Taxation And The Development Of Small Businesses In Uganda, A Case Study Of Wakiso District

Osman Ali Hussein[1], Magala Muhammed[2], Prof Edris Kasenene Serugo[3]

1, 2, 3 Metropolitan International University

Abstract: This research study aimed to thoroughly examine how various taxation policies and practices undertaken by both national and local government agencies in Uganda had impacted the development prospects of small businesses operating within Wakiso District, one of the country's most economically vibrant regions located near the capital city of Kampala. A mixed-methods approach was applied whereby quantitative data on trends in small business registration, growth, contributions to employment and revenues over a ten-year period was gathered through a statistical analysis of longitudinal surveys jointly conducted by the Uganda Revenue Authority and the district commercial office. Complementing this, qualitative insights into taxation-related challenges faced by enterprises along with perceptions on policy reforms needed were elicited through in-depth interviews held with owners of over 50 purposively sampled micro, small and medium enterprises across varied sectors. The analyses revealed that although the district had witnessed substantial increases in numbers of registered small firms and jobs created during the review timeframe overall, inconsistent tax administration, lack of supportive incentives as well as disproportionately high compliance costs had constrained greater expansion, productivity and formalization amongst most enterprises. From the findings, a bigger proportion of respondents agreed that tax holidays have helped my business to grow and expand as shown by mean = 3.68 and standard deviation = 0.929. In addition, tax incentives have stimulated the growth and expansion of Small businesses in Uganda which was established by the majority of the respondents according to the mean = 4.41 and SD = 0.726. Interviewees frequently pointed to difficulties in navigating the complexity of tax laws, unfair penalties imposed for minor errors and dual licensing requirements at the local level as key hindrances that stifled growth potentials and encouraged some level of underground operations. They further lamented inadequate public-private consultations and absence of tax reliefs focusing on enhanced technology absorption, skills upgrading or capital investments necessary to bolster competitiveness.

Keywords: Taxation, Development and Small Businesses

Background to the study

Small businesses are important for the growth of societies because they enhance economic growth and development through; offering jobs that have reduced unemployment, addressing the demographic problems associated with high populations, contributing to the generation of domestic income among others (Ronald et al., 2023). The system of taxation used in any country determines the performance of businesses whereby countries with auspicious and favorable tax rates have propagated successful businesses. Successful businesses have influenced the growth of economies by ensuring equitable distribution of income and investments in the country. In essence, businesses and taxation are interdependent for survival in that when the performance of businesses is affected, also the growth of the economy is equally affected (Tasha et al., 2023b).

The genesis of taxation dates way back in Egypt in the early 1800 BC portrayed by the tomb paintings where the Pharaohs imposed a tax on cooking oil as the tax collectors (scribes) ensured that the people were not using substitutes for the taxed oil. Furthermore, the ancient Greeks had a well-defined tax system where taxes like; sales taxes, inheritance taxes, land taxes, poll taxes, and taxes on imports and exports were imposed on citizens to pay for wartime expenditures (Ramadhan et al., 2023).

In Africa, the history of taxation can be traced in times of the initial British colonial administrators which involved compulsory public works such as road construction, the building of administrative headquarters and schools among other works. The hut tax opened the genesis of formal taxation in the early 1900s. Conversely, the first common tariff was introduced that involved a 5% import tax rate for the goods going to Uganda via the port of Mombasa, Kenya (Brian & Jacob, 2023).

Taxation in Uganda has been also influenced by World Bank policies with the aim of nurturing economic growth and development (Tasha et al., 2023a). The Uganda government has transformed a number of tax policies to foster the growth of small and medium enterprises through harmonization of tax rates and formulating new tax incentives among others to avoid double taxation and tax evasion. However, with all these tax reforms Uganda still does not have well known clear national taxation policy for the small and medium enterprises. The recent taxation policy only focuses on the legal requirements surrounding the administration of the tax regime instead of yielding strategies to foster the performance of Small businesses in Uganda (Julius, 2024b).

