

**ASSESSMENT OF PROVISIONAL TAXPAYERS COMPLIANCE WITH TAX
LAWS: A CASE FOR OSHAKATI OFFICE**

**A RESEARCH THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE
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BY

AKTOFEL AMAKUTUWA

STUDENT NUMBER: 201310888

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SUPERVISOR: DR. MOSES CHIRIMBANA (UNAM)

ABSTRACT

The purpose of the study was to make an assessment of the provisional taxpayers' compliance with tax laws at the Oshakati Inland Revenue Office. The study seek answer to the following research questions; (1) What is the level of compliance to tax laws among the provisional tax payers registered with the IRD Oshakati Office? (2) What are the factors that influence provisional taxpayers' compliance with tax laws among the provisional taxpayers registered with the IRD Oshakati Office? (3) What strategies can be used to mitigate on the compliance with tax laws among the provisional tax payers registered with Oshakati Office? The study utilized a mixed method to collect data from employees for IRD Oshakati Office and the taxpayers for IRD Oshakati Office. The quantitative dimension of the study used a stratified random sampling strategy to select 376 taxpayers who completed a closed ended questionnaire and a purposeful sampling strategy through the use of an in-depth face to face interview was used to select data from 14 employees for Oshakati Inland Revenue. The findings of the study show that the level of compliance to tax payment by tax payers at the Oshakati Inland Revenue office is 36.9% which is less than 50%. In addition, the study also found out that the attitudes of the taxpayers have effect on their compliance to tax payment at the IRD Oshakati Office. The study also found out that the level of compliance of the taxpayers relates to their income. Those who earn more, are more compliant than those who earn less. The study also found out that the level of governmental accountability and transparency determines their level of compliance to the payment. More so, the study also unveiled that the level of education, understanding public responsibility towards the benefits of paying taxes influences an individual's decision to be compliant with tax laws.

Based on the findings above, the study recommended the need to educate the general public on the importance of complying with tax laws, and that the taxpayers need to be given

a total ownership and autonomy understand that they are the ones who keep the government revenue run and economically functional. The study also recommended that there should be a live broadcast and campaigns to alert the general public of their legitimate role in being compliant to paying their taxes.

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ACRONYMS

ETX: Employee Tax

GSC: Good Standing Certificate

HMRC: Her Majesty's Revenue and Customs

IRD: Inland Revenue Department

ITX: Income Tax

NHS: National Health Service

SPSS: Statistical Package for Social Science

VAT: Value Added Tax

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DEDICATION

DECLARATION

This thesis is dedicated to my wonderful parents, Erastus Amakutuwa and Bilha Amakutuwa who raised me and made me a person whom I am today. My parents have been always there for me from my childhood during good and bad days although they are no more with us. I give special thanks to them for the love, unlimited support and caring they have always extended to me. May their Soul continue to rest in peace.

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DECLARATION

I, **Aktofel Amakutuwa**, hereby declared that this study on assessment of provisional taxpayers' compliance with tax laws: a case for Oshakati office, is my own work and is a true reflection of, my research and that this work or part thereof has not been submitted for a degree at any other institution of higher education.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

Taxpayer compliance with tax laws remains one of the challenges facing the Inland Revenue Department today. This study made an assessment of provisional taxpayers' compliance with tax laws: a case for Oshakati office. This chapter presents the background of the study, a statement of the problem, research questions, significance of the study, limitation of the Study and delimitation of the study

1.2 Background of the Study

For any economic and development activities take place in a country, there must be enablers which include but not limited to funds. In Namibia, one of the main sources of public funds is taxation. Inland Revenue Department (IRD) is responsible for administering tax laws in an efficient and effective manner to maximize revenue flow from internal sources. Taxation, as per Income Tax Act, Act 31 of 1981, as amended means any levy or tax levied under the Income Tax Act and includes any levy or tax liveable under any provision of Income tax law. Taxes are the price paid for civilization, which goes hand in hand with organized society. For society to be organized, it needs a well-financed administrative structure. Therefore, taxation in its different forms has existed as long as society had the minimum elements of government. Tax is defined as a monetary charge imposed by the government on persons, entities, transactions or property to yield public revenue. Where payment is not monetary, a wider embracing definition has been adopted as Taxes are the enforced proportional contributions from persons and property levied by the State by virtue of its sovereignty for the support of government and for all public needs (Cooley, 2011)

Provisional taxpayers refer to any Company, Close Corporation and individual registered as a farmer or earn income that is not remuneration (Ministry of Finance Namibia, 2017). In Namibia, there are different types of tax that are administered by IRD within the Ministry of Finance and they include Income Tax, Employees Tax, Value Added Tax, Transfer Duties, Stamp duties (Ministry of Finance Namibia, 2015). Namibia has adopted a self - assessment form whereby taxpayers assessed themselves at the time of submitting tax returns. The researcher has observed that there are some businesses which are operating in Namibia but are either not registered or not submitting their tax returns to IRD. If taxpayers are not paying the much needed revenue, Government will not be able to fund the Governmental projects and provide essential services to its citizens. Hence, this study was needed to determine the level of compliance by Provisional Taxpayers registered with Inland Revenue Oshakati office, which were perceived to be low

1.3 Statement of the problem

In Namibia, domestic taxation contributed to the overall economy is significant as it accounts for 56% of Government total revenue during 2015/16 tax year. The problem at hand is that the Inland Revenue Department (IRD): Oshakati office is second in terms of the number of registered taxpayers, but was fifth in terms of revenue collection during 2015/2016 tax year (Ministry of Finance Namibia, 2017). There seems to be a mismatch between revenue collection and the number of registered taxpayers due to revenue collection mentioned above. There are no documented local studies that investigated the provisional taxpayers' compliance with tax laws. Therefore, this study has investigated the level of compliance with the Tax Laws for provisional taxpayers' registered with the IRD Oshakati office. The study target specifically the provisional taxpayer as they collect VAT (Value Added Tax) from end users and collect ETX (Employees Tax) from their workers on behalf of the government. Provisional Taxpayers pay ITX (Income Tax) based on profit.

