

When IRAS Fails the Test: The Pros and Cons of Local Government Tax Collection in Uganda

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ABSTRACT: Local government tax collection in Uganda has emerged as a critical but contested frontier in fiscal decentralisation, particularly following the partial devolution of revenue administration responsibilities to Kampala Capital City Authority (KCCA) and the concurrent deployment of the Integrated Revenue Administration System (IRAS). This study investigated the performance, limitations, and stakeholder perceptions of local government tax collection in Uganda's five Kampala divisions — Central, Nakawa, Makindye, Rubaga, and Kawempe — over the period 2018 to 2022. Employing a concurrent mixed-methods design, the study combined panel data regression with thematic analysis of 62 key informant interviews and 14 focus group discussions. Quantitative findings, derived from logistic regression and fixed-effects panel models, revealed that awareness of tax laws ($\beta = 1.842, p < 0.001$), perceived service quality ($\beta = 1.615, p < 0.001$), and trust in local government ($\beta = 1.538, p < 0.001$) were the strongest predictors of tax compliance, while IRAS system familiarity registered the lowest significant coefficient ($\beta = 0.755, p = 0.003$), pointing to persistent accessibility and literacy barriers. Collection rates across divisions averaged between 55.2% and 84.5%, with Makindye and Kawempe recording the worst performance and highest resistance indices, particularly in 2020. Panel fixed-effects estimates confirmed a robust positive association between tax revenue and all major service delivery indicators, with road maintenance ($\beta = 0.412, p < 0.001$) and solid waste collection ($\beta = 0.388, p < 0.001$) demonstrating the strongest sensitivity to fiscal flows. Thematic analysis identified eight dominant resistance narratives, the most prevalent being perceived service failure ($n = 62$), distrust in revenue utilisation ($n = 58$), and IRAS complexity ($n = 49$). The study concluded that IRAS, while conceptually sound, has underperformed due to systemic capacity deficits, infrastructure barriers, and a breakdown in the social compact between taxpayers and local government. Recommendations target system redesign for informal sector inclusion, strengthened accountability mechanisms, and community-based fiscal education campaigns.

Key Words: Local Government and Tax Collection

INTRODUCTION

The fiscal architecture of Uganda's decentralised governance system rests on the capacity of local governments to mobilise revenue from their jurisdictions, fund public services, and sustain citizen trust in the state. Yet for Kampala's estimated 3.5 million residents and over 80,000 registered businesses, the promise of a functional local revenue system has remained stubbornly elusive. The Integrated Revenue Administration System (IRAS), introduced as Uganda Revenue Authority's (URA's) flagship digital platform for managing domestic revenue collection, was extended to Kampala Capital City Authority (KCCA) as part of a broader e-government modernisation agenda (Desnia & Widyana Dewi, 2025; Werth et al., 2023). The platform was designed to consolidate property rates, trading licences, ground rent, and local service taxes into a unified digital interface, thereby reducing leakages, eliminating manual bottlenecks, and improving taxpayer experience. In practice, however, IRAS has encountered significant structural and socio-political headwinds that have constrained its transformative potential. Collection rates in outer divisions such as Makindye and Kawempe have persistently fallen below 65%, while tax resistance — documented in both individual and collective forms — has intensified in communities that perceive a widening gap between what they pay and what they receive in return (Flach et al., 2021; Osuman & Julius, 2023; Stok et al., 2018). This study was motivated by the urgent need to examine what IRAS has delivered against what it was designed to achieve, and to understand the institutional, behavioural, and structural factors that mediate the relationship between digital revenue administration, local government performance, and citizen compliance in Uganda's urban context (Audrey & Julius, 2023; Fred et al., 2023; Gkinko & Elbanna, 2023). The study contributes to a growing body of literature on fiscal decentralisation in sub-Saharan Africa, while generating actionable evidence for KCCA administrators, URA, and development partners working at the intersection of governance reform and local finance.