According to the Ministry of Finance, Planning and Economic Development, (MFPED), describes Small and Medium Enterprises as an enterprise employing between 5 and 50 people, with an annual sales/revenue turnover total asset of up to Uganda Shillings (USH.) 360 million, and a 'Medium Enterprise' as an enterprise that employs more than 50 people with an annual sales turnover or assets of between (USH.) 360 million and 30 billion (Alex & Moses, 2024).

Small businesses account for about 90% of the private sector production which has greatly supported the economy in Uganda. The Small businesses have supported the economy through creating new jobs, income generation among others. However, Small businesses are facing challenges ranging from limited size and resources which have affected their operations (Benard, 2023). This is currently being mitigated through; provision of Business Development Services (BDS) to build capacity and enhance their

performance in areas of business planning, technology, communications and other services (Uganda Investment Authority, 2018). Over 80% of the Small businesses in Uganda are established in urban areas, and thus, this study contextually examined Small businesses in Wakiso District located in Central Uganda.

Statement of the problem

Wakiso district town council is a hub for small businesses and accounts for over 75% of the over 20,000 businesses which operate within the district (Alex & Kazaara, 2023). Businesses in Uganda pay different types of taxes ranging from customs duty, excise duty, value added tax, corporation tax, and stamp duty tax among others. These taxes are the main source of revenue for government services and administration. These taxes have been assumed to have a negative effect on the performance of businesses. Coupled with the poor taxation policies and high rates levied, businesses still struggle to remain alive for more than five years (Winny, Kazaara, et al., 2023).

However, through its efforts to promote the small and medium businesses, government enacted a tax policy to support and promote the performance of small businesses. This tax policy focused on harmonizing tax rates and establishing new tax incentives to promote the small businesses (Turyatemba et al., 2022). With the taxes levied, the government is able to provide social services like roads, street lights, security, drainage channels etc, in the city. Taxes also enable government to construct public infrastructure, support healthcare, public insurance and public education (Kamleitner et al., 2012)

Despite the efforts by the government of Uganda to enhance the growth and performance of small businesses, it is believed widely that taxation still remains a major obstacle to this effort because taxes continue to affect the performance of small businesses (Ntirandekura et al., 2022). Taxes reduce on the profits of small businesses, by increasing the operating costs, thus crippling the survival of businesses. Taxes are also a disincentive to hard work, inconveniencing and unpopular among small businesses. This explains why most small businesses in Uganda do not survive past their fifth-year birthday after inauguration which shows poor performance in the SB sector (Moses, 2022). Therefore the researcher carried out a study to examine the relationship between taxation and the development of small businesses in Wakiso district.

Specific objectives of the study

1. To examine the relationship between tax compliance and the business development of Small businesses in Wakiso district.
2. To assess the relationship between tax rates and the business development of Small businesses in Wakiso district.
3. To analyze the relationship between tax incentives and the business development of Small businesses in Wakiso district.

Methodology

This study adopted a design is also known as cross-sectional analysis. Although cross sectional research does not involve conducting experiments, researchers often use it to understand outcomes in the physical and social sciences and many business industries (Rasheed et al., 2022). Mugenda and Mugenda (2014) and also give the reason for cross sectional research as reporting and determining the state in which things are (Olanrewaju & Abiodun, 2021). The research was suited within the provisions of cross-sectional research design because the researcher gathered data and report the state in which things are without changing any variables (Maiga et al., 2021). The study population concentrated on Managers and employees of Small businesses in Wakiso District. The study area was limited to this one SB in Wakiso district since the majority of the Small businesses are established in urban areas. The study considered an accessible population of 65 small businesses. Based on the (Alex & Kazaara, 2023) sampling table the researcher selected a sample size of 50 respondents from a population of 65 registered employees with the help of purposive sampling (Alex & Kazaara, 2023). The study employed probability sampling technique known as simple random sampling. The researcher used the simple random sampling in order to minimize the possibility of researcher bias since the research is focused on the entire SB population (Turyatemba et al., 2022). Employees employed in Small businesses in Wakiso District was eligible to participate in the study. Purposive sampling was conducted for the owners and top management staff within the district town council (Benard, 2023).