1.4 Objective of the Study

The Objectives of the study are:

- To establish the level of compliance to tax laws among the provisional taxpayers registered with IRD Oshakati office
- To identify the factors that influence provisional taxpayers' compliance with tax laws among the provisional taxpayers registered with the IRD Oshakati Office
- To explore strategies that can be used to mitigate on the compliance with tax laws among the provisional tax payers registered with Oshakati Office

1.5 Research Questions

The research aimed to establish if provisional taxpayers registered with the IRD Oshakati office comply with tax laws. In order to investigate on this matter, the study has sought to answer the following research questions:

- a. What is the level of compliance to tax laws among the provisional tax payers registered with the IRD Oshakati Office?
- b. What are the factors that influence provisional taxpayers' compliance with tax laws among the provisional taxpayers registered with the IRD Oshakati Office?
- c. What strategies can be used to mitigate on the compliance with tax laws among the provisional tax payers registered with Oshakati Office?

1.6 Significant of the study

This study is significant to Inland Revenue Department (IRD) and the Namibian community at large as the findings may be used to improve the finance flow for Namibia and improve on the developmental activities and services of the Government that include health, education, social welfare and infrastructure development This study provided important information to the government for it to adjust wherever there is a need including amending the tax laws if need

be. The findings of this research allow other researchers in Namibia to research more on the topic as there seems to be less research conducted on the matter that can assist in identifying the GAP.

1.7 Limitation of the Study

Assessments for tax purposes are done on the return by taxpayers since Namibia has adopted the self - assessment system. Audits are not conducted for all the returns submitted and this makes it difficult to ascertain if the assessment is really correct in terms of income declared and expenses claimed by the taxpayer. Some audit reports conducted by the Inland Revenue Department are not in the files of taxpayers to see to it that the taxpayers comply or not. The sensitivity of the tax matters made some taxpayers, not to give all the required information.

1.8 Delimitation of the Study

The study was limited to provisional taxpayers registered with the IRD Oshakati office. This eliminated researching on other taxpayers registered with other offices and other taxpayers who are not provisional taxpayers.

1.9 Format of the Study

The format of this dissertation followed the scheme below:

Chapter 1: Introduction- This chapter presented the introduction and background of the work, the research problem, the aim, the research questions, significance and format of the subject area.

Chapter 2: Literature Review- This chapter comprises a comprehensive inspection of the relevant literature. The review was described from a number of concepts and constructs from previous researches mainly related to tax compliance and various schemes that can be used to improve on taxpayers' compliance to tax payment. It also introduced the theoretical framework of the field.

Chapter 3: Research Methodology- This chapter contains a detailed abstract of the methodology, study program, sampling strategy, information collection and data analysis. It also contains ethical considerations, research instruments, their reliability and validity, were also presented in this chapter.

Chapter 4: Results, discussion and interpretation of findings- This chapter takes the findings of the study and the signification of these determinations. Research questions were answered by critical interpretation of the results obtained during research.

Chapter 5: Conclusions and Recommendations- This chapter presented the conclusion of the research. Recommendations were made to the organization on how to improve taxpayers' compliance. The scope of future research was also discussed.

1.10 Chapter summary

This chapter presented the background of the study, a statement of the problem research questions, significant in the study, limitation of the study and delimitation of the study. The next chapter will present the comprehensive review of literature for the study and the theoretical framework.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the literature review of the study. The chapter will present the historical and the recent academic documents that provide a background of tax compliance and the various challenges faced by taxpayers in complying to tax repayment.

According to Baker (2016) literature reviews should objectively report the current knowledge on a particular topic and provide a summary of the best available research from previously published studies related to that specific topic. The analysis of the literature reviewed provides an informed perspective of the important knowledge available on the topic. The detailed overview should be written in such a way that it provides clarity and promotes understanding by the reader (Goodall, Marples & Roberts, 2013). Researchers use literature reviews in the decision making process and in policy formulation and implementation. They also use literature review to identify, justify and refine hypotheses and to recognize and avoid mistakes in previous research (Baker, 2016). Literature reviews afford a means for validating assumptions and opinions. They also provide insight into the dynamics underlying the findings of other studies (Goodall et al., 2013). The current literature review, synopsis will primarily focus on the various factors contributing to taxpayers' compliance globally and the strategies that can be used to improve on the taxpayers' compliance to tax laws in organizations.

2.2 Theoretical Framework

This study adopted the integrated theoretical framework by (Alink & van Kommer, 2016). The integrated theoretical framework is based on cultural, economic and organizational circumstances in a country. There is a strong interrelationship among these variables. A society's social norms and values or culture form the fundament of any organization in that society. Different cultures may lead to different organizational models and management styles. On the other hand, different stages of economic, demographic and technological development in a country lead to different taxation policies and different organizational needs of the Tax Administration (Bannan, Bekoe, & Nketiah, 2013). Both influences, culture and developmental stages, result in different tax organization models and thus in different needs for integration.

Many Tax Administrations have built in certain integration elements in their operations. These are often the result of incidental improvements of their organization and seldom the result of an orchestrated search for integration possibilities (John, Naumann, & Soto, 2008). This theoretical framework is suitable for this study in that the levels of compliance of taxpayers to tax repayment is an interplay of various factors which are quite dynamic and diverse from one economic environment to another. Thus, the study intends to explore each of these factors in the Namibian economic environment in order to get the best explanation to the current scenario at the Inland Department Oshakati office.

2.3 Factors contributing to taxpayers' compliance to tax

The economic models of rational compliance decisions fail to clearly predict the effect of marginal tax rate of compliance or hypothesize that high tax rates lead to higher compliance, rather most empirical research show that higher tax rates lead to less compliance among tax payers (Krause, 2000). The burden of taxes paid affects the attitudes of individuals and this

informs how they evaluate the tax system and consequently their compliance decisions (Mazzolini, Pagani, & Santoro, 2014). Compliance is also linked to one's salary. Those individuals who earn more tend to comply more than those who earn less (Bannan, Bekoe, & Nketiah, 2013).

2.3.1 TAX Complexity

According to Gale & Pechman (2001) the notion that taxes should be simpler is one of the very few propositions in tax policy that generates universal agreement. The fundamental paradox of tax simplification is that, although everyone thinks taxes should be simpler, almost every year tax policy becomes more complex. This suggests that pleas for simplification need to be buttressed by an understanding of the causes of complexity and the likely outcome of simplification efforts. According to Dollery (2005:87) simpler taxes have numerous benefits: (1) They would reduce the taxpayers' costs of complying with the taxation arrangement in terms of time, money, and mental anguish. (2) They would probably enhance the role of tax subsidies say, for education, (3) reduce unintentional tax evasion, and (4) increase the likelihood that taxpayers would find the tax system as fair (5) they reduce also the ability of policy makers to achieve other goals of taxation policy.