BACKGROUND OF THE STUDY

Uganda's journey toward fiscal decentralisation formally began with the Local Governments Act (Cap. 243) of 1997, which vested district and urban authorities with powers to levy and collect a range of local revenues including property rates, market dues, licences, and user fees (Ariyo et al., 2024; Nicholas et al., 2024; Tumusiime Brenda, 2024). The subsequent abolition of the Graduated Tax in 2005, however, effectively dismantled the most productive source of local revenue and left urban councils — particularly KCCA, which was formally established under the Kampala Capital City Authority Act of 2010 — heavily dependent on central government transfers and a narrowing base of commercial and property taxes (Carsamer & Abbam, 2023; Ochen & Lakuma, 2024; Rose & Enock, 2023). The introduction of IRAS was framed as a corrective intervention, promising to digitise the revenue chain, reduce human-mediated corruption, and generate real-time compliance data for evidence-based administration (Dinesh V B S Yakkala & Mr. Bipul Kumar, 2025; Kamanzi & Neema-Abooki, 2025; Nelson et al., 2024). IRAS was piloted in KCCA in 2017 and progressively rolled out across the five administrative divisions. Internationally, integrated revenue systems have demonstrated

mixed records in developing countries: the Kenya Revenue Authority's iTax system and Tanzania's Tax Revenue Appeals Board both yielded measurable efficiency gains, but only after sustained investments in taxpayer education, broadband infrastructure, and staff training — conditions that were only partially replicated in Kampala (Alex et al., 2024; Ramadhan et al., 2023; Zeng & Zhao, 2023). Scholars including Prichard (2015), Fjeldstad and Moore (2008), and Kangave et al. (2018) have documented that the legitimacy of local tax systems in Africa is deeply tied not merely to the technical quality of the collection mechanism, but to citizen perceptions of government responsiveness, service reciprocity, and procedural fairness. This social contract perspective is particularly salient in Kampala's informal settlements, where traders, landlords, and service providers frequently resist taxation on the grounds that visible public goods — roads, drainage, waste management — remain degraded or absent (Fu & Tang, 2022; Paskal & Andrew, 2023; Robert et al., 2023). The current study was therefore situated within a rich contextual and theoretical tradition that links fiscal capacity, state legitimacy, and the governance of everyday urban life.

PROBLEM STATEMENT

Despite the deployment of IRAS as a technologically advanced revenue administration platform, KCCA's five divisions continued to register chronic shortfalls between revenue targets and actual collections throughout the period 2018 to 2022 (Aris et al., 2025; Jane et al., 2023). Official KCCA budget performance reports indicated that collection rates in divisions such as Makindye, Rubaga, and Kawempe consistently fell between 55% and 68%, implying that over a third of anticipated revenue was lost annually to non-compliance, system failures, or evasion (Brian & Jacob, 2023; Jacob & Sarah, 2023; Mpofu & Mhlanga, 2022; Wasswa et al., 2023). Simultaneously, community-level grievances regarding deteriorating service delivery — unrepaired roads, irregular garbage collection, dysfunctional market infrastructure — intensified, forming a feedback loop of low trust, reduced willingness to pay, and further fiscal contraction. The problem was compounded by the institutional ambiguity surrounding the respective tax collection roles of KCCA and URA-operated IRAS, which created confusion among ratepayers and enabled some non-compliers to fall between jurisdictional cracks without sanction. Prior research on KCCA fiscal management (Gibson et al., 2023; Msoni & Mahlangu, 2025; Omodero & Ekundayo, 2025) identified structural constraints, but focused predominantly on resource allocation rather than the compliance-side behavioural and systemic dynamics. There was therefore a significant evidence gap regarding the specific determinants of tax compliance failure, the concrete pathways through which revenue shortfalls translate into service delivery deficits, and the nature and prevalence of community-level tax resistance in Kampala's divisions. This study was designed to address that gap comprehensively.

OBJECTIVES OF THE STUDY

Main Objective

The main objective of this study was to examine the performance of local government tax collection systems, with particular focus on the Integrated Revenue Administration System (IRAS), and to evaluate its implications for service delivery and tax resistance in Kampala's five administrative divisions.

Specific Objectives

1. To assess the trends in tax collection performance and revenue shortfalls across Kampala's five administrative divisions from 2018 to 2022.
2. To determine the key predictors of tax compliance and non-compliance among taxpayers in Kampala, with emphasis on the role of IRAS system-related factors.
3. To examine the relationship between local government tax revenue and service delivery outcomes, and to identify the dominant themes of tax resistance in Kampala's urban communities.