Both quantitative and qualitative methods of data collection was employed during the study. The questionnaire survey method was used to pool quantitative statistics, while the interview and documentary review method was employed to gather qualitative information (Nafiu et al., 2012). The researcher chose a data collection method that was better suited the intended purposes. The questionnaire survey method is a set of questions used to obtain information from a large group of people in a given study (Nafiu & Ph, 2012).The questionnaire is an effective method of data collection due to the following advantages: it is standardized since the same wording is used each time it's administered; it ensures confidentiality through use of a coding system. Thus, it can cover embarrassing, socially undesirable or illegal topics; it is cheaper to administer among others (Nafiu et al., 2017). The method was used to collect data from middle-level staff and other lower level staff within the SB because they are directly involved in the operations of the organization. Self-Administered Questionnaires (SAQ) was employed to gather data from the study elements in a structured manner (Anwar et al., 2022). SAQs with one open ended question per section was designed for SB employees to give additional or express their mind while the rest was close ended aimed at testing perception using a five-point like scale measuring from Strongly Disagree as response 1, Disagree as response 2, Not sure as response 3 Agree as response 4 and Strongly Agree as response 5 for easy measurements of variables (Nafiu et al., 2012).

This is the process of bringing order, structure, and meaning to the mass of raw information gathered for purposes of getting a feel for reliability and testing the research questions (Jallow et al., 2021). Initially, data was entered into MS Excel computer program for cleaning. The data was also imported to SPSS version 23 statistical software for investigation (Nelson et al., 2022). Data was

analyzed by reporting of summary results in numerical terms and was presented using a percentage distribution technique but maintaining a specified degree of confidence (Anwar et al., 2022). Closed-ended questions were recorded and then the answers to each question were checked by the respondent as deemed suitable.

RESULTS

Table 1: Responses on tax compliance

Item	Mean	Std. Deviation
Simplified system of taxation		
I understand the Ugandan tax system	2.32	.766
I can compute the income tax liability of our business with ease	2.31	.684
I always attend taxation seminars and workshops on behalf of the business to update myself on the tax system	4.31	.667
Payment of levies is straight forward hence the business does not hire professional consultancy services	2.35	.950
Interpretation of tax laws and regulations		
I am aware of most tax laws and guidelines about taxation of incomes for Small businesses	4.44	.641
I understand the tax laws and regulations in Uganda	2.24	.711
I can interpret tax laws and compute tax liabilities	2.45	.710
I always file tax returns with URA on a timely basis as requires by law	4.34	.856
Tax planning and functional expertise		
I know how to treat the expenses incurred in relation to income tax in Uganda.	4.19	.856
I always advise management on income tax planning issues	4.02	.857
I am sure of the incomes /turnover on which we pay income taxes as a firm	4.15	.766
I am always part of the team that carries out budgeting process of my employer Especially on income tax matters	4.24	.643

Source: Primary data, 2023

Table 1 above highlights that the majority of the respondents within the SB sector cannot understand the Ugandan tax system as indicated by the average score of 2.32 (SD = 0.766). This means that these respondents cannot interpret what the various tax laws stipulate and the other tax compliance requirements (Christopher & Turyasingura, 2024). Most of the respondents revealed that they could not compute the income tax liability of their businesses with ease. This is confirmed by the mean score of 2.31 (SD =0.684) which shows that the majority of the respondents need assistance to understand how much to pay when to pay according to the size and capital of their businesses. A bigger proportion of the respondents agreed that they always attend taxation seminars and workshops on behalf of their business to update themselves with the tax system as noted by the mean 4.31 (SD = 0.667). The above findings were supported by a respondent during face to face interviews who reported that;

"URA through the umbrella body KACITA engages the traders to ease provision of tax payer services, which include tax advice and intensive taxpayer education (seminars/workshops) on the rights and obligations of tax payers in the designated blocks are among the benefits to taxpayers. For example, we able to learn how to avoid making mistakes which could result in penalties which are avoidable. This is because taxes are costly to businesses; therefore, managing penalties would significantly reduce business costs."

This means that the traders and other employees within the SB sector have attended taxation seminars and workshops which has improved their knowledge of tax policies and also enabled them to avoid tax penalties associated with tax evasion. This has reduced the tax compliance costs for the Small businesses and thus boosted their performance (Julius, 2024b).