2.3.2 Taxpayers attitude

Taxes limit an individual's freedom to make independent decisions about his or her income. A person is likely to respond to restrictions on his or her own freedom or perceived restrictions by reluctance if opposition is a promising means of reestablishing the initial situation (Sandmo, 2015). Resistance as a consequence of perceived limitations of freedom is likely to manifest itself through change of attitudes, tax morale, and tax behavior. It is hypothesized that employers who have been running their business only a short time perceive taxes as a drastic cut in their profit and possibilities for investments and tend to feel limited their freedom and

consequently display resistance more than employers who have had more extensive experience with their firms and the tax system (OECD , 2015)

2.3.3 Tax Audit

The findings of Ngotho & Kerongo (2016) found out that, on average, annual reported income increased on average by around 6 percent among audited taxpayers relative to untreated individuals. Moreover, we show that the positive effect lasts for four years after the audit and that taxpayers increase more their reported income when they are more intensely treated. The positive impact of audits suggests that a target effect is in place (Abubakari, Razak, & Christopher, 2013).

2.3.4 Tax Policy

The main tax policy objective of the Government is to fund public goods and services in the most efficient manner. Tax policy forms a key part of structural policy and is one of the Government's five areas in promoting a more productive economy (Ministry of Finance, Norway, 2015). A tax policy in line with the Government's objective will have favorable dynamic impacts on the economy. Tax bases will expand, which expansion will over time fund part of the tax reductions.

2.3.5 Self-Assessment System

Self-assessment refers to an assessment procedure based on the assumption that all information reported by the taxpayer is correct and need not to be checked by Inland Revenue Department officers. Self-assessment system on the other hand, refers to a system whereby the taxpayer need to be more responsible in ensuring the correct information provided in the Income Tax Form, as the Inland Revenue accepts it with full of trust assuming the content is correct and true (Kasipillai et al., 1999).

2.3.6 Tax non Compliance

Tax non Compliance can be described as tax avoidance and tax evasion. According to Sandmo (2005) the conceptual distinction between tax evasion and tax avoidance hinges on the legality of the taxpayer's actions. Tax evasion is a violation of the law: When the taxpayer refrains from reporting income from labor capital which is in principle taxable, s/he engages in an illegal activity that makes her/him liable to administrative or legal action from the authorities. In evading taxes, s/he worries about the possibility of her/his actions being detected. Tax avoidance, on the other hand, is within the legal framework of the tax law. It consists in exploiting loopholes in the tax law in order to reduce one's tax liability; converting labor income into capital income that is taxed at a lower rate provides one class of examples of tax avoidance (Dollery, 2005). In engaging in tax avoidance, the taxpayer has no reason to worry about the possible detection; quite the contrary, it is often imperative that he makes a detailed statement about his transactions in order to ensure that s/he gets the tax reduction that he desires.

2.3.7 Tax Compliance

A study done by Kassim. et al. (2018) found out that tax compliance in its most simple form is usually cast in terms of the degree to which taxpayers comply with the tax law. However, like many such concepts, the meaning of compliance can be seen almost as a continuum of definitions. This ranges from the narrow law enforcement approach, through wider economic definitions and on to even more comprehensive versions relating to taxpayer decisions to conform to the wider objectives of the society (Dollery, 2005).

2.3.7 Government Accountability and transparency

Another important factor that influences tax payers' compliance is the level of governmental accountability and transparency (Mazzolini, Pagani, & Santoro, 2014). The perceived level of benefits derived from the provision of public goods and services, particularly physical infrastructure also influences the level of compliance to tax payers. Another study done in RSA by John, Naumann, & Soto (2008) found out that one's level of education, understanding public responsibility on the benefits of paying taxes influences an individual's decision to be compliant paying tax.

There are many factors that influence the tax payers' compliance to paying tax. What remains unknown in the study are the actual factors that influence the provisional taxpayers registered with the IRD Oshakati office to be compliant with tax laws and regulations.

2.4 Strategies to mitigate on tax compliance

2.4.1 Making mandatory the clearance to tax compliance to all government contractors

A study done in West Africa by Ministry of Finance Serra Lane (2015) recommended that when tenders are being awarded it should be mandatory for each contractor to have their taxes deducted automatically in the process of receiving their payment. In another study done in Belgium by Tang (2009) it was recommended that all companies or individuals who have to be awarded government contracts need a tax clearance before such can be granted. This same recommendation was also made in Philippine by Rakawo (2019) who recommended that consideration for tendering in government tenders should be the provision of a clear tax compliance certificate before one can apply for a tender in all government entities.

2.4.2 Need to educate the taxpayers on their role in tax payment

A study done in China Gale & Pechman (2014) on tax compliance recommended that taxpayers should be educated on the importance of complying with tax laws. In another study done in Bucharest by Gale & Pechman (2014) recommended that people need to be given total ownership and autonomy understand that they are the ones who keep the government revenue run and economically functional.

2.4.3 Sending reminder text messages through text messages to tax payers

A study done in the United Kingdom by Sandmo (2015) found out that the tax collectors' response to tardiness is to send messages to taxpayers reminding them of their obligations. By conducting two experiments with tax reminders issued to more than 200,000 individuals by Her Majesty's Revenue and Customs (HMRC) office, John, Naumann, & Soto (2008) discovered that the effectiveness of such letters depends on their wording and the messages they deliver.

2.4.4 Campaigning for tax payment

In a study done in the United Kingdom by National Health Service (NHS) (2016) it was revealed that all private and public institutions pay tax to the government and this is mandatory. The British government makes annual campaigns on tax payment to all its citizens and educating them on their responsibility in the development of their country.

2.4.5 Educating the general public on their role in tax paying

A study done in Zambia and Zimbabwe by Ngotho & Kerongo (2016) revealed that educating the general populace on their role in paying tax increased the levels of compliance of the Zimbabwean and the Zambian residence in their tax payment processes. In the Namibian context where education is free and where the elderly are receiving the pension, it's imperative for the taxpayers understand that without their input in tax compliance such activities will not be evitable (Krause, 2000). There is also a need to have live broadcasts and campaigns to alert

the general public of their legitimate role in being compliant to paying their tax (Sandmo, 2015). The Strategies to mitigate on tax compliance should be: Educate the general public on the importance of complying with tax laws (Gale & Pechman, 2014). People need to be given total ownership and autonomy and understand that they are the ones who keep the government revenue run and economically functional (Krause, 2000).