RESEARCH QUESTIONS

1. What are the trends in tax collection performance — including collection rates and resistance indices — across Kampala's five administrative divisions over the period 2018 to 2022?
2. What are the strongest determinants of tax compliance among KCCA taxpayers, and to what extent does familiarity with the IRAS platform predict compliance behaviour?
3. What is the magnitude of association between local tax revenue and service delivery outcomes, and what narratives of tax resistance are most salient among Kampala's urban communities?

METHODOLOGY

This study adopted a concurrent mixed-methods research design, integrating both quantitative and qualitative strands to generate a comprehensive understanding of local government tax collection dynamics in Kampala's five administrative divisions. On the quantitative side, a structured panel dataset was constructed covering the fiscal years 2018 to 2022, comprising 125 division-year observations drawn from KCCA revenue performance reports, the Uganda Bureau of Statistics (UBOS) urban indicators database, and IRAS administrative records, with data harmonised and cleaned in Stata 18. Tax collection performance was operationalised using three measures: total revenue collected in billions of Uganda shillings, the collection rate as a proportion of the annual revenue target, and a composite resistance index derived from appeals, non-payment frequencies, and community grievance records. A logistic regression model was estimated to identify the determinants of individual-level tax compliance, using a binary dependent

variable (1 = compliant, 0 = non-compliant) derived from 812 taxpayer survey records collected through systematic random sampling from KCCA's taxpayer registry in each division; multicollinearity was assessed via variance inflation factors (all VIF < 3.0) and model fit evaluated through the Hosmer-Lemeshow test ($\chi^2 = 7.42$, $p = 0.49$, indicating adequate fit). A panel fixed-effects regression model was estimated to assess the relationship between tax revenue and service delivery outcomes, with both division and year fixed effects included to control for time-invariant unobserved heterogeneity and common temporal shocks; robust standard errors were applied to account for heteroskedasticity and within-group serial correlation (Nelson et al., 2022, 2023). On the qualitative side, 62 semi-structured key informant interviews (KIIs) were conducted with KCCA revenue officers, division administrators, market leaders, property owners, and traders, complemented by 14 focus group discussions (FGDs) involving between 6 and 10 community members each, stratified by division and economic sector. All qualitative data were digitally recorded with participant consent, transcribed verbatim, and analysed in NVivo 14 using a six-phase thematic analysis framework adapted from Braun and Clarke (2006), wherein codes were inductively developed from the data and progressively organised into eight higher-order themes reflecting dominant narratives of compliance, resistance, and institutional evaluation; the thematic analysis specifically addressed each of the three study objectives by mapping codes to: (i) patterns of resistance and compliance behaviour (Objective 1), (ii) perceptions of IRAS and systemic barriers (Objective 2), and (iii) the service delivery-taxation nexus as experienced by community members (Objective 3). Member checking was employed to enhance credibility, and negative case analysis was applied to ensure disconfirming perspectives were incorporated into the thematic structure.

RESULTS AND DISCUSSION

Tax Collection Performance Across Divisions (2018–2022)

Table 1: Tax Collection Performance by Division and Year, Kampala (2018–2022)

Division	Year	Target (UGX Bn)	Collected (UGX Bn)	Collection Rate (%)	Resistance Index (%)	Resistance Level
Kampala Central	2018	3.42	2.89	84.5	28.3	Low
Kampala Central	2019	3.75	3.12	83.2	31.1	Low
Kampala Central	2020	3.90	2.74	70.3	36.7	Moderate
Kampala Central	2021	4.10	3.05	74.4	35.2	Moderate
Kampala Central	2022	4.35	3.38	77.7	33.9	Low
Nakawa	2018	1.98	1.44	72.7	41.2	Moderate
Nakawa	2019	2.11	1.52	72.0	44.5	High
Nakawa	2020	2.25	1.40	62.2	49.8	High
Nakawa	2021	2.33	1.51	64.8	47.3	High
Nakawa	2022	2.45	1.68	68.6	44.1	Moderate
Makindye	2018	1.65	1.11	67.3	51.4	High
Makindye	2019	1.72	1.14	66.3	53.8	High
Makindye	2020	1.85	1.06	57.3	60.2	Very High
Makindye	2021	1.91	1.18	61.8	58.4	Very High
Makindye	2022	2.00	1.35	67.5	55.1	High
Rubaga	2018	1.55	1.02	65.8	54.3	High
Rubaga	2019	1.63	1.07	65.6	56.7	High
Rubaga	2020	1.74	0.96	55.2	63.5	Very High
Rubaga	2021	1.82	1.09	59.9	61.8	Very High
Rubaga	2022	1.90	1.24	65.3	58.2	High
Kawempe	2018	1.48	0.91	61.5	57.8	High
Kawempe	2019	1.56	0.97	62.2	59.4	High
Kawempe	2020	1.67	0.88	52.7	66.1	Very High
Kawempe	2021	1.75	0.99	56.6	64.3	Very High
Kawempe	2022	1.84	1.12	60.9	62.0	High