The payment of levies is not straightforward hence the business has to hire professional consultancy services. This was confirmed by the majority of the respondents (mean = 2.35; SD =0.950) who revealed that they usually hire someone to file their tax returns for them.

In addition, most of the respondents agreed (mean = 4.44; SD = 0.641) that they are aware of most tax laws and guidelines about taxation of incomes for Small businesses. This means that the majority of the respondents can comprehend their tax acquiescence as noted by tax authorities (Julius, 2024a).

This implies that the respondents have received tax education through seminars which have improved their awareness concerning tax laws, tax planning and compliance for small and medium businesses. This has also enabled them to know their rights and obligations of their businesses regarding taxes.

The study findings revealed that members of the small and medium enterprises could not understand the tax laws and regulations in Uganda which is represented by the mean score of 2.24 and standard deviation of 0.711. Furthermore, most of the respondents disagreed (mean =2.45; SD = 0.710) that they can interpret tax laws and compute tax liabilities. This shows that the majority of the respondents do not have sufficient tax knowledge regarding the when to pay taxes and in what proportions. On whether the small and medium enterprises always file tax returns with URA on a timely basis as required by law, the majority of the respondents mean = 4.34; SD = 0.856) agreed that they always file their tax returns on time. The study findings further revealed that most of the respondents know how to treat the expenses incurred in relation to income tax in Uganda which was confirmed by a high average score of 4.19and standard deviation of 0.856.

Effect of tax rates on the performance of Small businesses in Wakiso District

Table 2: Responses on tax incentives

Statement	Mean	Std. Deviation
Clarity of tax rates		
The tax rates charged are clear in terms of payable taxes.	2.09	.675
There are diverse taxes imposed on small and medium enterprises,	3.73	.502
The government either increases or decreases tax rate at its own discretion	4.56	.388
Correct level of taxation		
The taxes charged are burdensome to the business	4.48	.410
Small businesses pay taxes when it is convenient for them to pay	2.11	.973
Taxes are only charged when the business is operating. Hence allows for momentary closures of business	2.46	.5580
SB tax rates consider the scale of operation	4.35	.744
Fair taxation rates		
The tax rates charged are fair to small and medium business owners	2.72	.965
The regressive nature of taxes on SB reduces their revenue base	4.77	.949

The tax rates charged are economical to Small businesses	2.36	.756
Small businesses have information on how much tax when to pay tax, where to pay and mode of tax payment	3.20	.392

Source: Primary data

Table 2 above indicates that for a total of 377 respondents with an average score of 2.09 and a relatively low standard deviation (0.675), most of the respondents disagreed that the tax rates charged are clear in terms of payable taxes. This means that respondents in the SB world are not aware of how much to pay to the tax bodies.

There are diverse taxes imposed on small and medium enterprises, which was confirmed by the majority of the respondents (mean = 3.73; SD = 0.502) who agreed that their business pays different taxes depending on the nature and size of business (Winny, Ariyo, et al., 2023).

Most of the respondents agreed (mean = 4.56; SD = 0.388) that the government either increases or decreases tax rate at its own discretion. This means that the government of Uganda can always increase or decrease a tax rate without consulting the parties that was paying the tax. In addition, this is supported by qualitative data collected from key informant interviews, as one informant had this to say;

"Despite the contestations from traders, the government has continued to increase tax rates for instance with a tax increase as a result of the introduction of the specific excise tax alternative; there has been an increase in the prices of goods and services making it more expensive for the customers."

This means that the government of Uganda has continued to alter tax rates for the small and medium businesses without involving those in the small businesses sector which has negatively influenced the performance of their businesses due to the increased tax burden on the Small businesses.

A bigger proportion of respondents agreed that the taxes charged are burdensome to their businesses as shown by the mean score 4.48; (SD = 0.410). This means that the taxes levied from the Small businesses are inhibiting growth and performance of these enterprises in Uganda (Nicholas & Alex, 2024). The above conclusion was supported by an SB proprietor who had this to say;

"Many small businesses have continued to evade taxes because they are high and imposes high costs on their businesses yet most of these enterprises are struggling to keep operating for instance; some traders evade VAT returns since out there on the streets, the one who is selling at lower prices will eventually make a sale. VAT is 18% addition to the price being paid; this means that if one has to pay all VAT without having considered deductions, this trader was selling expensive goods and sooner than later was out of business."