The importance of taxes for the functioning of the state is not always apparent to the taxpayer. Similarly, individual tax liabilities as well as requirements to comply with the tax system such as filling out different tax forms might be unknown or difficult to understand (Abubakari, Razak, & Christopher, 2013). By means of taxpayer education and taxpayer service, citizens can be informed and educated about the tax system and be assisted in their attempts to comply with the tax system (Barenbrock, 2010). While several strategies have proved to be effective in improving on taxpayers' compliance among the tax payers for various countries, we remain unaware of the actual strategies that can be used at the Inland Revenue Department Oshakati office to improve on tax compliance.

2.5 Summary of the chapter

The current literature review, synopsis focused primarily on the various factors contributing to taxpayers' compliance globally and the strategies that can be used to improve on the taxpayers' compliance to tax repayment/laws in organizations. The next chapter presents the research methodology which was used in the study.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The methodology used in the study was described in this chapter. Research philosophy, research strategies and reasons for choosing a specific strategy were discussed. The target population, sample size and sampling strategies used were also described. The chapter contains the description of the research instrument and the content of the instrument, the pilot study, administration and collection of questionnaires. The description of how the validity and reliability were ensured was done. Methods used to analyze the data, the limitations of the study, how bias was eliminated and ethical considerations were also described.

3.2 Research design

The researcher employed a mixed method approach to collect the data. Quantitative method was used through the use of a closed ended questionnaire and a survey design was used for this purpose. It focuses on describing a phenomenon across a larger number of participants and this provides the possibility of summarizing characteristics across groups or relationships (Babbie, 2015). Statistical techniques are applied to recognize overall patterns in the relations of processes (Johannesson & Perjons, 2014). Survey methods used across a large group of people enable generalization. Quantitative approach ensured that objectives were predetermined and data analysis was simple. Positivism is the most appropriate method when statistical analysis and inferences of results are required (Antwi & Hamza, 2015).

While qualitative dimension of the study used an in-depth face to face interview with the employees for Inland Revenue Department Oshakati office, this utilized a descriptive exploratory research design. Qualitative research is exploratory research used to gain an understanding of the underlying reasons, opinions and motivations (Babbie, 2015). According to Yilmaz (2013) this approach is usually done using interviews, open-ended questions, or focus groups and a small number of participants usually take part in this type of research

because it requires a lot of resources and time. Findings from qualitative research cannot be generalized to the whole population because of the relatively few number of participants (Yilmaz, 2013). Pairing quantitative and qualitative components of a larger study can achieve various aims, including corroborating findings, generating more complete data, and using the results from one method to enhance insights attained with the complementary method (Berg, 2007).

3.3 Population

Population for the study is defined as the totality of legible participants who can take part in a research study (Blaikie, 2010). Cohen, Manion, & Morrison (2016) defines a population as a set of all suitable candidates who can be selected for participation in a research study. IRD Oshakati indicated that there are 13,640 provisional taxpayers registered with the IRD Oshakati office (Inland Revenue department, 2016). Therefore, in this research targeted population comprise of all 13,640 provisional taxpayers registered with the IRD Oshakati office and 98 employees in IRD Oshakati office.

3.4 Sample and sampling procedures

In statistics, a sample is a subset of a population that is used to represent the entire group as a whole. The primary goal of sampling is to get a representative sample from a much larger population, such that the researcher can study the smaller group and produce accurate generalizations about the larger group (Omair, 2014). There are two techniques of sampling and these are probability sampling and non-probability sampling.

3.4.1 Probability Sampling Methods

In probability sampling every member of the population has a known probability of being included in the sample (Surbhi, 2016). Different probability sampling methods will be discussed below.

3.4.1.1 Simple Random Sampling

Every element of the population has an equal chance of being selected in the sample in this type of sampling. However, the population must have a finite number of elements that can be listed or mapped and the population must be homogeneous (Babbie, 2015).

3.4.1.2 Systematic Random Sampling

It is also used for homogenous population. Unlike simple random sampling, there is not an equal probability of every element that has been included in the sample and elements are selected at a regular interval. The interval may be in terms of time, space or order (Wison, 2014).

3.4.1.3 Stratified Random Sampling

It is used when the population is heterogeneous. The elements differ from one another on a characteristic so sub-groups that are homogenous are formed. These sub-groups are called strata. Gender, age, ethnicity and socioeconomic status are some of the examples of characteristics used for stratification (Omair, 2014). A sample is selected from each stratum randomly using either proportional allocation technique or equal allocation technique (Surbhi, 2016).

3.4.1.4 Cluster Sampling

It is used when the elements of a population are spread over a wide geographical area. The population is divided into sub-groups called clusters on the basis of their geographical allocation. The clusters ought to be homogenous among them on the character variable of the

research, but the selected clusters must capture the heterogeneity of the population (Datt & Datt, 2016).

3.4.2.3 Purposive Sampling

3.4.1.5 Multistage Sampling

Two or more probability techniques are combined. It is used when the elements of the population are spread over a wide geographical region and it is not possible to obtain a representative sample with only one of the techniques discussed above (Omar, 2014).

3.4.2 Non-probability Sampling Methods

In non-probability sampling methods samples are selected based on the subjective judgement of the researcher. These methods can be used when there is a lack of access to a list of the population being studied (Babbie, 2015). Procedures used to select units for inclusion in a sample in non-probability sampling methods are much easier, quicker and cheaper compared to probability sampling (Surbhi, 2016). Non-probability sampling methods will be discussed below.

3.4.2.1 Quota Sampling

Its aim is to end up with a sample where the strata being studied are proportional to the population being studied (De Vault, 2017). In non-proportional quota sampling a minimum number of respondents in a specific stratum is captured, but the number may not be an actual proportion of that stratum (Babbie, 2015).

3.4.2.2 Volunteer Sampling

An important characteristic of volunteer sampling is that research subjects volunteer to take part in the research on their own accord and they are not approached by the researcher directly (De Vault, 2017).

3.4.2.3 Purposive Sampling

It is also known as judgmental, selective or subjective sampling. In purposive sampling, researchers choose a sample based on their knowledge about the population or the study itself (Etikan, Musa & Alkassim, 2016). Techniques include maximum variation sampling, homogeneous sampling, typical case sampling, extreme case sampling, total population sampling and expert sampling (De Vault, 2017).