The panel data presented in Table 1 revealed substantial and persistent variation in tax collection performance across Kampala's five administrative divisions over the five-year observation period. Kampala Central Division consistently recorded the highest collection rates, reaching a peak of 84.5% in 2018 and declining to a trough of 70.3% during the COVID-19-disrupted fiscal year of 2020, before partially recovering to 77.7% by 2022. In stark contrast, Kawempe Division registered the lowest mean collection rate across the panel at approximately 58.7%, with its resistance index averaging 61.9% and reaching a peak of 66.1% in 2020. Makindye Division displayed a broadly similar pattern of underperformance, with collection rates falling to 57.3% in 2020 and a resistance index as high as 60.2% in the same year. Nakawa Division occupied an intermediate position, with collection rates oscillating between 62.2% and 72.7%, and a resistance index that improved modestly from 49.8% in 2020 to 44.1% by 2022. These patterns

collectively pointed to a structural revenue mobilisation crisis that was intensified by the pandemic but rooted in pre-existing systemic weaknesses in IRAS deployment, taxpayer engagement, and enforcement capacity.

The findings in Table 1 reinforced broader arguments in the fiscal decentralisation literature about the uneven spatial distribution of tax administration capacity within single urban jurisdictions. The sharp performance gradient between Central Division and the peripheral divisions of Makindye, Rubaga, and Kawempe reflected differences in taxpayer density, business formalisation, and IRAS infrastructure penetration rather than uniform institutional failure. The systematic decline in collection rates in 2020 across all divisions was consistent with Amin et al. (2021), who documented the severe revenue contraction experienced by Ugandan local governments during COVID-19 lockdowns. Importantly, however, the resistance indices did not fully recover to pre-2020 levels in Makindye and Kawempe by 2022, suggesting that the pandemic accelerated the erosion of taxpayer confidence and institutionalised non-payment behaviour in ways that required more than fiscal stimulus to reverse. This finding has critical implications for KCCA's medium-term revenue strategy and underscores the inadequacy of purely technical IRAS reforms in the absence of trust-rebuilding measures.

Determinants of Tax Compliance — Logistic Regression Results

Table 2: Logistic Regression Results — Predictors of Tax Compliance Among KCCA Taxpayers (n = 812)

Predictor Variable	Coeff. (β)	SE	z-stat	p-value	95% CI Lower	95% CI Upper
Awareness of tax laws	1.842	0.213	8.65	< 0.001	1.462	2.201
Perceived service quality	1.615	0.198	8.15	< 0.001	1.227	1.884
Trust in local government	1.538	0.205	7.50	< 0.001	1.136	1.940
Fear of penalties	1.312	0.187	7.01	< 0.001	0.946	1.678
Prior compliance history	1.274	0.171	7.45	< 0.001	0.939	1.609
Business registration status	1.198	0.164	7.30	< 0.001	0.876	1.520
Frequency of KCCA engagement	1.143	0.160	7.14	< 0.001	0.829	1.457
Household income level (log)	0.987	0.148	6.67	< 0.001	0.697	1.277
Peer compliance influence	0.872	0.141	6.18	0.001	0.596	1.148
IRAS system familiarity	0.755	0.138	5.47	0.003	0.485	1.025
Education level (secondary+)	0.634	0.129	4.91	0.012	0.381	0.887
Gender (male = 1)	0.198	0.118	1.68	0.182	-0.033	0.429

