The Effects of Tax Education on Government Revenue Collection: The Case of Small and Medium Enterprises in Morogoro Municipality, Tanzania

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Authors' contributions

This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.

Original Research Article

ABSTRACT

The efficient and effective tax education to SMEs in developing countries like Tanzania is critical to overcome the challenges of tax compliances. Despite the trend of tax reforms in Tanzania since 1998, the effects of tax education on Small and Medium Enterprises (SMEs) are still poor and many SMEs still see taxation process and cost as constraints to SMEs' successes (Adam, 2012; Masanja, 2019).

The study employed deductive approach, exploratory and descriptive survey methodology. The respondents involved 96 SMEs owners of Morogoro Municipality and four (4) TRA Education Department employees. The data collection tools involved the use of purposeful distributed questionnaires and interviews. The Statistical Package for Social Sciences (SPSS) was used to analyze data. The scope was to produce the frequency tables (Kothari, 209; Mbalwowa, 2014).

To determine ***if the provision of tax education has resulted in tax compliance among SMEs,*** the results shown that to large extent there were high level of incompliancy on: timeliness for tax payment, voluntary tax payment, use of EFDs, issuance of fiscal receipts and online filing of tax returns. Therefore, the main attributing factors of tax incompliancy have been associated with tax education.

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The study recommends: to evaluate the tax education programs on revenue collection, complements information technology to disseminate tax education, carry out relational or causal studies of tax education on tax compliances across different demographic characteristics in Tanzania. More importantly, to promote a shift from the tax being assessed by TRA to self-tax assessment among SMEs through tax education program.

1. INTRODUCTION

The protection and promotion of the Small and Medium Enterprises (SMEs) among many countries around the world are some of the topmost initiatives because SMEs are recognized as the key driving force of a nation's economic growth and prosperity. The nurturing and caring of SMEs provide employment, economic empowerment, poverty reduction and improvement of the standard of living of the country [1,2]. Additionally, SMEs provide substantial domestic capital formulation and accumulation through the increase of productivity and provision of breeding ground for local entrepreneurial capabilities (Ibid). Tax is defined as a financial charge or other levy imposed on an individual or legal entity by the state [3, 4]. Taxes are considered to be one of the major elements in managing national income in both developed and developing countries [5]. Many countries use tax money to finance investment and operations of public services: education, public infrastructure, health services, security and so on. Hence, the need to include and increase tax revenue as a proportion of gross domestic product (GDP) if they want to develop and grow [6, 7]. That, all business owner managers including SMEs and individual traders must be in the tax net [2, 4].

The promotion of SMEs has been an important point for almost all developed countries. For example, developed countries such as the USA and UK have been allocating significant valued resources toward the success of SMEs through creating a favorable tax system for the SMEs. Specifically, these countries have been providing tax breaks and even tax incentives to encourage the growth of SMEs in their countries [2, 4]. Asia and African countries are also following the same strategy to promote and protect SMEs. Countries such as Japan, Malaysia and even Singapore are creating tax incentives for local SMEs. At the same time, countries such as South Africa, Nigeria, Chana, Kenya and Rwanda are continuously developing tax policies and regulations to promote the growth and prosperity of SMEs [2]. The role of tax education on tax compliance which in turn has multiplicative impact on revenue collection has been recognized as one of the crucial performance factors to extend tax awareness to SMEs [8, 2, 9, 4].

In Tanzania, despite TRA's strategy of focusing on taxpayer services and education aiming at decreasing donor dependence while at the same time increasing the domestic tax base, many SMEs close their businesses because of misconceptions of revenue collection's enforcements that does not focus on tax education among them [10, 2, 11]. Specifically, although there exists the availability of the training program in TRA to educate and influence tax compliances, many SMEs in Morogoro region do not comply with tax payment or still have negative attitude with TRA administrations in the region [11]. Tax education program has been reported as one of the major attributing factors towards the tax compliance and tax collection (URT, 2019 Tax Statistics Report 2018/2019) [2, 4]. Furthermore, it has recently been reported that Tanzania is not faring well compared to other East African Countries in areas of corporate taxes, profit tax, labor tax, tax morale, low transaction costs, proper tax administration, capacity in auditing and monitoring tax payment [12, 2]. Consequently, this study examined the effects of tax education on government revenue collection with reference to SMEs in Morogoro Municipality.

In Tanzania, the tax base to Gross Domestic Product (GDP) ratio is also relatively low as compared to other Sub-Saharan Africa countries due to low tax education [13]. Therefore, this study was conducted to determine the Effects of Tax Education on Government Revenue Collection. specifically, this work provides an assessment of the Tax Compliance Outcomes Emanating from Tax Education Provided to SMEs in Morogoro Municipality in Tanzania. The study looked at contents and methods of tax

education as well as the key indicators of tax compliances as: timeliness in tax payment, voluntary on tax payment, timeliness in delivering tax returns, use of Electronic Fiscal Devices (EFDs) machines, issuance of electronic receipts and online filing. The attributing factors involved high and multiple taxes, changes in taxes and unreasonable taxes among SMEs. Other issues were difficulty and bureaucracy in paying taxes, complex tax computations and unfriendly tax administrators.

