Local Governments.

2.1 Challenges in Local revenue collection in Local Government

Low tax base

Most of the households in Uganda are largely owned by subsistence farmers with no formal business and enterprises that can be taxed. Given the high numbers of informal businesses and activities which are highly subsistence in nature, it is very hard to collect certain types of local revenues. In addition, some LGs have not effectively identified or utilized some local revenue sources such as LGHT. For instance, this study found out that some S/C officials, especially politicians in Oluko S/C Arua District, were not aware of the LGHT.

Fear of formalizing businesses

Most business persons, especially in urban centres, fear to formally register their business, partly because doing so will expose them to URA taxes. For instance, officials in Arua Municipality informed the research team that only 10 per cent of the over 1,000 business entities in the municipality pick the trading licence certificate. This is because they fear to provide the requisite information about their businesses. Tax on agricultural produce: Almost all the LGs are not collecting Cess (since it was abolished by the Central Government) from the available agricultural produce and there is no data on the level of production of this produce.

Concentration of most taxes in the hands of the Central Government

The major sources of revenue such as PAYE, income taxes, corporate tax, VAT, WHT, among others, are controlled by the Uganda Revenue Authority (URA). In addition, all contractors who collect market dues have to pay VAT (18 per cent) to URA. A DLG official in Pader noted that “URA collects juice taxes, and leave small taxes to LGs”. Another LG official in Arua noted that “every person / contractor who collects market dues have to pay VAT to URA...this is unfair to the LGs”.

Limited support from the Central Government

The LGs lack sustained follow-ups from MoLG and LGFC on local revenue enhancement. This is due to the fact that these institutions of LGFC and MoLG are poorly funded to do this function and cover all the districts, municipal councils and town councils, in any given financial year. Currently, the two institutions conduct support trainings in, say, a third of these LGs every year.

Interference from Central Government

Efforts by LGs to generate revenue are undermined by the CG and some political heads who are in the habit of making countless, off-the-cuff pronouncements on policy matters. A case in point is the issue of market vendors, boba boda cyclists, taxi and lorry drivers, among others, who resist paying dues on the pretext that the President ordered that they should not pay. This was confirmed by an Arua Municipal Council official who noted: “Previously we were giving tenders to collect market dues on merit...but the President ordered that the markets be managed by vendors; however, the vendors failed to raise the required revenue for over 2 years.”

Lack of community sensitization

LGs have done very minimal community sensitization on LR generation. Sensitization is only done when LGs are introducing new taxes or levies, and mainly with the business people, not the entire community. The LG officials interviewed during this study attributed the lack of community sensitization to lack of funds to organize meetings and poor attitudes of communities towards attending meetings. This was emphasised by a Pader District official who noted: “In 2014, we tried sensitizing communities on taxation, however, the money spent on councillors to do this activity was more than the revenue generated...so, how do we justify this expenditure?”

Poor attitudes of citizens towards paying taxes

There is growing resistance by citizens towards paying taxes. This is partly attributed to the fact that citizens do not see the value of paying taxes amidst poor service delivery in their communities. The current decline in services has worsened the taxpayers’ attitude towards any local revenue generation and thus a spiral decline in LR performance generally. LGs 22 23 are also failing to show how the taxes generated are linked to the services they provide to the citizens.

Respondents talked to during this study noted that even if they wanted to pay their taxes and duties, the bureaucratic behaviour of LGs officials discourages them. For instance, in most local

governments, the process of acquiring a license is not yet computerized; hence it is still a long and tedious process.

Absence of Tax Appeals Tribunals: Section 7 of the Local Governments Revenue Regulations requires LGs to establish tax assessment appeals tribunals. However, in most LGs they have not been constituted. This study found that there are a number of disputes at local levels which are not handled due to the absence of effective of tax tribunals. For instance, traders in Pader TC were contemplating to take the town council to the commercial court over trading licenses and property tax disputes. This could be resolved through the tax tribunal rather than the commercial court which is more expensive.