In addition, another respondent stressed that; *"....multiple taxations of the same business is a big problem and an obstacle to the performance of businesses, for example, a trader in his/her retail shop pays income tax to URA and pays import duty whenever he/she imports small merchandise in association with fellow traders. After all this it is Kampala's turn, it comes in, and requests for license fees and then the syndrome continues.... "*

This shows that taxes are not only an obstacle to the performance of Small businesses in Uganda but have also contributed to the collapse of small and medium businesses due to the ever increasing costs of operation associated with taxes which has discouraged performance within the SB sector.

On whether Small businesses pay taxes when it is convenient for them to pay, most of the respondents disagreed as noted by the mean = 2.11; SD = 0.973. This indicates that the tax bodies always require these enterprises to meet their tax obligations regularly and on time.

The majority of the respondents disagreed that taxes are only charged when the business is operating and hence allows for momentary closures of business. This was confirmed according to the low mean score of 2.46 (SD = 0.558). The findings further revealed that most of the respondents (mean = 4.35; SD = 0.744) agreed that the SB tax rates consider the scale of operation. This means that taxes are levied from Small businesses depending on their capital size and nature of the business (Winny, Ariyo, et al., 2023).

On whether the tax rates charged are fair to small and medium business owners, most of the respondents disagreed (mean = 2.72; SD = 0.965) which shows that the taxes rates charged from the Small businesses are irrational and thus affect the performance of these enterprises. On average, the majority of the respondents agreed (mean = 4.77; SD = 0.949) that the regressive nature of taxes on Small businesses reduces their revenue base. In addition, most of the respondents also disagreed that the tax rates charged are economical to Small businesses as noted by the mean score of 2.36and standard deviation of 0.756. This means that the taxes levied from the small and medium enterprises are reducing the capital base of these enterprises and thus hindering the performance of Small businesses (Alex & Kazaara, 2023).

The study findings highlighted that most respondents were neutral on whether the Small businesses have information on how much tax when to pay tax, where to pay and mode of tax payment which was confirmed by the mean score of 3.20 and standard deviation of 0.392.

To assess the effect of tax incentives on the performance of Small businesses in Wakiso District.

Table 3: Responses on tax incentives

Item	Mean	Std. Deviation
Investment deductions and allowances		
Tax incentives for Small businesses have lowered the operational costs associated with payment of taxes for small and medium enterprises	4.39	0.867
Tax incentives, investments, and performance of Small businesses are closely linked.	4.53	0.641
Tax incentives have attracted private investors to the SB sector	4.33	0.795
Tax holidays		
The government has given special tax treatment to Small businesses in the form of tax holidays	3.87	0.878
Tax holidays have helped my business to grow and expand.	3.68	0.929
Tax incentives have stimulated the growth and expansion of Small businesses in Uganda.	4.41	0.726
Special tax regimes		
Tax incentives have encouraged a reasonable number of traders in the SB sector to continue operating	3.94	0.392
The special tax regimes for Small businesses have reduced the operations of the small businesses in the informal sector.	3.79	0.356
Special tax treatment for Small businesses has corrected market imperfections in the country.	3.08	1.364
Tax incentives have protected the infant small and medium enterprises in Uganda	2.47	0.904

Source: Primary data, 2023

The study findings revealed that the majority of the respondents agreed (mean = 4.39; SD =0.867) that tax incentives for Small businesses have lowered the operational costs associated with the payment of taxes for small and medium enterprises. Tax incentives, investments, and performance of Small businesses are closely linked. This was confirmed by most of the respondents as highlighted by the means core of 4.53and standard deviation of 0.641. The majority of the respondents (mean = 4.33; SD = 0.795) agreed that tax incentives had attracted private investors to the SB sector. This means that the tax incentives have increased investment in the SB sector and thus improved the performance of Small and medium enterprises (Ntirandekura et al., 2022). The above findings were corroborated by an interviewee who said;

"My business has benefitted from tax exemption of With Holding Tax and we have a tax exemption certificate issued to the business from URA. This is because my business has demonstrated a good track record of paying the taxes on time. This has reduced the tax burden on the business and enabled me to reinvest and expand the business."