2. THE SIGNIFICANCE OF SMES IN TANZANIA

Taxes are considered to be one of the major elements in managing national income in both developed and developing countries [5,14]. Developing countries want to use more money on education, public infrastructure, health services and so on, and thus, they need to increase their tax revenue as a proportion of gross domestic product (GDP) if they want to develop and grow [7]. Taxation facilitates a government to formally acquires the resources needed to finance efficient and effective governance [15] (Minja, 2019). Therefore, the information obtained from this study would be valuable to both tax literature and practice. Since tax literature about tax education is still limited in Tanzania, the study will serve as guidelines for researchers and policy makers to develop tax education programs and policies. Besides, this information the report also provides valuable information as well as guidance to TRA and SMEs' owner-managers to improve tax compliance. Generally, this study contributes the body of knowledge on effects of tax education on Government revenue collection.

3. TAX EDUCATION PROGRAMS

In developing countries tax education is important because lack of tax knowledge by SMEs affect tax compliance through underreporting and failure to register [16]. Tax knowledge improve attitudes towards taxpaying and better perceptions of the tax system's fairness. There are initiatives towards tax education to enhance voluntary tax compliance among tax payers in many countries from Africa continent including Mozambique, Tanzania and Zambia [16]. Therefore, many tax revenue authorities include the following key knowledge on their tax education programs:1. How tax system work, 2. How to figure out what taxes owed to the government, 3. Tax rules-penalty and fines, missing declarations, 4. Voluntary tax compliance, 5 Tax rates, 6. Deadlines for tax payment and tax returns, 7. Tax types, 8. Importance of paying tax-funding public services, 9. Promotion and discussion -fairness self-tax assessment and accountability, 10. Online tax filing (use of information and communication technology), 11. EFDs, 12. Issuance of fiscal receipts.

4. STATEMENT OF THE PROBLEM

The role of government revenue collection need not be overemphasized; therefore, all business owner managers including SMEs and individual traders must be in the tax net. Despite TRA's strategy of focusing on taxpayer services and education aiming at decreasing donor dependence while at the same time increasing the domestic tax base, many SMEs in Tanzania close their businesses because of misconceptions of revenue collection's enforcements that does not focus on tax education among them [10]. Specifically, although there exists the availability of the training program in TRA to educate and influence tax compliances, many SMEs in Morogoro region do not comply with tax payment or still have negative attitude with TRA administrations in the region [11]. For example, many SMEs are reluctant to purchase and use Electronic Fiscal Devices (EFDs) (URT, 2019 Tax Statistics Report 2018/2019). The effect of tax education on tax compliance and hence revenue collection is still poor despite the trend of tax reforms to broaden tax base in Tanzania since 1998 [11,2] (Masanja, 2013). Further, it is still reported that Tanzania is not an easy place to run business in connection with the tax environment imposed by the government. For, example, Tanzania ranks 141 out of 190 countries in the world for simplicity of making tax payment in relation to tax burdens to SMEs [17,2]. This result implies inadequate and inappropriate tax education to even SMEs. Furthermore, it has recently been reported that Tanzania is not faring well compared to other East African Countries in areas of corporate taxes, profit tax, labor tax, tax morale, low transaction costs, proper tax administration, capacity in auditing and monitoring tax payment [12, 2]. Consequently, this study examined the effects of tax education on tax compliances with reference to SMEs in Morogoro Municipality, Tanzania.

5. DEFINITIONS OF KEY WORDS

Tax knowledge refers to an essential element in voluntary compliance tax system specifically in determining an accurate tax liability [18]. The most important tax knowledge involves: tax policies, tax laws, rules, procedures, filling of returns, tax rates or amount charged and other performance reporting requirements. However, the ability to do tax self-assessment is an important element of tax knowledge [19, 20].

Tax compliance refers to the willingness of individuals to act in accordance with the tax law and administration without the application of enforcement legal activity. Specifically, tax compliance is defined as filing all required tax returns at the proper time and that returns accurately report tax liability in accordance with the tax law applicable at the time the return is filed [18]. In general, tax compliance involves: Timeliness for tax payment, voluntary tax payment, timeliness in delivering tax returns, progressive purchase and use of EFDs, issuance of purchase receipts, Online filing. All these, mirror progressive increase in tax collection [18, 19, 2].

Tax Education refers to a wide range of initiatives in government revenue authority, potentially including: 1) training on the practicalities of taxpaying, such as tax rates, completion and submission of tax returns, tax penalty, tax types, tax measurements/self-assessment, deadlines, as well as taxpayers' characteristics-corruption or customer care issues and nature of different tax types; 2) initiatives to inform taxpayers of the importance of paying tax, including their role in voluntary funding public services; 3) the promotion of information and discussion around fairness and accountability-in view of greater citizen participation in debates around tax and budgeting [21, 22].