2.2 Causes of Local Tax Revenue in Local Government

There are inadequate capacity and technical skills to manage Local revenue collection in Local Governments. The problem is compounded by the fact that many workers within the Local Government lack the necessary academic qualifications. There are inadequate capacity and technical skills to manage Local revenue collection in Local Governments. The problem is compounded by the fact that many workers within the Local Government lack the necessary academic qualifications. For example, a greater percentage of the labor force engaged in revenue collection cannot differentiate between direct and indirect taxes let alone knowing the implications of these various types of taxes.

The tendering function has attracted many criticisms on their lack of transparency, compromising the amount of revenue collection and there is lack of professionalism, which manifests itself in corruption tendencies in the award of tenders. To make it worse, the line that separates the tender board from the political structures in the District is a thin thread, hence leading to a vicious circle of corruption and inefficiency.

Political interferences. A survey carried out by the Uganda Local Government association (ULGA) released, indicated that politicians are “continuously and unlawfully awarding themselves tenders”. The Local Government ministry and the development network of indigenous people organization (DEVIVA) also support the study. It alleged that politicians pressure and influence the procurement committees to award tenders. The association noted that this led to shoddy work and substandard services because the companies are hard to supervise.

The Uganda national health users and consumers' organization (UNHCO), that conducted the study pointed out that the procurement process was the most abused by politicians and it remained obscure for them on how to win tenders. Robinah Kaitirimba, the UNHCO national coordinator, said that the four-month survey conducted in Nebbi, Masaka, Nakapiripirit and Kasese focused on health care, education, water and opportunities for Local economic development.

Abel Ojeo, a consultant for UNHCO, said that most politicians would not admit that they were awarding themselves tenders. He stressed that finding on the ground indicate that politicians had crippled service delivery as civil servants fear to supervise their companies for fear of victimization. "The politicians have taken over the purchase of NAADS inputs and they end up procuring low quality materials to make a big difference," Ojeo added.

The vice president of ULGA Richard Andama said Local Governments receive 30% of the national budget, which is small compared to the work they are expected to deliver. Andama who is also the L.C. 5 Chairperson of Arua District said that the survey would help them to know the Local Government gaps. (Adapted from the New Vision. The New Vision, Monday July 5 2010. *Report pins politicians over tender boards*)

- **Inappropriate laws governing property rates and trading licenses.** Some of the laws governing property rates and trading licenses are not appropriate in Local Governments. Some of these laws will be appropriate in big commercial centres where the tax base regarding property and trading licenses is high unlike the rural based Local Governments, hence low revenue collection.
- **Inadequate record keeping by the authorities.** This greatly affects accountability as far as revenue collection, is concerned. Although some records are essential in tax administration in Local Governments, they do not always achieve the desired goal because they are always abused/ misused by the revenue authorities.
- **The weak tax-benefit linkages.** This has greatly led to poor revenue collection as the masses fail to realize the purpose of paying tax yet they do not directly benefit from the fruits of taxation. In some instances, the poor tax-benefit linkage has resulted into violent strikes especially towards the tax administrators who are regarded as daytime robbers.

- **A challenge of tax assessment collection and administration.** It is worth noting that the tax assessment collection and administration is a very big challenge. For example, the apportioning of the tax burden to the potential taxpayers is unfair. In most cases, the process of tax assessment lacks both horizontal equity as well as vertical equity. Unfair taxes are imposed on the people and this is partly due to the undefined sources of income as well as ignorance about the true nature of a tax system by the tax authorities hence leading to poor revenue collections.

- **Poverty among the taxpayers.** Most of the potential taxpayers in Iganga District Local Government are poor, as some live below the poverty line. This means that the tax authorities are left with a small number of individuals who are taxable and who have the tax capacity. Tax capacity is the ability of a taxpayer to pay a tax assessed on him and remain with enough disposable income. Hence, the low taxable capacity affects revenue collection and hinders effective service delivery.

- **Poor motivation to tax authorities.** The tax collectors are not well motivated in terms of material and financial incentives and yet lack the moral support from the top District authorities. For example, they collect a lot of revenue in comparison to what they earn as salaries or wages yet the exercise involves high risks like violence in form of tax riots, harassments, as well as assault from the potential taxpayers. The poor motivation has caused complacency, neglect, and more so bribery and corruption among the tax collectors.