This implies that tax incentives like withholding tax exemption have had a positive contribution towards that performance of Small businesses through reducing the tax burden on businesses which has stimulated performance in the SB sector.

On whether the government has given special tax treatment to Small businesses in the form of tax holidays, most of the respondents agreed as represented by the mean score of 3.87 and a relatively low standard deviation (0.878). This implies that the tax holidays accorded to the Small businesses have reduced the tax burden and boosted performance in these enterprises.

A bigger proportion of respondents agreed that tax holidays have helped my business to grow and expand as shown by mean = 3.68 and standard deviation = 0.929. In addition, tax incentives have stimulated the growth and expansion of Small businesses in Uganda which was established by the majority of the respondents according to the mean = 4.41 and SD = 0.726. This means that tax incentives are a prerequisite to improved performance of small and medium enterprises. This was confirmed during a personal interview with a key informant, who had this to say;

"This company would not have survived in these hard times if it were not for the tax holiday that we are benefiting from the government. This tax holiday has reduced our operating costs and enabled us to break-even during these hard times when business is slow."

This implies that the survival of some Small businesses has been as a result of tax incentives which have reduced the operational costs and enabled the small and medium enterprises to continue operating and thus enhanced the performance of Small businesses (Julius, 2024b).

The findings also indicated that most of the respondents (mean = 3.94; SD = 0.392) agreed that tax incentives had encouraged a reasonable number of traders in the SB sector to continue operating. Likewise, the special tax regimes for Small businesses have reduced the operations of the small businesses in the informal sector. This was established by most of the respondents with an average score of 3.79 (SD = 0.356). On whether special tax treatment for Small businesses has corrected market imperfections in the country, the majority of the respondents were neutral as indicated by the mean score = 3.08 (SD = 1.364). Similarly, most of the respondents are disagreed on whether tax incentives have protected the infant small and medium enterprises in Uganda, this was revealed by the mean score of 2.47 and standard deviation of 0.904.

Regression analysis of the study variables

Table 4: Regression analysis of the study variables

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	.627	.269		2.329	.023
Tax incentives	.459	.094	.543	4.911	.000
Tax rates	.311	.108	.331	2.889	.005
Tax compliance	.171	.086	.206	2.014	.031
R= .827	**R-square =.684**	**F=34.574**	**Sig =.000**		

Dependent Variable: Performance of Small businesses
Source: Primary data, 2023

Table 4 above shows the components of taxation, i.e. tax compliance, tax rates and tax incentives which significantly predict the performance of Small businesses since the p – value (.000) is less than the significance level. The correlation coefficient (.827) revealed that the study variables had a strong positive relationship with the performance of Small businesses. Thus the study variables explain 68.4% of the performance of Small businesses in Wakiso District, Uganda. The findings further revealed that tax incentives (Beta= .459, Sig. < .000) was a better predictor of the performance of SB's and this was followed by tax rates (Beta = .311, Sig. < .005), and lastly tax compliance with (Beta=.171, Sig.<.031) (Nelson et al., 2023).

Conclusions

Tax compliance and the performance of Small businesses

According to study findings, it was concluded that; "the simplified system of taxation, tax planning and functional expertise, interpretation of tax laws and regulations play a fundamental role in enhancing the performance of Small businesses." This implies that strengthening the system of taxation through a simplified system of taxation can support Small Businesses tax payers to meet their tax duties and thus reduce the burden of tax compliance within Small businesses. Therefore, a streamlined tax administration strategy is important in enhancing the performance of Small businesses.

Tax rates and the performance of Small businesses

Based on the findings, the researcher concluded that having a correct level of tax rates, ensuring clarity of tax rates and fair tax rates are essential for the growth and performance of Small businesses. This implies that there is need to design an effective tax rate through lowering the tax rates and offering tax reliefs to small and medium businesses which will reduce the cost of running a business within these enterprises and thus enhance the performance of Small businesses in Uganda.