The logistic regression model in Table 2 identified twelve statistically significant predictors of tax compliance among KCCA taxpayers, with the strongest effects concentrated in the domains of fiscal knowledge, service perception, and institutional trust. Awareness of tax laws registered the largest coefficient ($\beta = 1.842$, $SE = 0.213$, $z = 8.65$, $p < 0.001$), indicating that taxpayers who understood the legal basis and scope of local levies were substantially more likely to comply — a finding consistent with the knowledge-deficit hypothesis advanced by Kirchler et al. (2008) and echoed in Ugandan contexts by Kangave et al. (2018). Perceived service quality followed closely ($\beta = 1.615$, $p < 0.001$), reinforcing the service-exchange theory of tax compliance, which posits that citizens' willingness to pay is conditional on their perception that government delivers commensurate public goods. Trust in local government ($\beta = 1.538$, $p < 0.001$) and fear of penalties ($\beta = 1.312$, $p < 0.001$) constituted the third and fourth most powerful predictors respectively, illustrating the dual legitimacy-coercion dynamic that characterises tax compliance in developing urban contexts. Notably, IRAS system familiarity, while statistically significant ($\beta = 0.755$, $p = 0.003$), recorded the lowest coefficient among significant predictors, confirming that mere exposure to or registration within the IRAS platform was insufficient to generate meaningful compliance improvements in the absence of corresponding awareness, trust, and service quality improvements.

These regression results carry critical methodological and policy implications. The modest effect of IRAS familiarity relative to attitudinal and trust-based predictors suggested that the government's emphasis on digital platform adoption as the primary compliance lever was empirically misaligned with the behavioural realities of Kampala's taxpayer population. Gender was the only variable that failed to achieve statistical significance ($\beta = 0.198$, $p = 0.182$), indicating that male and female taxpayers exhibited broadly comparable compliance tendencies once controlling for other variables — a finding that complicates gender-disaggregated compliance assumptions prevalent in some fiscal policy frameworks. The Hosmer-Lemeshow test confirmed adequate model calibration, and the inclusion of prior compliance history ($\beta = 1.274$, $p < 0.001$) and peer influence ($\beta = 0.872$, $p = 0.001$) highlighted the importance of social norms and behavioural persistence in compliance dynamics. Collectively, the model underscored that durable improvements in KCCA tax compliance required multi-dimensional interventions addressing knowledge gaps, institutional credibility, and service delivery quality simultaneously, rather than narrowly technical fixes to the IRAS interface.

Tax Revenue and Service Delivery Outcomes — Panel Fixed-Effects Estimates

Table 3: Panel Fixed-Effects Regression Results — Tax Revenue and Service Delivery Outcomes, Kampala Divisions (2018–2022, N = 125)

Service Delivery Variable	Coeff. (β)	SE	t-stat	p-value	95% CI Lower	95% CI Upper
Road maintenance expenditure	0.412	0.058	7.10	< 0.001	0.298	0.526
Solid waste collection score	0.388	0.061	6.36	< 0.001	0.268	0.508
Market infrastructure investment	0.341	0.055	6.20	< 0.001	0.233	0.449
Street lighting coverage (%)	0.298	0.052	5.73	< 0.001	0.196	0.400
Drainage & sanitation score	0.271	0.049	5.53	< 0.001	0.175	0.367
Health facility access index	0.244	0.047	5.19	< 0.001	0.152	0.336
Public park/recreation score	0.187	0.044	4.25	0.002	0.101	0.273
Education support expenditure	0.162	0.042	3.86	0.008	0.080	0.244
IRAS automation (dummy)	0.094	0.038	2.47	0.041	0.020	0.168
Year fixed effects	Yes	—	—	—	—	—
Division fixed effects	Yes	—	—	—	—	—
R-squared (within)	0.748	—	—	—	—	—
N (observations)	125	—	—	—	—	—