On the same way, Tax education has been defined as an instruction program that informs taxpayers on the need to levy their compulsory contribution to public authorities that have tax jurisdiction in order to defray the cost of their activities. The tax revenue obtained from taxpayers is used to finances basic services to the whole country and especially services which are used in common such as water, railways, energy, security, transport, schools, health and other services including maintenance of law and order (Sardjono, 2013;) [23]. Yet, when people do not understand why taxes are important, they will always avoid or evade payment of tax, or pay with great difficulty as they complain off over taxation.

Tax Assessment refers to the shift of responsibilities to compute tax payable from the tax authorities to taxpayers. In order to discharge these responsibilities, taxpayers are expected to be well-versed with the existing tax laws and provisions. To promote fair tax assessment, it is better to introduce self-assessment system (SAS) which has been widely practiced around the globe to minimize the non-compliance behavior. The prominent attribute of SAS is voluntary compliance, as the tax returns submitted by taxpayers are deemed to be their notice of assessment. In other words, penalty mechanisms will be applied if taxpayers do not submit a correct tax return within the stipulated period. Therefore, some ways of ensuring tax compliance are to enhance taxpayers' tax knowledge and implementation of less complex tax system [18,19,21].

6. CONCEPTUAL FRAMEWORK

The study treated tax assessment as the shift of responsibilities to compute tax payable from the Tanzania Revenue Authority (TRA) in Morogoro Municipality (MMC) to taxpayers. In order to discharge these responsibilities, taxpayers in MMC including SMEs, are expected to be well-versed with the existing tax laws and provisions.

The study focused on owner and managers of SMEs and TRA staff in tax education department in Morogoro municipality. The study also examined the tax knowledge possessed by SMEs on tax compliance's challenges, examined the progressive increase of tax collection emanating from tax education provided in Morogoro municipality.

Taxation is the basis for countries' growth in operations, expansion and advancement as it indicates the process through which a government formally acquires the resources needed to finance efficient governance [15, 24] (Minja, 2019). Therefore, the information obtained from this study would be valuable to both tax academia as literature and tax practices. Since tax literature about tax education is still limited in Morogoro Municipality, this information will serve as guidelines for researchers to develop tax education required and tax complexity measures. Similarly, the information

on possible determinants of non-compliance could be used for future research. From the policy makers' perspectives, this information will assist tax authority to advance tax education and simplification program. Besides, this information the report also provides valuable information as well as guidance to TRA and SMEs' owner-managers to improve tax compliance. Generally, this study contributes to the body of knowledge on effects of tax education on Government revenue collection from small and medium entrepreneurs at local government authority levels.

The main challenge to tax researchers and policy makers in many African countries is the lack of critical evaluation of tax education programs on revenue performance which are implemented by revenue authorities. As a result, there is virtually ***no evidence*** in MMC cycles about the effectiveness of taxpayer education programs offered by TRA in many of its tax districts, regions and zones.