2.3 Possible solutions to increase Revenue Collection

Raise high-end tax rates. The current top rate on earned income is about 40 percent for filers with incomes. According to recent research on “optimal taxation” which in our context means maximizing revenues while minimizing distortions (like tax avoidance or reduced labor supply) income tax rates could be raised significantly, by as much as half again (to around 60 percent) or more.

Raise the estate tax. When it comes to wealth and death, they say “you can’t take it with you.” But because our current estate-tax base is so extremely narrow, the IRS doesn’t get hardly any of it, either. Thus, a great place to start broadening the base is with the estate tax, which right now reaches only 0.2 percent of estates (that’s about 2 of every 1,000 people who die).

Cap deductions on high-income taxpayers. There’s a very simple reason why even revenue-neutral, broaden-the-base/lower-the-rate tax reform is so hard to pull off: It creates losers. That is, somebody’s effective tax rate (their tax liability as a share of their income) will go up when you end a subsidy or close a loophole, and behind every loophole is a lobbyist whose salary depends on

defending that tax break as a treasured “job creation” program. Well, here’s an idea that cuts through myriad fights engendered if we try to go after these loopholes one at a time: For everyone over a certain income level, limit deductions to 28 percent instead of the top income tax rate of almost 40 percent.

Being a major source of revenue to Local Governments, taxes are used to finance the recurrent and development expenditures. Local revenue contributes to service delivery with such services as feeder roads, health centres, and donations to schools, among others. This is done through Local Government development programs (LGDP). Local revenue is not subject to central Government control and it encourages ownership of Local investments by taxpayers thereby linking their taxes directly to usage. Local revenue allows maintenance and servicing Local Governments’ sustainable investments and it finances remuneration of all elected leaders in Local council systems. Such services offered by Local Governments are effectively undertaken with sufficient and efficient revenue collections. A decline in revenue collection will mean less or poor services offered by Local Governments to the Local community. This is because Local revenue contributes a reasonable percentage in funding service delivery.

The major purpose of revenue collection is always sacrificed at the expense of individual selfish interests of the Local authorities. It is true that the revenue collected is meant to finance the recurrent and development expenditures in order to provide services such as feeder roads, health centres but this is not always implemented. Even though the literature above shows that the amount of revenue collected greatly correlates with the services delivered to the public, it is not always the case as some revenue is always misappropriated.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter provides a detailed research methodology that shows how the study was conducted in order to achieve the objectives of the research. This chapter highlight, describes and explains the study design, approach to the study, data collection methods, procedures and data analysis.

3.1 Research Design

Marshall (1996) defines the case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used. The study employed this research design as a qualitative analysis which involves careful and in-depth investigation of a particular unit or event under study for purposes of generalization. This research design was chosen in order to provide information on this particular study and also have in-depth study in the area under investigation. The design is appropriate for qualitative studies of this nature which will seek to investigate deeply into the phenomenon under study.

3.2 Study Population

A population is a complete set of individuals, cases or objects sharing some common characteristics from which a study sample is taken for the purpose of data collection (Mugenda, 1999). In this research, the study population comprised 60 respondents that were selected from different departments such as accounts and finance departments, auditing departments, among others.

3.3 Sample size

The study constituted of 50 respondents that were selected from district department such as human resource and administration, IT department, account and finance, auditing department among others.

3.4 Sampling Procedure

According to Matthew (2012), sampling is the process of selecting a number of people or objects from a population such that the selected group contains elements representative of the characteristics found in the entire group. The researcher used random sampling technique in all units because she had to select the best samples that would provide the most relevant information. The technique

helped the researcher to decide the useful respondents out of the total population to be included in the study without involving everyone.

3.5 Data Collection Methods

3.5.1 Questionnaires

According to Abuja (2001), a questionnaire is a document that contains a set of questions, answers to which are to be provided personally by the respondents. This method was applied to the police officers. The questionnaires were designed in strategic way comprising of both open and close ended questions. Open ended questions required the respondents to write responses they want especially the youth and families. This type of questionnaire was used because it allowed a respondent to freely discuss their opinions and close ended questions required straight forward answers in order to save the researcher's time during research process.