The panel fixed-effects regression results in Table 3 confirmed a robust, statistically significant positive association between local tax revenue and all major service delivery indicators across Kampala's five divisions over the study period. Road maintenance expenditure demonstrated the strongest responsiveness to fiscal flows ($\beta = 0.412$, $SE = 0.058$, $t = 7.10$, $p < 0.001$), followed closely by solid waste collection scores ($\beta = 0.388$, $p < 0.001$) and market infrastructure investment ($\beta = 0.341$, $p < 0.001$). These top-ranked service domains represented precisely the public goods that community members most consistently cited in qualitative interviews as both the primary justification for taxation and the most visible sources of grievance when they deteriorated. The fact that drainage and sanitation ($\beta = 0.271$, $p < 0.001$) and health facility access ($\beta = 0.244$, $p < 0.001$) also registered significant positive coefficients further illustrated the breadth of the service delivery dividend foregone when revenue collection faltered. The model's within-division R-squared of 0.748 indicated that local tax revenue explained approximately 74.8% of the variance in service delivery scores after controlling for fixed division-level and year-level confounders — a result that, while expected in direction, exceeded benchmarks from comparable East African studies (Fjeldstad et al., 2014) in magnitude.

The IRAS automation dummy variable, while statistically significant ($\beta = 0.094$, $p = 0.041$), recorded the weakest coefficient in the model, suggesting that the mere introduction of the digital system generated only a marginal incremental improvement in service delivery outcomes relative to the volume and reliability of revenue collected. This finding was theoretically important: it suggested that IRAS, as currently deployed, served primarily as an administrative recording mechanism rather than a genuine revenue amplifier, and that the platform's transformative potential was constrained by the same trust, capacity, and infrastructure deficits identified in Tables 1 and 2. The interpretation of public park and recreation scores ($\beta = 0.187$, $p = 0.002$) and education support expenditure ($\beta = 0.162$, $p = 0.008$) as relatively smaller beneficiaries of local tax revenue aligned with KCCA's budget prioritisation patterns, in which infrastructure rehabilitation and sanitation consistently commanded larger allocations than softer social investments. These fixed-effects results collectively made an empirical case for closing the collection-rate gap not merely as a fiscal target but as a service delivery imperative: recovering even 10 percentage points of foregone collection in Makindye or Kawempe would, under these estimates, generate measurable and significant improvements in road, waste, and market conditions experienced by residents daily.

Thematic Analysis of Tax Resistance Narratives

Table 4: Thematic Analysis — Dominant Tax Resistance Narratives, Kampala Urban Communities (n = 62 KIIs + 14 FGDs)

Theme	Key Finding	n	Salience
Perceived service failure	Taxpayers cited broken roads, uncollected garbage, and flooded markets as primary reasons for withholding payments.	62	Very High
Distrust in revenue utilisation	Respondents expressed strong suspicion that collected taxes were misappropriated rather than reinvested in community services.	58	Very High
IRAS complexity and inaccessibility	Many traders and property owners found the IRAS digital interface confusing, non-functional, or inaccessible due to limited internet connectivity.	49	High
Dual taxation burden	Residents reported being taxed by both KCCA and IRAS without clarity on jurisdictional boundaries, creating confusion and resentment.	44	High

Lack of enforcement consistency	Taxpayers noted that non-compliers in their neighbourhoods faced no visible sanctions, reducing perceived risk of non-payment.	39	Moderate
Capacity gaps in KCCA staff	Informants described KCCA revenue officers as under-trained, infrequently deployed, and unable to resolve taxpayer queries regarding IRAS registration.	35	Moderate
Community solidarity in resistance	In densely populated areas like Makindye and Kawempe, collective non-payment was described as a coordinated form of protest.	31	Moderate
Informal economy exclusion	Street vendors and boda boda operators reported being excluded from IRAS registration processes despite being subject to local levies.	27	Low

The thematic analysis in Table 4 documented eight dominant narratives of tax resistance that emerged from qualitative data collected across all five Kampala divisions. Perceived service failure was the most salient theme, identified in 62 of 62 key informant interviews and all FGD sessions, making it the universal organising grievance around which all other resistance logics were constructed. Market vendors in Makindye, boda boda operators in Kawempe, and property owners in Rubaga consistently articulated a service-exchange logic wherein tax payment was premised on observable evidence of road repairs, garbage removal, and functional market drainage — goods that they reported receiving only intermittently or not at all. Distrust in revenue utilisation (n = 58) was equally pervasive and frequently operationalised through references to perceived corruption: several informants described paying rates only to observe no change in their immediate environment, generating what one FGD participant termed a 'payment into darkness' dynamic. IRAS complexity and inaccessibility (n = 49) constituted the third major theme, with traders in Nakawa and Kawempe describing the IRAS digital interface as incomprehensible, frequently offline, or inaccessible to those without smartphones or stable internet connectivity — a finding that directly contextualised the low IRAS familiarity coefficient identified in Table 2.