6.1 Conceptual Framework

The conceptual framework is defined as an abstract idea or a theory used to develop new concepts or to reinterpret existing ones [25]. It provides the relationship between the dependent and independent variables. Fig. 1 provides the conceptual framework of this study.
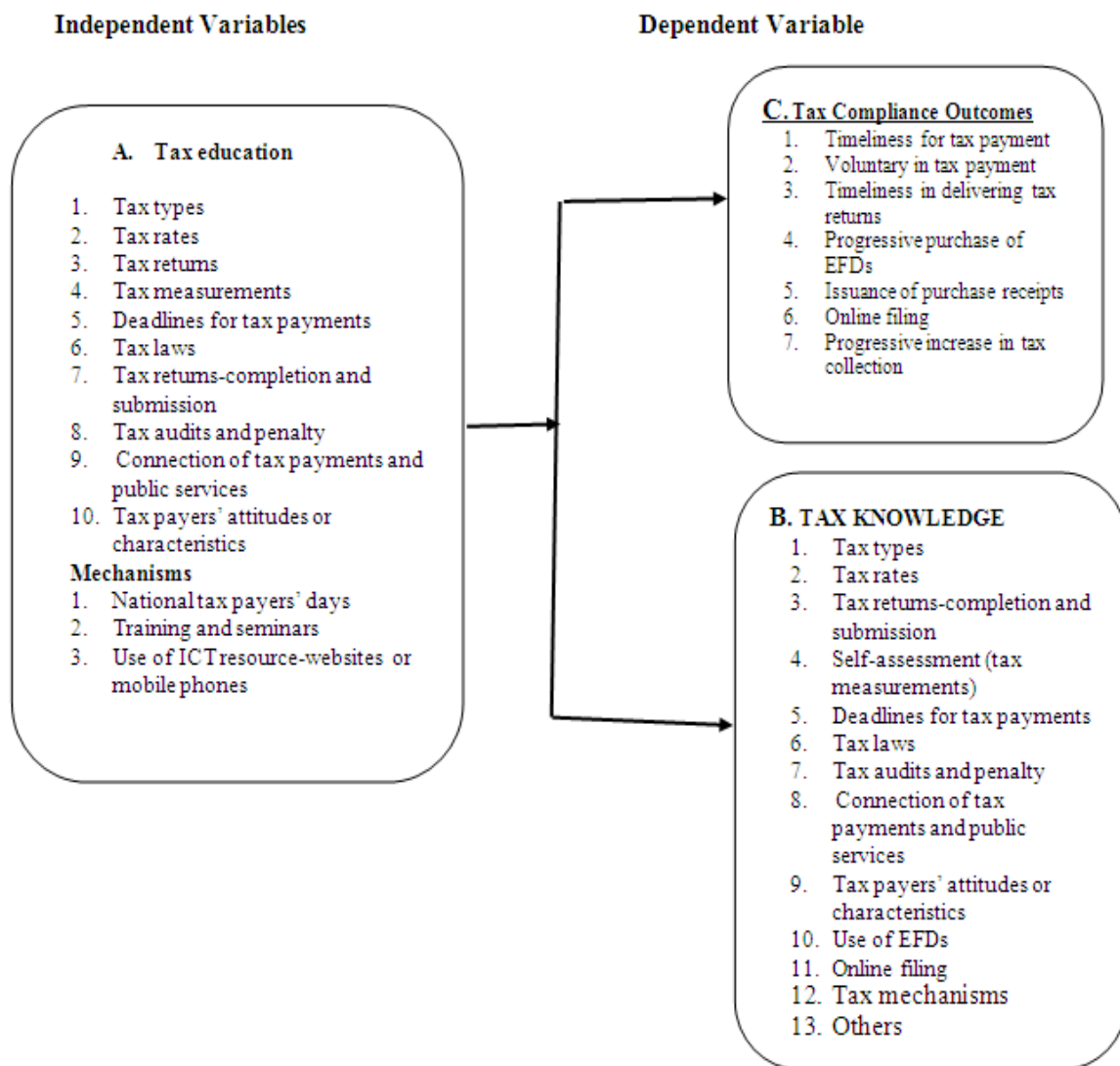
Independent Variables

Dependent Variable

A. Tax education

1. Tax types
2. Tax rates
3. Tax returns
4. Tax measurements
5. Deadlines for tax payments
6. Tax laws
7. Tax returns-completion and submission
8. Tax audits and penalty
9. Connection of tax payments and public services
10. Tax payers' attitudes or characteristics

Mechanisms

1. National tax payers' days
2. Training and seminars
3. Use of ICT resource-websites or mobile phones

C. Tax Compliance Outcomes

1. Timeliness for tax payment
2. Voluntary in tax payment
3. Timeliness in delivering tax returns
4. Progressive purchase of EFDs
5. Issuance of purchase receipts
6. Online filing
7. Progressive increase in tax collection

B. TAX KNOWLEDGE

1. Tax types
2. Tax rates
3. Tax returns-completion and submission
4. Self-assessment (tax measurements)
5. Deadlines for tax payments
6. Tax laws
7. Tax audits and penalty
8. Connection of tax payments and public services
9. Tax payers' attitudes or characteristics
10. Use of EFDs
11. Online filing
12. Tax mechanisms
13. Others

Fig. 1. Conceptual model
Source: *Researcher's Own Model (2021)*

7. RESEARCH GAP

The empirical literature had provided that much has been done concerning tax education on tax compliance in many countries. Although the entrusted revenue authority in Tanzania has programs for tax education to SMEs and tax payers, these programs have not been exhaustive and effective in many regions of Tanzania including Morogoro region. Research studies about the effects of tax education to increase awareness among SMEs on tax compliance which has multiplicative impact on revenue collection is also still inadequate in Tanzania. Therefore, there was a need to study the existing knowledge gap in Morogoro Municipal Council, Tanzania. The study was generally guided by three specific research objectives as follows:

i.   To examine the tax knowledge possessed by SMEs on tax matters, as a result of tax education, in Morogoro municipality
ii. To determine if the provision of tax education has resulted in tax compliance among SMEs in Morogoro municipality.
iii. To determine the progressive increase in tax collection arising from tax education among SMEs.

This paper addresses the results, conclusion and recommendations regarding the research objective two: whether provision of tax education has resulted in meaningful tax compliance among SMEs in Morogoro Municipality.

8. METHODOLOGY

8.1 Research Design

A research design refers to process (typical steps) which may include a series of steps followed by researchers constrained by available time and financial resources [26]. Deductive reasoning works from more general to more specific by gauging findings against theories, facts, standards, or requirements [27]. Therefore, the logic of this study was the deductive approach. The survey design is a study which involve getting respondents' perceptions, attitudes, preferences, opinions, priorities, feelings behaviours, and so forth about the the specified research questions. Therefore, the study utilized the survey design. This work was basically exploratory and descriptive research to respond to research objectives unambiguously.