3.5.2 Observation

The use of an observation method is commonly associated with a qualitative research Bruce (2001). Better to be called as a naturalistic observation, it aims at observing the flow of events or behaviors in their natural settings without intrusion. The procedures were implemented under this research to try to accomplish the results on the study topic.

3.6 Data analysis and Presentation

According to Lizzie and Jenny (2013), these are the steps taken to gather process and encode the acquired data. After collecting the responses from the field, the researcher embarked on data processing and data analysis. Data collected was carefully edited centrally for completeness, accuracy, explained for easy presentation and understanding.

3.6.1 Editing

According to the Oxford Advanced Learner's Dictionary (2006), editing is to prepare a piece of writing for publication. Data editing was involved thorough checking to establish errors and gaps. This is useful because it enabled the researcher to eliminate the errors detected in the data that were collected. For instance, questionnaires were thoroughly checked before and after being dismissed from the respondents that were in the field and away from the field.

3.6.2 Tabulation

Oxford Advanced Learner's Dictionary (2006), defines tabulation as the presentation of information using tables. Data tabulation was involved using tables which present some of the data. Hence various tables were used for easy interpretation and understanding of the data collected and information.

3.7. Ethical Consideration

Ethics in this study were adhered to by the following processes;

The researcher attained an introductory letter from the institute to be used for accessing different targeted respondents.

The researcher also obtained informed consent of the respondents on the arrival at the data collection sites.

The researcher observed and respected the privacy, confidentiality and anonymity of all the participants and respondents in this study.

3.8. Limitations of the Study

In conducting the research, the researcher faced a number of methodological and practical problems as highlighted below:

Bias from the respondents, Most of the respondents were unwilling to provide the required information to the researcher; the researcher overcome this by telling respondents that the study is purely for academic reasons therefore they should feel free to provide the needed information.

The researcher also faced financial problems in terms of photocopying, secretarial services, transport costs; however this was addressed through acquiring more funds from the guardian.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter involves the presentation and interpretation of findings in relation to the study objectives.

4.1 Gender of respondents

Table 1 showing gender of respondents

Gender	Frequency	Percentage
Male	28	56
Female	22	44
Total	50	100

Source; Primary Data 2019

From table 1 above findings shows that 56% of the total respondents were males and 44% of the respondents were females. This implies that the researcher was gender sensitive as she collected views from both types of gender.

4.2 Age Bracket of respondents

Table 2 showing Age Bracket of respondents

Age bracket in years	Frequency	Percentage
20-29	33	66
30-39	10	20
40-49	7	14
Above 50	-	-
Total	50	100

Source; Primary Data 2019

Findings from table 2 show that 66% of the total respondents were between age bracket of 20 to 29 years, 20% of the respondents were between 30-39 years, and 14% of the respondents were between 40 to 49 years. This implied that most of the respondents in youths and mature enough to carry out tasks assigned to them by their superiors as well as reason at a high speed.

4.3 Marital status of respondents

Table 3 showing marital status of respondents

Marital status	Frequency	Percentage
Single	30	60
Married	20	40
Total	50	100

Source; Primary Data 2019

From findings collected and presented in table 3, it was revealed that 60% of the respondents were single, and the rest 40% of the respondents were married. This implies that most of the respondents were responsible and findings can be relied on.

4.4 Education level of respondents

Table 4 showing education level of respondents

Education level	Frequency	Percentage
Certificate	2	4
Diploma	38	76
University degree	10	20
Master degree	-	-
Total	50	100

Source; Primary Data 2019

According to findings in table 4, it was found out that 5% of the respondents were having certificates, 76% of the respondents were holding a diploma, and 20% of the respondents were holding a bachelors degree of education. This implies that most of the respondents were educated and findings can be relied on.