The quantitative dimension of this study employed a probability sampling Techniques, whereby the stratified random sampling strategy was used to select 389 participants who completed the questionnaire. The aspect of being purposeful is meant to eliminate all other taxpayers except provisional taxpayers. Yamane (1967) formula was used to select 389 participants.

$$n = \frac{N}{1+e^2N} = \frac{13640}{1+0.05^2 \cdot 13640} = 389$$

The qualitative dimension of this study used the stratified purposeful sampling strategy to select 14 employees from the employees for IRD Oshakati office.

3.5 Research Instruments

3.5.1 Interview

A structured face to face in-depth interview was done with all senior officials of Inland Revenue Department Oshakati office (1 Deputy Director, 2 Control, Taxation Officers and 11 Chief Taxation Officers) to determine and elicit the various solutions that can be used to mitigate and improve the compliance to tax laws by provisional taxpayers. Thus, the interview protocol was made to achieve this objective. This had the advantage that the researcher could probe for more information from the participants on the issue under study.

3.5.2 Questionnaire

Data collection instruments refer to devices used to collect data such as questionnaires, tests, structured interview schedules and checklists (Zohrabi, 2013). Sani (2013) defined a questionnaire as a method of gathering information from respondents about attitudes, knowledge, beliefs and feelings. The questionnaire is a predetermined set of questions used to collect data and there are different formats of questionnaire such as clinical data, social status and occupation group (Deniz & Alsaffar, 2013). In the current study, the questionnaire was used to address the first two objectives (1) the establish the level of compliance of the taxpayers to tax laws by the ILD Oshakati customers. (2) To elicit the various factors that are contributing to taxpayers' compliance at the IRD Oshakati office. The questionnaires had the advantage of good reliability and validity if they are piloted. However, they offer a limited scope of survey questions (Al-Abri & Al-Balushi, 2014).

The length and coherence of the questionnaire need to be considered to ensure maximum returns and an adequate sample size (Arshad et al., 2012). The more questions a questionnaire contains, the more likely the researcher is to be measuring the construct under inquiry (construct validity). However, questionnaires with multiple questions will be less easy to use in business research due to the length of time it takes for participants to complete them and for staff to analyze and interpret them (Al-Abri & Al-Balushi, 2014). There are balances and trade-offs to be made to identify a questionnaire fit for purpose (Beattie et al., 2014).

A self-administered questionnaire with closed-ended questions was distributed to 389 taxpayers for IRD Oshakati office. A questionnaire was chosen because it is less expensive and it offered participants a greater sense of anonymity since participants' names were not written in the questionnaires.

3.6 Pilot study

Pilot studies are small-scale, preliminary studies which aim to investigate whether crucial components of a main study will be feasible (Hazzi & Maldaon, 2015). According to Cocks and Torgerson (2013) pilot testing achieves two main objectives (a) to improve the face and content validity of the research instrument and (b) to estimate how long it takes to complete the questionnaire. A pilot test is conducted in either potential respondents to assess reading levels or on experts when the emphasis is more on improving the content of the questionnaire. A pilot study should have at least 9 percent of the sample size (Cocks & Torgerson, 2013).

The pilot study was conducted at the Inland Revenue Department. Otjiwarongo office. In the pilot study, the questionnaire was administered to 5 employees and five provisional taxpayers only to assess the suitability of the questions and the feasibility of the study. Their input was used for adjustments of the questionnaire content. The pilot study was done at another IRD Office in the same department as Oshakati Inland Revenue because the researcher did not want those who had participated in the pilot study to be included in the main study.

3.7 Procedure

The researcher used a questionnaire and face to face interviews to determine the level of compliance to tax laws and also to determine factors that influence provisional taxpayers' compliance with tax laws. The researcher got permission from IRD to conduct research first. All the participants in the study were requested to complete informed consent forms before taking part in the study. A questionnaire was distributed to selected provisional taxpayers at various places of businesses.

3.8 Data Analysis

Kothari (2015) defines data analysis as a search for pattern in recurrent behaviors, objects of a body of knowledge. While Marshall (2013) defines data analysis as the process of bringing order, structure and interpretation of the mass of data collected. Data analysis mostly involves three major steps, i.e. cleaning and organizing of the data, describing of the data and research questions or hypotheses testing and modelling (Cohen, Manion, & Morrison, 2012). The researcher used the Statistical Package for Social Science (SPSS) to analyze the quantitative data, from the questionnaires, to elicit descriptive statistics and data were presented in the form of figures and tables. In this research all steps were used, but more emphasis was given to research questions for the student (Gay, Mills, & Airaian, 2009). The researcher linked analyses of the data to specific research questions.

Content analysis and theme were used to analyze qualitative data, from face to face interviews to generate themes that are aligned to answer the research questions. Data were grouped into themes which were aligned to answer the research questions of the study (McMillan & Schumacher, 2010). The data which were collected in the study was qualitative and was analysed by developing themes which were aligned to answer the research questions of the study. The researcher transcribed the data and the followed the eight steps for data analysis as proposed by Tesch (Creswell, 2014).

This entails the following: The researcher gets a sense of the whole by reading all the transcripts carefully, jotting down along the margin some ideas as they come to mind in connection with each topic. Choosing the transcript on top of the pile of the transcribed interviews, the researcher reads through the transcript, asking himself what it is that he is reading. This step involved thinking about the underlying meaning, rather than the “substance” of information. This process was repeated until a list of all the topics are acquired. The topics were then clustered together into baskets that could be labelled as “major topics”, “unique topics” and

“leftovers”. With the list at hand, the data are revisited. An abbreviation for each of the topics was made in the form of codes and the codes were written next to the appropriate segments of the texts. This preliminary organizing scheme was used to see if new categories and codes emerge. The researcher found the most descriptive wording for the topics and turns them into categories. Efforts were made to reduce the total list of categories by grouping together topics that related to one another. Lines were drawn between categories to show interrelationships. The researcher then made a final decision on the abbreviation for each category and alphabetizes the codes (Antwi et al., 2015).

3.9 Data verification

Mugo (2017) presents the model of ensuring the trustworthiness of qualitative data was applied. The four characteristics to ensure trustworthiness are truth-value, applicability, consistency and neutrality.

3.9.1 Truth-value

Truth-value asked how confident the researcher is with the truth of the findings based on the research design, informants and the context in which the study was undertaken. It is concerned with whether the findings of the study are a true reflection of the experiences of the study participants Mugo (2017). Truth-value is established by the strategy of credibility and, for the purpose of this research, the researcher used the following criteria: Interviewing techniques. This researcher made use of various interviewing techniques during the interview, for example, probing, verbal and non-verbal expressions, restating and summarizing in order to enhance the credibility of the study.