The cross-sectional research refers to the studies conducted at one time period to provide a snapshot picture of the situation that could be analyzed in details. This research also applied the cross-sectional research design in which questionnaires and interviews were used to obtain the data from the field during the month of Marck, 2021 [28]. The reason for using cross-sectional research design is that, it allows the collection of data at one point in time with no major changes of the business environment or control factors [27]. The study also used both quantitative and qualitative data types to analysis. The main tools for data collection involved structured questionnaires and personal interviews. The survey deployed one of the traditional rating scales referred to as Likert scale: 1-to-4 [27, 29]. This type of scale was chosen to exclude the neural point. Finally, the data were analyzed statistically using the Statistical Package for Social Sciences (SPSS) with the scope of number of counts and percentages. Secondary data were obtained from the records available at TRA Morogoro Office and websites (internet). Ethical issues such as informed consent, anonymity and confidentiality were observed during and after the data collection exercises. Research participants were informed about the right to withdraw from the study at any stage of the data collection. In addition, research permits were obtained from the Jordan University as well as from the office of TRA Morogoro. The study was carried out in Morogoro Municipality; TRA tax region because despite initiatives that are collectively taken to strengthen services to SMEs at that area; many SMEs complain with regard to tax knowledge that is not sufficient to enable them carry out their tax obligations well. The choice of the research area was attributed to primarily by the availability of officials to be interviewed, as well as an ability (cost). This population was also chosen because of ease of data access since it was the researcher's working environment.

The population of the study refers to the whole group that the research focuses on (Kothari, 2015). Blerkom (2009) defined the population of the study as the population to which a researcher wants to generalize the results of the study. It consists of all cases of individuals or elements that fit a certain specification. Therefore, the population of this study involved owner managers of SMES of Morogoro Municipality and TRA staff from tax education department summing up to 2,950 people.

A sample is a smaller group attained from the accessible population [30, 29, 31] Samples of less than 1 percent of a population can often provide a good reliability with a credible sampling procedure (Kotler, 2006). The theory of large sample also requires a sample of at least 50 respondents [29]. However, the required sample size was drawn by using a model proposed by Yamane, (1967) which shows the following relationship.

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

Where,
N = population size
n = sample size
e = confidence interval (10percent)

The sample size of 96 participants was used for the study. This involved 90 owners or managers of SMEs and 6 staff from TRA tax education department were conveniently selected. However,the number of distributed questionnaires was 110 questionnaires to take care of unforeseen absenteeism and other emergences among respondents. This number matched with the available time and financial resources for this research work. The response rate stood at 87.3 percent.

The sampling techniques applied in this study was simple random sampling and purposive sampling. Simple random sampling was used to select owners or managers of SMEs while purposive sampling was used to select heads of department from TRA Morogoro. Simple random sampling procedure is the procedure that ensures that each member of the population has an equal chance of being selected to participate in the study, ensuring that no bias in selecting the respondents is involved in the study. Simple random sampling procedure helped the researcher to get data with minimal bias. Therefore, simple random sampling technique was used to choose owners or managers of SMEs as each member of the population, both male and female had an identical chance of being chosen to participate in the study and ensuring that no biases in choosing the respondents was entertained. Furthermore, six TRA officers who are not heads of department were selected by using simple sampling techniques.

Purposive sampling is the procedure that focuses on selecting respondents that are based on the

researcher's judgment and purpose of study that are considered more appropriate. Therefore, the procedure was to interview some staff individually at different levels (by distributing questionnaires). Related available documents were also reviewed. Some researchers feel that non probability samples are very useful in many circumstances, even though they do not allow sampling error to be measured (Kotler, 2006). This procedure was chosen because of its convenient, timing and cost effectiveness.The study used questionnaires and interview guide during the study. A questionnaire refers to the formalized set of questions for obtaining information from respondents. It is sometimes called a schedule, interview form, or measuring instrument [26]. The types of questionnaires are: mail survey or mail questionnaire and group-administered questionnaire. The advantage of using the mail questionnaire include: timing, cost effective and scope binding. However, the response rates from mail survey are often low and they provide less written details. The survey questionnaire is frequently used in qualitative research when measuring attitudes, opinions, or feelings and consideration of limited resources (Trochin, 2006).

8.2 Characteristics of Respondents

The study involved SMEs owner managers of Morogoro Municipality in Tanzania. The purposive sampling technique was deployed because the selection involvedowners of SMEs. The sample size involved 96 respondents and 4 respondents from SMEs owners Managers and TRA Education Department staff respectively.

8.3 Reliability

Reliability is the degree to which a test is consistent and stable in measuring whatever it is measuring. [32]. Reliability is important in research to ensure quality of research output. There are four general classes of reliability estimates: Inter-rater or inter-observer reliability, test-retest reliability, parallel-forms reliability and internal consistency reliability. A brief definition of each type is provided as follows:

- **Inter-rater or inter-observer** is used to assess the degree to which different raters or observers give consistent estimates of the same phenomena.
- **Reliability, test-retest** reliability is used to assess the consistency of a measure from one time to another.