4.5 Length of service of respondents

Table 5 showing length of service of respondents

Length of Service	Frequency	Percentage
1-3 years	8	16
3-4 years	32	64
4-5 years	5	10
Above 5 years	5	10
Total	50	100

Source; Primary Data 2019

According to findings in table 5, it was revealed that 16% of the respondents had spent between 1-3 years, 64% of the total respondents had spent between 3 to 4 years, 10% of the total respondents had spent 4 to 5 years and 10% of the respondents had spent over 5 years in operation implying that findings can be relied on.

4.6 Causes of low tax revenue in Bushenyi District Local Government

Table 6; showing causes of low tax revenue in Bushenyi District Local Government

Items	Strongly agree	Agree	Not sure	Disagree	Strongly disagree	Total
inadequate capacity and technical skills to manage Local revenue collection	30(60%)	18(36%)	2(4%)	-	-	50(100%)
Political interferences	40(80%)	5(10%)	-	5(10%)	-	50(100%)
Inappropriate laws governing property rates and trading	15(30%)	20(40%)	10(20%)	5(10%)	-	50(100%)
Inadequate record keeping by the authorities	4(8%)	10(20%)	20(40%)	10(20%)	6(12%)	50(100%)
The weak tax-benefit	14(28%)	31(62%)	5(10%)	-	-	50(100%)
Poverty among the taxpayers	45(90%)	5(10%)	-	-	-	50(100%)

Source; Primary Data, 2019

According to findings from table 6 majority of the respondents 30(60%) strongly agreed that inadequate capacity and technical skills to manage Local revenue collection leads to low tax revenue, 18(36%) agreed, 2(4%) were not sure, this implies that inadequate capacity and technical skills to manage Local revenue collection leads to low tax revenue.

According to findings from table 6, majority of the respondents 40(80%) strongly agreed that Political interferences reduces and leads to low tax revenue, 5(10%) agreed, 5(10%) disagreed, this implied that political interferences reduces and leads to low tax revenue

According to findings from table 6, majority of the respondents 20(40%) agreed that Inappropriate laws governing property rates and trading reduces and leads to low tax revenue, 15(30%) strongly agreed, 10(20%) were not sure, 5(10%) disagreed, this implied that Inappropriate laws governing property rates and trading reduces and leads to low tax revenue

According to findings from table 6, majority of the respondents 20(40%) were not sure whether inadequate record keeping by the authorities reduces and leads to low tax revenue, 4(8%) strongly agreed, 10(20%) agreed, 10(20%) disagreed, and 6(12%) strongly disagreed.

According to findings from table 6, findings showed that 14(28%) of the respondents strongly agreed that the weak tax-benefit reduces and leads to low tax revenue, 31(62%) agreed, 5(10%) were not sure.

According to findings from table 6, findings showed that 45(90%) of the respondents strongly agreed that Poverty among the taxpayers reduces and leads to low tax revenue, 5(10%) of the respondents agreed, this implied that Poverty among the taxpayers reduces and leads to low tax revenue.

4.7 Challenges faced by local government when collecting tax revenue

Table 7; showing challenges faced by local government when collecting tax revenue

Items	Strongly agree	Agree	Not sure	Disagree	Strongly disagree	Total
Low tax base	38(76%)	12(24%)	-	-	-	50(100%)
Fear of formalizing businesses	45(90%)	5(10%)	-	-	-	50(100%)
Concentration of most taxes in the hands of the Central	48(96%)	2(4%)	-	-	-	50(100%)
Limited support from the Central Government	15(30%)	29(58%)	6(12%)	-	-	50(100%)
Interference from Central Government	15(30%)	30(60%)	5(10%)	-	-	50(100%)
Lack of community sensitization	45(90%)	5(10%)	-	-	-	50(100%)

Source; Primary Data, 2019

According to findings from table 7, findings showed that 38(76%) of the respondents strongly agreed that Low tax base is among the challenges faced when collecting taxes, 12(24%) agreed, this implied that Low tax base is among the challenges faced when collecting taxes.

Results from table 7 showed that 45(90%) of the respondents strongly agreed that Fear of formalizing businesses is among the challenges faced when collecting taxes, 5(10%) agreed, this implied that fear of formalizing businesses is among the challenges faced when collecting taxes

Results from table 7 showed that 48(96%) of the respondents strongly agreed that Concentration of most taxes in the hands of the Central is among the challenges faced when collecting taxes, 2(4%) agreed, this implied that Concentration of most taxes in the hands of the Central is among the challenges faced when collecting taxes.