3.9.2 Peer examination.

The researcher also seeks input from colleagues who were well-versed qualitative researchers and who clarified the study by asking them questions and generally shedding light and making suggestions (Blaikie, 2014). Mugo (2017) finds this method profitable. The researcher also has an expert qualitative researcher as a study leader. To further enhance the credibility of the research study, the researcher forwarded a copy of the transcribed interviews in Oshiwambo with the accompanying translation in English to be checked by an academic well versed in the Oshiwambo language to see whether the English translation is in actual fact a true reflection of what was said in Oshiwambo. This was done to make sure that those participants who were not well conversant with English language would participate comfortably.

3.9.3 Authority of the Researcher

The researcher is a former employee of the IRD Oshakati office, Oshana Region in Namibia who has been working for the Department of Inland Revenue Namibia and is well versed with the processes and dynamics of the Inland Revenue department system since he has been working in there for some years.

3.9.4 Applicability

Mugo (2017) defines the applicability as the degree to which the findings can be applied to other contexts and settings or to other groups. Applicability is established through the strategy of transferability. In order to achieve transferability, the researcher provided a dense description of the research methodology employed.

3.9.5 Consistency

Consistency of data refers to “whether the findings would be consistent if the inquiry were replicated with the same subjects or in a similar context (Mugo, 2017). Consistency is established through the strategy of dependability and it was achieved by using the independent

coder. The researcher and the independent coder were independently coded the data and subsequently have consensus discussions with the study leader on the themes and concepts presented as research findings.

3.9.6 Credibility

Credibility means the concept of internal consistency, where the core issue is how we ensure rigor in the research process and the way we communicate with other people and that we have done so. Credibility can be accomplished by tactics to help ensure honesty in informants when contributing data (Cox, 2015). In employing this, the researcher prolonged engagement with participants. Each participant who was approached was given the opportunity to refuse to participate in the study so as to ensure that the data collection sessions involved only those who were genuinely willing to participate. Participants were encouraged to be frank from the beginning of each session, with the researcher establishing a rapport in the opening moments.

3.9.7 Transferability

Transferability to the extent to which the reader is able to generalize the findings of a study to her or his own context and addresses the core issue of “how far a researcher may make claims for a general application of their theory” (Gasson, 2004:67). The researcher ensured transferability by providing information that showed that the study was restricted to IRD Oshakati taxpayers and employee only who contributed data, indicated the number of participants (14) involved in the fieldwork, the data collection methods that were employed and the number and length of the data collection sessions. Transferability in qualitative research is achieved when the investigator gives adequate information about the self (the researcher as instrument) and also the research context, processes, members, and researcher-participant connections, making it possible for the reader to decide how the findings may transfer (Trochim, 2015).

3.9.8 Dependability

Dependability deals with the core issue that “the way in which a study is conducted should be consistent across time, researchers, and analysis techniques” (Gasson, 2004, p. 94). Thus, the process through which findings are derived should be explicit and repeatable as much as possible. In ensuring dependability, through the research design and its implementation the researcher gave an in depth, methodological description, fully describing the operational detail of data gathering, addressing the minutiae of what was done in the field. This allows the study to be repeated. Dependability can be ensured by an in depth chronology of research activities and processes; influences on the data collection and analysis; emerging themes, classifications, or models; and analytic memos (Peat, Mellis, Williams, & Xuan, 2014).

3.9.9 Conformability

Conformability addresses the core issue that “findings should represent, as far as is (humanly) possible, the situation being researched rather than the beliefs, petty theories, or biases of the researcher” (Gasson, 2004, p. 93). With the issue of confirmability, the researcher recognized and acknowledged shortcomings and limitations in the study’s methods and their potential effects.

3.9.10 Self-reflexivity

Self-reflexivity is the process of becoming self-aware. Researchers make regular efforts to consider their own thoughts and actions in light of different contexts. Reflexivity, then, is a researcher’s ongoing critique and critical reflection of his or her own biases and assumptions and how these have influenced all stages of the research process. The researcher continually critiques impressions and hunches, locates meanings, and relates these to specific contexts and experiences (Cohen, Manion, & Morrison, 2012). The act of reflection enables the interviewer to thoughtfully consider this asymmetrical relationship and speculate on the ways the interviewer-interviewee interaction may have been exacerbated by presumptions arising from

obvious sources, such as certain demographics (for example, age, gender, and race), or more subtle cues such as socioeconomic status, cultural background, or political orientation (Cox, 2015). The researcher used mutual collaboration and social critique techniques to understand the interviewee during the interview. In the current study self-reflexivity was developed by himself by constantly asking him what he had learned during the process of collection of data and also asking himself whether the collected information was sufficient enough to answer the research question of the study.

3.9.11 Neutrality

The fourth criterion is neutrality. It refers to the extent to which the study findings are free from bias. Mugo (2017) proposes that neutrality in qualitative research should consider the neutrality of the data rather than that of the researcher, which suggests conformability as the strategy to achieve neutrality. The researcher tried to maintain neutrality by not giving her own opinions when the participants were attending to the research questions.

3.10 Elimination of Bias

Bias is any tendency which prevents unprejudiced consideration of a question (Šimundić, 2013). In research, bias occurs when systematic errors are introduced into sampling or testing by selecting or encouraging one outcome or answer over others (Kumar and Yale, 2016). It can occur at any phase of research, including study design, data collection, data analysis or publication (Saunders et al., 2014).

The use of a pre-tested interview protocol was maintained throughout the study was maintained to eliminate bias. Despite differing gender, educational levels, age, marital status and employment status of the participants, the same set of questions in the same order were answered by the participants. The use of a structured in depth face to face interview guided participants' responses thereby avoiding ambiguity.

3.11. Ethical Considerations

Ethics should be applied at all stages of research, whether it is planning, data collection, evaluation and reporting of the research findings. The four basic ethical principles are autonomy, beneficence, non-maleficence, and justice. Some of the facets of ethical researching which was applied by the researcher are as follows:

3.11.1 Informed consent

A written consent was sought from all participants after an explanation for the purpose of the study has been given by the researcher prior to participation. This was a sign of respecting their autonomy. The informed consent form to be used by the researcher in the study has been attached as an Appendix B.

3.11.2 Confidentiality

The researcher observed privacy and confidentiality at all times by protecting the identity of all the participants. The raw data were filed and kept safe where access to it was restricted. Interview proceedings did not contain the names of the participants.