- **Parallel-forms reliability** is used to assess the consistency of the results of two tests constructed in the same way from the same content domain.
- **Internal consistency** reliability is used to assess the consistency of results across items within a test.

The researcher conducted two pilot studies to check the reliability of data collection instruments (one to owners or managers of SMEs and the other to TRA staffs). Data was tested through SPSS to ensure the internal consistency. The test that yielded Cronbach's Alpha of 0.7 and above was accepted.

8.4 Put Table for Reliability Results

8.4.1 Validity

The data validity enhances assurance of the research findings. Validity refers to whether the findings are really about what they appear to be about. A great care was made to ensure that findings are the reflection of the real situation in the chosen area. This refers to construct validity The construct validity of the study can be categorized into two: translation validity (face validity and content validity) and criterion-related validity (internal validity, external validity). The face validity requires the use of experts to test its translation validity. On the other hand, content validity involves the specification of the content domain or checklist making the construct. For example, tax education, math ability, self-esteem, intelligent though not every construct has exhaustive checklist. The criterion-related validity checks performance of operationalization against the set criteria. (Trochin, 2006; Kothari, 2019). Question like: How well does the sample represent the idea of the population? The response refers to external validity of the study guided by the theory of large sample. How well you performed the translation of concepts or construct into functioning and operating reality refers to construct validity [32,29] (Malhotra, 2006). According to Blerkom (2009) validity refers to whether or not the test measures what it claims to measure. The validity of the instruments for data collection was done through expert review. Three experts in research reviewed the questionnaires and any corrections were made accordingly so as to achieve the main objective of the study.

9. FINDINGS

Has the provision of tax education resulted in tax compliance among SMEs in Morogoro municipality?

To respond to this question, the specific measures included: a) Timeliness for tax payment, b) Voluntary tax payment, c) Timeliness in delivering tax return, d) Progressive purchase of EFDs, e) Issuance of purchase receipts, and f) Online filing. The results from both respondents SMEs owner managers and staff from Morogoro TRA Education Department: distributed structured questionnaires and interview are described as follows:

a) Timeliness for tax payment

Table 1 below presents findings on knowledge about timeliness for tax payment against TRA schedules among SMEs in Morogoro Municipality.

Table 1. Timeliness for tax payment

	Frequency	Percent
Highly inconsistent	7	7.3
Inconsistent	43	44.8
Consistent	30	31.2
Highly consistent	16	16.7
Total	96	100.0

Table 1 indicates that despite the regular dissemination of tax education by TRA to tax payers, still a significant number of SMEs or taxpayers do not comply with the set timeline of tax payment. That, 52.1 percent of the respondents' opinion on compliance levels (highly inconsistent and inconsistence) reported not to comply with the timeliness for the tax payment. On the other side 47.9 percent of the respondents reported to obey the timeliness for tax payment. Therefore, the state of inconsistency of timeliness for tax payment is considered high for tax education initiative interventions.

b) Voluntary tax payment

Voluntary tax compliance refers to an assumption or principle that tax payers will comply with tax laws and, more importantly, accurately report their income and deductions honestly including PAYE and withholding taxes. For the purpose of this study, voluntary tax

compliance is the timely filing and reporting of the required tax information, the accurate self-assessment of taxes owed, and the timely payment of those taxes without enforcement action [33, 21]. One of the inherent challenges shared between governments and tax payers are high tax rates and complex tax administration to SMEs leading to non-compliant taxes [34; 35]. Table 2 below presents findings on knowledge about voluntary tax payment among SMEs in Morogoro Municipality.

Table 2. Voluntary tax payment

	Frequency	Percent
Strongly disobedient	6	6.2
Not obedient/involuntary	39	40.6
Obedient	28	29.2
Strongly obedient	23	24.0
Total	96	100.0

Table 2 indicates that 46.9 percent of respondents do not pay tax voluntarily (strongly disobedient and not obedient). On the other hand, 53.1 percent of the respondents reported as being obedient to tax payment. Therefore, this record of voluntary tax payment indicates the ineffectiveness of tax education to SMEs is still a challenge in Morogoro Municipal Council, Tanzania.

c) Timeliness in Delivering tax Return

The tax return is a statement filled to TRA by business operators which declares the estimated income and tax payable or the final income and tax. Every year TRA issues calendar for delivering tax returns by taxpayers. For example, a taxpayer must file a final return to TRA within six months after the end of each tax year. The state of complying with the timeline of delivering the tax return according to SMEs' respondents is described by Table 3

Table 3. Timeliness in delivering tax returns

	Frequency	Percent
Highly Inconsistent	2	2.1
Do not adhere	49	51.0
Adhere	35	36.5
Highly Adhere	10	10.4
Total	96	100.0

Regarding the compliancy of the timing in delivering tax return, Table 3 shows that whereas

53.1 percent of the respondents revealed non-compliancy, 46.9 percent of the respondents indicated to adhere with the timeliness in delivering the required tax returns. Therefore, the level of disagreement to deliver tax returns is considered high to affect tax compliances and revenue collection performances.