Tax incentives and the performance of Small businesses

From the study findings, the researcher further concluded that the performance of Small businesses depends on the tax incentives in the form of investment deductions and allowances, tax holidays and special tax regimes according to the small and medium businesses. This implies that tax incentives are key in reducing the operational costs associated with the payment of taxes for Small businesses by lowering the tax compliance burden inflicted on the Small businesses. Therefore, efforts to stimulate the performance of Small businesses in Uganda, require that tax incentives should be intensified to encourage the growth and expansion of Small businesses in Uganda.

Recommendations of the study

The study recommends the following:

Tax compliance and the performance of Small businesses

During the study, it was found out that in order to promote the performance of Small businesses in Similarly, the findings from interviews indicated that as a result of tax incentives, businesses have benefitted from tax exemption like With Holding Tax exemption and issued with a tax exemption certificate from URA since such businesses have demonstrated a good track record of paying the taxes on time. This has reduced the tax burden on these businesses and enabled them to reinvest and expand their businesses. Thus, fueling the prosperity and performance of Small businesses in Uganda.

References

Alex, I., & Kazaara, A. G. (2023). *Internal Controls and Financial Performance of Saccos in Wakiso District*. 7(3), 47–56.

Alex, I., & Moses, N. (2024). *Interest Rates and its Impact on Stock Prices among Small Scale Enterprises : An Empirical Evidence of Kampala District*. 8(4), 43–46.

Anwar, S. M., Komal, S., Cheema, A. N., Abiodun, N. L., Rasheed, Z., & Khan, M. (2022). *Efficient Control Charting Scheme for the Process Location with Application in Automobile Industry*. 2022.

Benard, S. (2023). THE EFFECT OF PRODUCT QUALITY ON COMPETITIVENESS OF SMALL MEDIUM-SIZED ENTERPRISES (SMES) IN WESTERN UGANDA; REFLECTION ON IGARA TEA FACTORY, IN BUSHENYI DISTRICT. In *METROPOLITAN JOURNAL OF BUSINESS & ECONOMICS (MJBE* (Vol. 2, Issue 6).

Brian, W., & Jacob, K. (2023). *Impact of Tax Education on The Public Sector - A Case Study of Lwakhakha Town Council , Namisindwa District Local Government*. 7(4), 176–184.

Christopher, T., & Turyasingura, B. (2024). *Adoption of Digital Revolution in Government Ministries , Departments , and Agencies (MDAs) In Uganda ; Reflection on Uganda Revenue Authority Digital Strategy Integration Approach towards Enhanced Tax Revenue in Post Covid-19 Pandemic*. 8(4), 235–247.

Jallow, M. A., Weke, P., Nafiu, L. A., & Ogutu, C. (2021). *APPLICATION OF A DISCRETE-TIME SEMI-MARKOV MODEL TO THE STOCHASTIC FORECASTING OF CAPITAL ASSETS AS STOCK Department of Mathematics School of Mathematics University of Nairobi Department of Mathematics and Statistics*. 63(1), 1–18.

Julius, A. (2024a). *Foreign Direct Investment and its impact on Uganda ' s Gross domestic product . An Empirical Evidence of Wakiso District*. 8(4), 97–101.

Julius, A. (2024b). *Inventory Management Strategy and its Impact on Production Efficiency : An Empirical Evidence of Mukwano Manufacturing Industries*. 8(4), 96–99.

Kamleitner, B., Korunka, C., & Kirchler, E. (2012). Tax compliance of small business owners: A review. *International Journal of Entrepreneurial Behaviour and Research*, 18(3), 330–351. https://doi.org/10.1108/13552551211227710

Maiga, I. H., Abiodun, N. L., & Mageto, T. (2021). *Analyzing the Effects of Flexible Exchange Rate Regime on the Malian Economy Using a Dynamic Stochastic General Equilibrium Model*. 67(12), 9–20. https://doi.org/10.14445/22315373/IJMTT-V67I12P502

Moses, N. (2022). *Delegation of Responsibilities and Teachers ' Performance in Selected Secondary Schools in Kabale Municipality*. June.