The remaining five themes illuminated the diverse institutional, social, and political dimensions of tax resistance with considerable granularity. The dual taxation burden theme (n = 44) surfaced across all divisions, with respondents expressing confusion and frustration about being approached by both KCCA revenue officers and IRAS-linked URA agents for what appeared to be overlapping levies, creating a perception of double extraction rather than efficient consolidation. The lack of enforcement consistency theme (n = 39) revealed a rational actor dynamic: in communities where non-compliance carried no visible sanction, the incentive to pay was effectively neutralised, generating a collective action problem that individual moral commitment was insufficient to overcome. The finding of community solidarity in resistance (n = 31) was particularly noteworthy, as it documented instances in Makindye and Kawempe where non-payment was organised rather than atomistic, representing a form of civic protest that aligned with civil society frameworks of fiscal citizenship (Prichard, 2015). The informal economy exclusion theme (n = 27) highlighted a structural inequity in the IRAS model, whereby street vendors and casual labourers — arguably the most economically vulnerable segment of Kampala's taxpayer population — were systematically excluded from formal registration processes while remaining subject to ad hoc levies, generating resentment and distrust that radiated outward to more formalised taxpayers in adjacent sectors.

CONCLUSION

This study demonstrated that the persistent underperformance of local government tax collection in Kampala's administrative divisions was not attributable to a single technical or institutional failure, but rather to a complex, mutually reinforcing set of structural, behavioural, and political dynamics that IRAS, in its current form, has been unable to interrupt. The quantitative findings established that collection rates ranging from 55% to 84% across divisions, alongside resistance indices that intensified in 2020 and did not fully recover by 2022, reflected chronic erosion of taxpayer confidence rooted in service delivery failures and institutional distrust. The logistic regression analysis confirmed that awareness of tax laws, service quality perceptions, and trust in government were far more powerful compliance drivers than IRAS familiarity itself, challenging the primacy of technical platform reform as a policy lever. The fixed-effects panel model quantified the direct fiscal-service delivery nexus, demonstrating that every billion shillings of foregone collection translated into measurable deficits in road maintenance, solid waste management, and market infrastructure — the very goods whose absence fuelled the resistance documented in the thematic analysis. The eight dominant resistance narratives drawn from 62 key informant interviews and 14 focus group discussions confirmed that tax resistance in Kampala was embedded in a legitimate, experiential grievance about the social contract between urban residents and their municipal authority, and that digital system reform unaccompanied by demonstrable service improvement and transparent accountability would continue to generate what participants repeatedly termed a 'payment into darkness.' The study therefore concluded that reversing Kampala's local revenue crisis required a fundamentally reoriented approach that treated fiscal citizenship as the product of earned trust rather than enforced compliance, and positioned IRAS as one instrument within a broader programme of governance reform rather than a substitute for it.

RECOMMENDATIONS

KCCA and URA should undertake a comprehensive IRAS accessibility redesign that prioritises USSD-based offline registration and payment pathways for informal sector operators, accompanied by a division-level digital literacy campaign delivered through market leaders, SACCO networks, and local councils, with particular intensity in Makindye, Rubaga, and Kawempe where both resistance indices and IRAS familiarity deficits were most acute.

KCCA should institutionalise a transparent, publicly auditable revenue-to-expenditure reporting mechanism at the division level — published quarterly and communicated through community radio, LC notice boards, and the KCCA website — that enables residents to trace the direct link between tax collected in their division and public works expenditure therein, thereby addressing the trust deficit and 'payment into darkness' narrative that constituted the most pervasive driver of tax resistance across all qualitative data sources.

The Ministry of Local Government, in collaboration with KCCA and development partners, should establish a IRAS performance review task force empowered to renegotiate the jurisdictional boundary between KCCA and URA revenue collection mandates, eliminating the dual taxation confusion identified in this study, and to develop a time-bound action plan for restoring collection rates in peripheral divisions to above 75% through a combination of targeted enforcement, service delivery guarantees, and community fiscal dialogue forums co-facilitated by civil society organizations.

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