d) Progressive Purchase of EFDs

A study by Kapera [36] found that there was the decrease of VAT-revenue collected following the introduction of EFDs in Tanzania. Before the introduction of EFDs in Tanzania, the revenue obtained from VAT registered taxpayers was growing. The reasons for adopting EFDs were the following according to the order of priority: the desire to reduce tax collection costs by TRA, integration of taxation system with other administrative systems, create standardization among the tax payers as well as bringing automation and innovation in the tax collection system. The study also found that the use of EFDs has helped to make taxation services available and accessible to many tax payers. Since the introduction of EFDs, the devices have been usable and reliable in the collection of tax. However, the major challenges facing full implementations of EFDs were high cost of purchasing the devices and lack of education on the side of taxpayers concerning the use of EFDs among others. The study concluded and recommended review of purchasing price, maintenance costs, reliability of network systems, increase of education and motivation on use. If all these issues are to be attended there is the potential of having great advantage and/or improvement in tax revenue collection using EFDs. Table 4 below presents findings on knowledge about purchase and use of EFDs t among SMEs in Morogoro Municipality.

Table 4. Progressive purchase and use of EFDs

	Frequency	Percent
Highly non-progressive	14	14.6
Non-progressive	57	59.4
Compliant	11	11.5
Strong compliance	14	14.6
Total	96	100.0

Table 4 indicates that 74.0 percent of the respondents disagreed with the progressive purchase and use of EFDs (percentage of both highly non-progressive and non-progressive).

Therefore, many SMEs in Morogoro Municipality are not using EFDs as required.

e) Issuance of Purchase Receipts

The computerization of tax collection system requires the issue of fiscal receipts every time a sale is made. The implementation of fiscal receipts led to adopting EFD in revenue collection in Tanzanian. The EFD machines are preferred as compared to other forms of tax collection because the devices have in-built fiscal memory which cannot be erased by mechanical, chemical or electromagnetic interferences. The application of EFDs also has automatic self-enforcing issuing of daily transaction reports after every 24 hours and transmit tax information to the TRA system automatically. The main advantage of issuing fiscal receipts (use of EFDs) is that the computerization of the tax collection process enables easy detection of defaulters, fraudulent payment of tax and also helps to reduce corruption by reducing personal interaction between tax officers and taxpayers (Kapera, 2017). Table 5 below presents findings on practice of issuance of electronic receipts among SMEs in Morogoro Municipality.

Table 5. Issuance of electronic receipts

	Frequency	Percent
Very rare	18	18.8
Rarely	44	45.8
Often	27	28.1
Very often	7	7.3
Total	96	100.0

To a large extent many SMEs in Morogoro Municipality do not issue fiscal receipts. Table 5 shows that 64.8 percent of the respondents disagreed with the issuance of fiscal receipts (sum of very rare and rarely). On the other hand, 35.4 percent of the respondents indicated agreement with issuance of fiscal receipts. Therefore, many SMEs in Morogoro Municipality are not using EFDs as required. Consequently, continuous evaluation of tax education on tax compliance should be carried out.

f) Online Filing

Information Technology (IT) development has been the focus of many organizations because of its importance to flexibility and productivity [37]. Online filing is one of the tax compliances which refers to electronic filing the required tax returns at the proper time and returns accurately reporting tax liability in accordance with the tax law applicable at the time the return is filed [18,36]. Table 6 below presents findings on knowledge about online filing among SMEs in Morogoro Municipality.

Table 6. Online filing

	Frequency	Percent
Very rarely	8	8.3
Rarely	68	70.8
Regularly	17	17.7
Very Regularly	3	3.1
Total	96	100.0

Despite the development in information and communications technology, the online filing by SMEs in Morogoro Municipality is still lowest. As seen from Table 6, 79.2 percent of the respondents disagreed with the tax practice of online filing. Only 20.8 percent of the respondents reported to practice online filing of tax returns. Therefore, continuous evaluation of network systems' capacity and tax education to SMEs owner managers is vital.

9.1 Open handed Interview Results for TRA Education Department

Four staff were also interviewed with guiding question: **Has tax education provided resulted into tax compliance among SMEs of Morogoro Municipality?**

The personal interview results for four (TRA Education Department's staff, March 11th, 2021) provided the overall compliance level of the selected measures (in brackets): timeliness for tax payment (consistent), voluntary in tax payment (obedient), timeliness in delivering tax returns (adherence), progressive purchase and use of EFDs (complaint), issuance of electronic receipts (adherence), online filing (adherence). Table 7 provides summaries of respondents' responses.

Generally, Table 7 provides that although the interviewed staff from Tax Education Department acknowledged the positive influence of tax education on tax compliance but further attention is required to educate taxpayers or SMEs (personal interview with Tax Education Department's staff, March 11th, 2021).