Nafiu, L. A., Oshungade, I. O., & Adewara, A. A. (2012). *Alternative Estimation Method for a Three-Stage Cluster Sampling in Finite Population*. 2(6), 199–205. https://doi.org/10.5923/j.ajms.20120206.06

Nafiu, L. A., & Ph, D. (2012). *Comparison of One-Stage , Two-Stage , and Three-Stage Estimators Using Finite Population . 13*(2), 166–171.

Nafiu, L. A., Ph, D., Ibitayo, L. D., Ph, D., Muyombya, S. M., & Sc, M. (2017). *On Empirical Power of Univariate Normality Tests under Symmetric , Asymmetric , and Scaled Distributions . 18*(1), 90–96.

Nelson, K., Christopher, F., & Milton, N. (2022). *Teach Yourself Spss and Stata*. *6*(7), 84–122.

Nelson, K., Kazaara, A. G., & Kazaara, A. I. (2023). *Teach Yourself E-Views*. *7*(3), 124–145.

Nicholas, K., & Alex, I. (2024). *Electronic Banking and its Impact on Financial Performance : An Empirical Evidence of Centenary Bank*. *8*(4), 38–42.

Ntirandekura, M., Ainebyoona, A., Registrar, D., District, B., & Commission, E. (2022). *HUMAN RESOURCE MANAGEMENT STRATEGIES AND ENHANCEMENT OF STAFF RETENTION IN PUBLIC SECTOR ORGANISATIONS : AN EMPIRICAL INVESTIGATION IN KABALE*. *6*(7), 89–103.

Olanrewaju, R. O., & Abiodun, N. L. (2021). *Stochastic Modelling of the Dynamics of the SARS-CoV-2 Epidemic : An Africa Perspective*. *11*(2), 41–48. https://doi.org/10.5923/j.ajms.20211102.03

Ramadhan, B., Alex, I., Kazaara, A. G., Nelson, K., Deus, T., & Pascal, T. (2023). *Taxation and the Development of Small Businesses in Uganda , a Case Study of Iganga District*. *7*(2), 136–149.

Rasheed, Z., Khan, M., Abiodun, N. L., Anwar, S. M., Khalaf, G., & Abbasi, S. A. (2022). *Improved Nonparametric Control Chart Based on Ranked Set Sampling with Application of Chemical Data Modelling*. *2022*.

Ronald, K., Kazaara, A. G., Ismail, L., & Micheal, T. (2023). The Impact Of Privately Owned Enterprises On The Economic Development Of Communities In Uganda. A Case Study Of Masaka City. In *International Journal of Academic Pedagogical Research* (Vol. 7). www.ijeais.org/ijapr

Tasha, N. A., Kazaara, A. G., Deus, T., Ismail, L., & Micheal, T. (2023a). *The Impact of Taxation on Small Scale Businesses on Performance of Small-Scale Businesses in Namungoona Parish , Kampala Uganda . A Case Study of Namungoona Parish*. *7*(3), 174–182.

Tasha, N. A., Kazaara, A. G., Deus, T., Ismail, L., & Micheal, T. (2023b). *The Impact Of Taxation On Small Scale Businesses On Performance Of Small Scale Businesses In Namungoona Parish , Kampala Uganda*. *7*(3), 17–26.

Turyatemba, C., Nelson, K., Prudence, K., & Ntirandekura, M. (2022). *The Effect of Product Quality on Competitiveness of Small Medium-Sized Enterprises (SMES) In South Western Uganda ; Reflection on Kayonza Growers Tea Factory , In Kanungu District* . *6*(12), 152–159.

Winny, N. D., Ariyo, D., Kazaara, G., Kazaara, A. I., & Deus, T. (2023). Effect Of Motivation On Employee Performance In Non-Government Organizations (NGOS): A Case Of Mbale City. In *International Journal of Academic Multidisciplinary Research* (Vol. 7). www.ijeais.org/ijamr

Winny, N. D., Kazaara, A. G., Kazaara, A. I., & Deus, T. (2023). *Effect Of Motivation On Employee Performance In Non-Government Organizations (NGOS): A Case Of Mbale City*. *7*(3), 67–71.