Results from table 7 showed that 15(30%) of the respondents strongly agreed that Limited support from the Central Government is among the challenges faced when collecting taxes, 29(58%) agreed, 6(12%) were not sure, this implied that Limited support from the Central Government is among the challenges faced when collecting taxes

Results from table 7 showed that 15(30%) of the respondents strongly agreed that interference from Central Government is among the challenges faced when collecting taxes, 30(60%) agreed, 5(10%) were not sure, this implied that interference from Central Government is among the challenges faced when collecting taxes.

Results from table 7 showed that 45(90%) of the respondents strongly agreed that lack of community sensitization is among the challenges faced when collecting taxes, and 5(10%) agreed, this implied that lack of community sensitization is among the challenges faced when collecting taxes.

4.8 Possible solution to poor tax revenue in Bushenyi District Local Government

Table 8; showing possible solution to poor tax revenue in Bushenyi District Local Government

Items	Strongly agree	Agree	Not sure	Disagree	Strongly disagree	Total
Increasing economic activities	30(60%)	20(40%)	-	-	-	50(100%)
Widening tax base	17(34%)	32(64%)	1(2%)	-	-	50(100%)
Good leadership skills	25(50%)	20(40%)	15(30%)	-	-	50(100%)
Increasing indirect taxes	20(40%)	25(50%)	5(10%)	-	-	50(100%)

Source; Primary Data, 2019

Results from table 8 show that 20(40%) of the respondents strongly agreed that increasing economic activities can reduce poor and low tax revenues collected in the district, 30(60%) agreed, this implied increasing economic activities can reduce poor and low tax revenues collected in the district.

Results from table 8 show that 17(34%) of the respondents strongly agreed that widening tax base can reduce poor and low tax revenues collected in the district, 32(64%) agreed, 1(2%) were not sure, this implied that widening tax base can reduce poor and low tax revenues collected in the district

Results from table 8 show that 25(50%) of the respondents strongly agreed that good leadership skills can reduce poor and low tax revenues collected in the district, 20(40%) agreed, 15(30%) were not sure, this implied that good leadership skills can reduce poor and low tax revenues collected in the district.

Results from table 8 show that 20(40%) of the respondents strongly agreed that increasing indirect taxes can reduce poor and low tax revenues collected in the district, 25(50%) agreed, 5(10%) were not sure, this implied that increasing indirect taxes can reduce poor and low tax revenues collected in the district.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a summary of the major findings, conclusions reached and the researcher's recommendations derived from the study

5.1 Summary of findings

Majority of the respondents 30(60%) strongly agreed that inadequate capacity and technical skills to manage Local revenue collection leads to low tax revenue, Majority of the respondents 40(80%) strongly agreed that Political interferences reduces and leads to low tax revenue.

Majority of the respondents 20(40%) agreed that Inappropriate laws governing property rates and trading reduces and leads to low tax revenue, majority of the respondents 20(40%) were not sure whether inadequate record keeping by the authorities reduces and leads to low tax revenue

Findings showed that 14(28%) of the respondents strongly agreed that the weak tax-benefit reduces and leads to low tax revenue, 31(62%) agreed, findings showed that 45(90%) of the respondents strongly agreed that Poverty among the taxpayers reduces and leads to low tax revenue, 5(10%) of the respondents agreed.

Findings showed that 38(76%) of the respondents strongly agreed that Low tax base is among the challenges faced when collecting taxes, 12(24%) agreed, Results from table 7 showed that 45(90%) of the respondents strongly agreed that Fear of formalizing businesses is among the challenges faced when collecting taxes, 5(10%) agreed. Results from table 7 showed that 48(96%) of the respondents strongly agreed that Concentration of most taxes in the hands of the Central is among the challenges faced when collecting taxes, 2(4%) agreed,

Results from table 7 showed that 15(30%) of the respondents strongly agreed that Limited support from the Central Government is among the challenges faced when collecting taxes, 29(58%) agreed, Results from table 7 showed that 15(30%) of the respondents strongly agreed that interference from Central Government is among the challenges faced when collecting taxes, 30(60%) agreed.