3.11.3 Non-maleficence

Ethics refers to the part of human philosophy concerned with appropriate conduct and virtuous living (Given, 2018). Ethics involves the entire research process from the nature of the problem under investigation, reporting the theoretical framework underpinning the study, the research context, and data collection instruments and methods being utilized, the research participants involved and the procedures used to analyze the data (Creswell et al., 2016). This study involves human subjects and as such, special precautions will be taken to protect the rights of these human beings. Researcher ensured that no harm would place to the participants because of the research. This should be ensured before, during and after the research. Data was collected

through an in-depth face to face interview, which was filed and kept safe, therefore the researcher does not foresee any harm.

To uphold the principle of beneficence or “doing what is good”, Blaikie (2014:12) suggests that the main aim of the researcher should be to produce results which will be beneficiary to the individuals and the entire society at large. Apart from that, consideration of the potential for harm among the participants will also be observed. The study involved human participants therefore clear and careful elucidation of the risks and benefits of the study should be made clear to the participants prior to the study. A clear measure of whether the risks involved would outweigh the benefits had was made. The researcher obtained a written approval, clearance from the University of Namibia Ethical Clearance Committee.

The principle of respect for human dignity affirms the rights of participants to self-determination, and the right to decide on whether to participate in the study or not, after full disclosure of the aim and purpose of the study (Good and Skeates, 2014). Full disclosure in this respect means that prospective participants should be informed of the identity of the researcher, the purpose and nature of the study, the right to participate and the right to withdraw anytime they wish to without any penalty, the responsibility of the researcher, and possible benefits of the study, measures to ensure privacy, anonymity and confidentiality.

The principle of justice includes the participant’s right to fair treatment and privacy (Ader, 2016:45). This fair treatment should prevail before, during and after their participation in the research study. Furthermore, participants should be treated with respect and dignity and should always be free to ask the researcher for clarity on where they did not understand; and should they wish to withdraw from the study there should be non-prejudicial treated.

A formal application to the University of Namibia Ethical Clearance Committee for clearance was made seven months before the study was undertaken. In making the application, a clear

and detailed research proposal together with all the research instruments was submitted for ethical clearance. An informed consent form explaining the nature and purpose of the study was completed and enclosed in the application.

With regard to withdrawals, participants were told that they are free to withdraw from the study should they feel they do not want to continue participating in the study. The participants were then requested to sign consent forms before taking part in this study. Data was captured on a personal computer which was password protected. Pseudonyms were used for the research participants and they were assured of anonymity and confidentiality at all times.

3.11.4 Voluntary Participation

All participants in this study were voluntarily participating. No force, coercion or bribery was used for participants to take part in the study. Those who refuse to take part in the study was not penalized in any way.

3.11.5 Permission to carry out the study

A formal request to carry out the study was made to the University of Namibia before the data was collected. Data was only collected by the researcher after full permission to undertake this study was granted by the management the University of Namibia.

3.12 Chapter summary

Research methodology forms the heart and core for any research study. Each research design goes along with a specific research instrument and approach. This chapter presented the research designs which were used in the study. In the current study, the mixture of both quantitative and qualitative research designs was used and well elaborated. In addition to that, this chapter also presented the research sample and sampling strategies which were used in the study. The study also elaborated on the sampling strategies which were adopted in the study. This chapter also reflected on the issues of data analysis, instrumentation and the data collection

procedures which were used in the study. The data were collected through individual interviews and a closed ended questionnaire with the taxpayers and employees for the Inland Revenue Department Oshakati office. The next chapter presents the findings of the study.

CHAPTER FOUR

ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

The analysis and interpretation of data are presented in this chapter. Since data were both qualitative and quantitative, qualitative data were analyzed using matrix analysis while quantitative data were analyzed using SPSS software and Microsoft Excel. It was for those reasons that graphs and tables were elicited from the two analyses and Statistical inference was done to establish the factors contributing to tax compliance by provisional taxpayers registered with IRD Oshakati office.

4.2 Presentation of the Questionnaire Findings

In this study 389 questionnaires were distributed to provisional taxpayers registered with Oshakati office who were selected. Probability Sampling Techniques were used through Stratified random sampling strategy. Out of all the distributed questionnaires, 376 questionnaires were received back and thirteen taxpayers could not return back the questionnaires. On the responses to customer compliance, the responses were on a five point Likert Scale with Strongly Disagree (1), Disagree (2) Neutral (3), Agree (4) and Strongly Agree (5). The researcher grouped strongly agree and Agree to form one category AGREE, then strongly disagree and Disagree to form one category DISAGREE.

4.3 Biographical information of the participants

4.3.1 Age of the participants

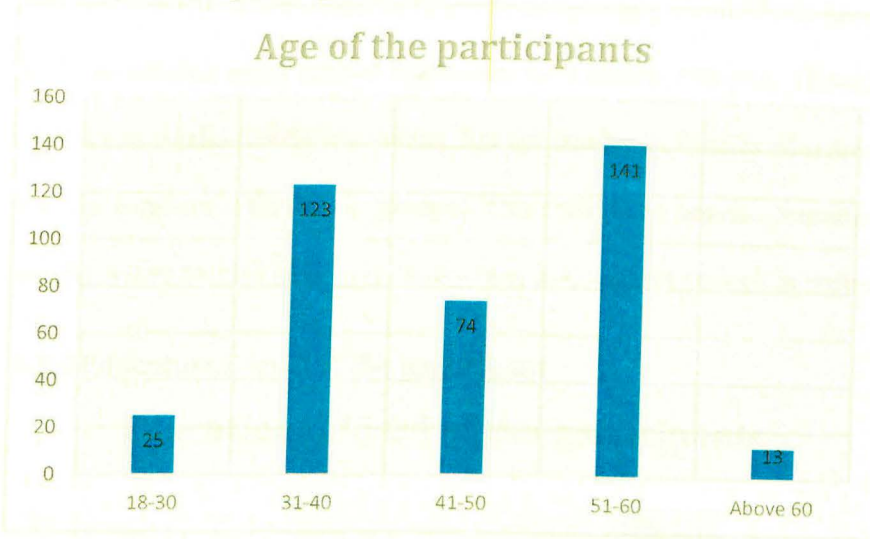


Figure 4.1: Age of the participants

The figure shows that 141 participants who took part in the study were aged 51-60, 123 were aged 31-40, 74 were aged 41-50, and 18 were aged 18-30 years. These findings show that the majority of the participants in the study were mature adults who must have been running private businesses in Northern Namibia.