Table 7. Interview Results for TRA Education Department

Respondent No.	Has tax education provided resulted into tax compliance among SMEs of Morogoro Municipality?
Resp_1	TRA Tax Department is using different ways of communication channels to make sure that tax education reaches the targeted population of Morogoro to increase tax compliance.
Resp_2	Although most of tax payers still have little knowledge on tax issues, tax education has increased the tax compliance.
Resp_3	Although to some extent tax education has brought about an increase of tax compliance, still some tax payers do not comply with tax regulations.
Resp_4	To some extent tax education has increased tax compliance. However, a lot need to be done on tax education.

In sum up, regarding research objective two: to determine *if the provision of tax education has resulted in tax compliance among SMEs in Morogoro municipality*, to large extent there were high level of inconsistency or incompliancy on: timeliness for tax payment, voluntary tax payment, timeliness for delivering tax returns, purchase and use of EFDs, issuance of fiscal receipts and online filing of tax returns. All these suggest the review and advancement of the available access to tax education to improve tax compliances among SMEs. On the same way, results from interview made with Tax education Department's staff revealed out that the tax education was still one of the tax management challenging areas. However, tax compliance is on the improvement direction. Therefore, the overall results suggest the development of tax education strategies to increase flexibility and viability of delivering tax education among SMEs to increase tax compliances.

10. CONCLUSION AND RECOMMENDA-TIONS

Although the researcher had mobilized the research instruments including letter of concert from TRA, the study failed to establish the relationship between tax education and tax revenue. The lack of access to data was attributed to non-existence of any evaluation report of tax education programs in Tanzania. This suggests that there is a misallocation of tax education's resources because the nature and sources of tax incompliancy are not known well to TRA. Similarly, the sampling frame involved SMEs of Morogoro Municipality only because of the financial and time constraints. Furthermore, in the event of drop out and absenteeism of the target respondents, the researcher made repeated calls and where necessary the substitution of respondent was made. Apart from such limitations, the study provides that, almost all results were to large extent inconsistent with the level of tax education development's best practices as compared to developed countries. Specifically, the inconsistencies or incompliances were recorded on: timeliness for tax payment, voluntary tax payment, timeliness for delivering tax returns, purchase and use of EFDs, issuance of fiscal receipts and online filing of tax returns. Therefore, it is recommended that, organizational, managerial capabilities and competencies of the Tanzania Revenue Authority must be aligned to solve challenges related to tax education to SMEs of as provided below:

1. Tax education programs should be evaluated and re-integrate feedback on tax attitudes and behaviors to progressive boost revenue collection [5]. This means that, TRA should evaluate the performance of tax education programs for further development of tax education to SMEs owner mangers of Morogoro Municipality in Tanzania. This action will enable TRA to develop country specific tax education curricula and related programs. Once, the tax education evaluation report is done, it can drop or add contents to the existing contents of tax education program: Attitude change among SMEs, timeliness for tax payment, voluntary tax payment, timeliness and tax returns, self-assessment, (fair tax payment), tax penalty, tax types, tax laws and Mechanisms, tax measurements, tax assessments, tax rates and structure, tax systems and use of information technology. Further, the evaluation of tax education program can reveal the top most tax education reequipments of SMES. For example, to promote fair tax assessment, it is suggested to introduce self-assessment system (SAS) which has been widely practiced around the globe to minimize the non-compliance behavior. The prominent attribute of SAS is

voluntary compliance, as the tax returns submitted by taxpayers are deemed to be their notice of assessment. In other words, penalty mechanisms will be applied if taxpayers do not submit a correct tax return within the stipulated period. Therefore, some of the ways of ensuring tax compliance are to enhance taxpayers' tax knowledge and implementation of less complex tax system [18,19, 21].

2. To use information technology (internet, mobile phones) to disseminate useful contents of tax education to SMEs. The information technology can add value to the traditional ways of imparting tax education to SMEs. The adoption of information technology toward enhancement of the provision of tax education, the review and advancement of the available access to tax education is one of the strategies to increase flexibility and viability of delivering tax education among SMEs to increase tax compliances. To reach out to SMEs owner managers of different qualities and needs, TRA should also invest into social media campaigns and re-imagine its customer care offer to be more appealing and friendly.

3. TRA should embark on involvement of trained staff in the provision of tax education. This means that, TRA should employ adequate tax specialists to regularly carry out tax compliances' performance evaluation through flexible and viable tax education program to increase efficiency and effectiveness in managing SMEs. In line with other studies, the government also needs to pump into TRA adequate competent manpower resources for tax education departments to enhance compliance through tax education and related relevant and community specific education and edutainment interventions.

4. Finally, further studies: this study provides three key areas which need attention for further acquisition of new knowledge: to conduct comparative studies on tax education in other regions of Tanzania to ascertain customers' pains and needs in relation to tax issues, to determine the relationship between tax education and tax compliances across different demographic strata and to implement the causal (experimental) research to recognize the effects of tax education on tax compliances or tax collection.

CONSENT

As per international standard or university standard, respondents' written consent has been collected and preserved by the author(s).

ETHICAL APPROVAL

As per international standard or university standard written ethical approval has been collected and preserved by the author(s).

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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