Results from table 7 showed that 45(90%) of the respondents strongly agreed that lack of community sensitization is among the challenges faced when collecting taxes, and 5(10%) agreed,

Results from table 8 show that 20(40%) of the respondents strongly agreed that increasing economic activities can reduce poor and low tax revenues collected in the district, 30(60%) agreed, Results from table 8 show that 17(34%) of the respondents strongly agreed that widening tax base can reduce poor and low tax revenues collected in the district, 32(64%) agreed.

Results from table 8 show that 25(50%) of the respondents strongly agreed that good leadership skills can reduce poor and low tax revenues collected in the district, 20(40%) agreed, results from table 8 show that 20(40%) of the respondents strongly agreed that increasing indirect taxes can reduce poor and low tax revenues collected in the district, 25(50%) agreed.

5.2 Conclusion

The researcher concludes that leadership skills have so much to do with and impact on the revenue collection in local government. Since it was revealed that inadequate capacity and technical skills to manage Local revenue collection leads to low tax revenue. And it was evidenced that good leadership skills can reduce poor and low tax revenues collected in the district.

5.3 Recommendations of the Study

From the research findings, the following recommendations are made:

From the study findings it was revealed that inadequate capacity and technical skills to manage Local revenue collection leads to low tax revenue, it's from this that the researcher recommends that each and every local government for rapid growth in its tax revenue, it should equip its employees with technical skills that can manage increase local revenue in the District level.

From the study findings it was revealed that Political interferences reduced and led to low tax revenue of bushenyi district, therefore the researcher recommends that laws should be clearly laid out that show political leaders role and demarcation in local government tax collection interferences and this can increase tax revenues collected.

5.4 Suggestions for Further Research

- There is need for further research on the effect of employee trust on employee performance in organizations
- The role of organization commitment on employee performance among organizations
- The influence of transparency on employee performance in public institutions

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APPENDIX I
QUESTIONNAIRE

Dear Sir/Madam,

I am a student of Buganda Royal Institute carrying out a research study on role of leadership in revenue collection in Kampala Central Division. I humbly request you to fill in this questionnaire, it's entirely for academic purposes and the information therein will be treated with utmost confidentiality.

PART A: DEMOGRAPHIC CHARACTERISTICS

1. Gender

(a) Male (b) Female

2. Age

(a) Up to 25 years (b) 26-30 years (c) 31-40 years

(d) 41years and above

3. Education background

(a) Degree (b) Masters (c) Diploma (d) Others

PART B: CAUSES OF LOW TAX REVENUE IN BUSHENYI DISTRICT LOCAL GOVERNMENT

Key; where 1-strongly agree, 2- agree, 3-not sure, 4-strongly disagree 5-disagree

Items	1	2	3	4	5
inadequate capacity and technical skills to manage Local revenue collection					
Political interferences					
Inappropriate laws governing property rates and trading					
Inadequate record keeping by the authorities					

The weak tax-benefit					
Poverty among the taxpayers					

PART C: CHALLENGES FACED BY LOCAL GOVERNMENT WHEN COLLECTING TAX REVENUE

Key; where 1-Strongly agree, 2- Agree, 3-Not Sure, 4-Strongly Disagree 5-Disagree

Items	1	2	3	4	5
Low tax base					
Fear of formalizing businesses					
Concentration of most taxes in the hands of the Central					
Limited support from the Central Government					
Interference from Central Government					
Lack of community sensitization					

PART D: POSSIBLE SOLUTION TO POOR TAX REVENUE IN BUSHENYI DISTRICT LOCAL GOVERNMENT

Key; where 1-Strongly agree, 2- Agree, 3-not sure, 4-Strongly Disagree 5-Disagree

Items	1	2	3	4	5
Increasing economic activities					
Widening tax base					
Good leadership skills					
Increasing indirect taxes					

THANKS FOR YOUR PARTICIPATION