4.3.2 Gender of the participants

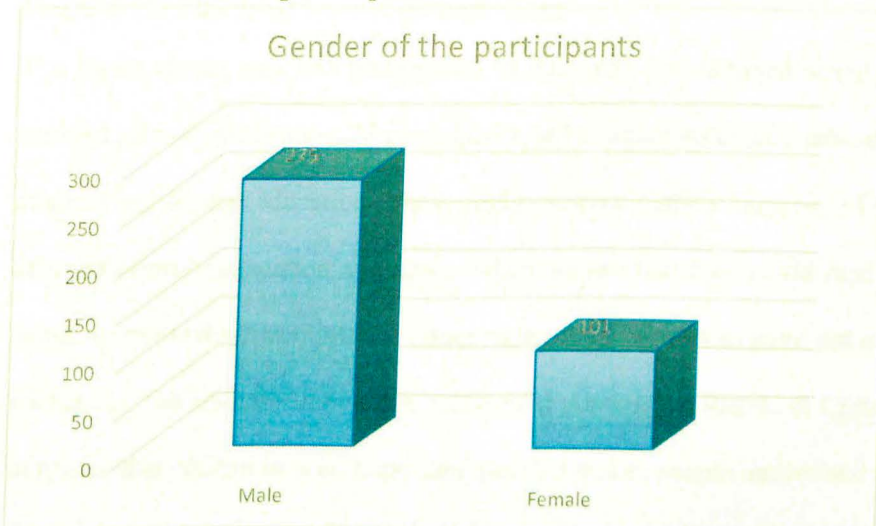


Figure 4.2: Gender of the participants

The figure shows that 275 were males while 101 were females. These findings seem to suggest that the majority of the study participants in the study should have been male entrepreneurs who are running some private businesses in Northern Namibia. These findings support the findings of Aluko (2005) who stated that the numbers of males who are in business is larger than the numbers of females in business. This could be so because Namibia is a male dominated society where women have very little power as compared to men in business issues.

4.3.3 Educational level of the participant

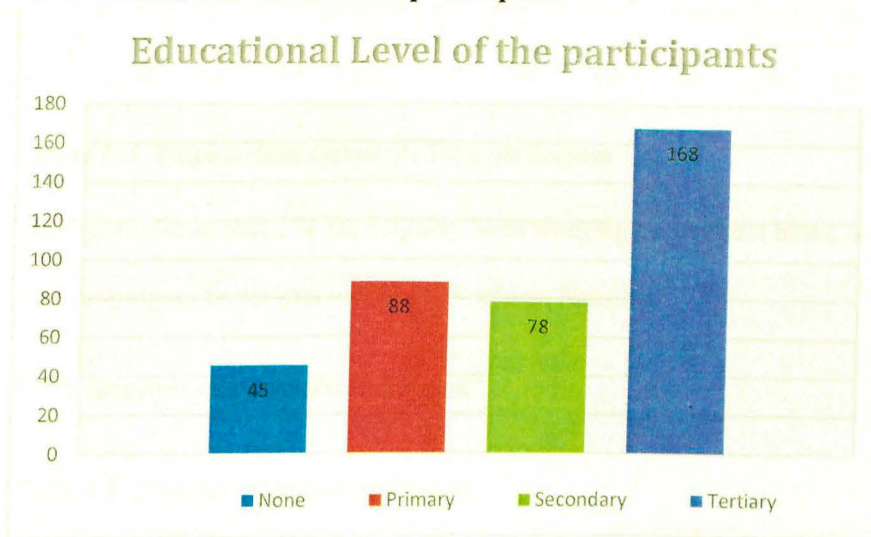


Figure 4.3: Educational level of the participant

The figure shows that 168 participants in the study had attained tertiary education, 88 had attained primary education, 78 participants had attained secondary education, and 45 had not attained any formal education. These findings show that the majority of the participants had attained primary education and above which shows that they could read and write and also could understand tax compliance issues better than those who have not attained any form of education. The findings uphold the findings of Abubakari, Razak, & Christopher (2013) who indicated that education is an important tool that makes people understand what is expected of them in tax return issues. That's individuals who are educated are in a better position to understand the importance of tax compliance than those who are not educated.

4.3.4 Employment capacity of the participant

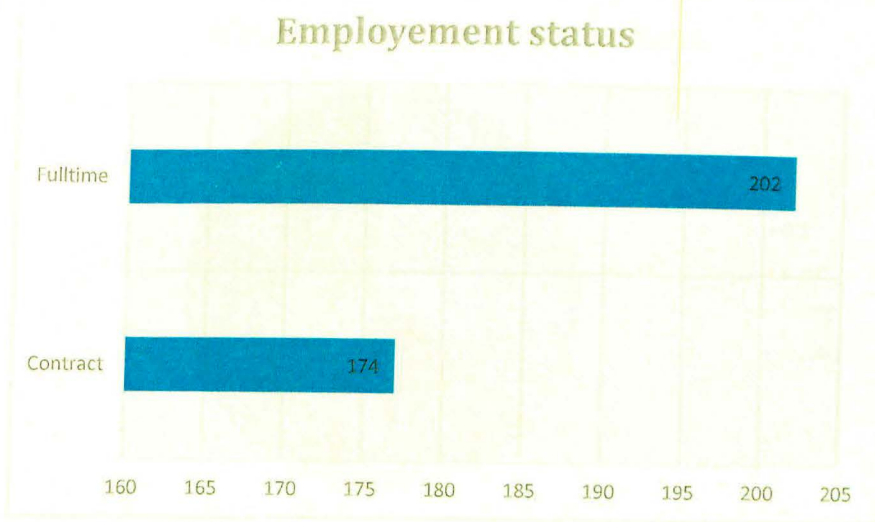


Figure 4.4: Employment capacity of the participant

The figure shows that 174 participants were working on contract basis, whereas 202 were full time employees in various sectors in Northern Namibia

4.3.5 Number of properties owned

Table 4.1: Number of properties owned

Number of Properties owned	Respondents
1	204
2	76
3	60
4	34
Above 4	2

The table shows that 204 participants owned one property, 76 owned two properties, 60 owned three properties, 34 owned four properties, and two owned more than 4 properties. These findings show that the majority of the participants in the study are the ones who do not have a lot of properties.

4.3.6 Number of years in the business

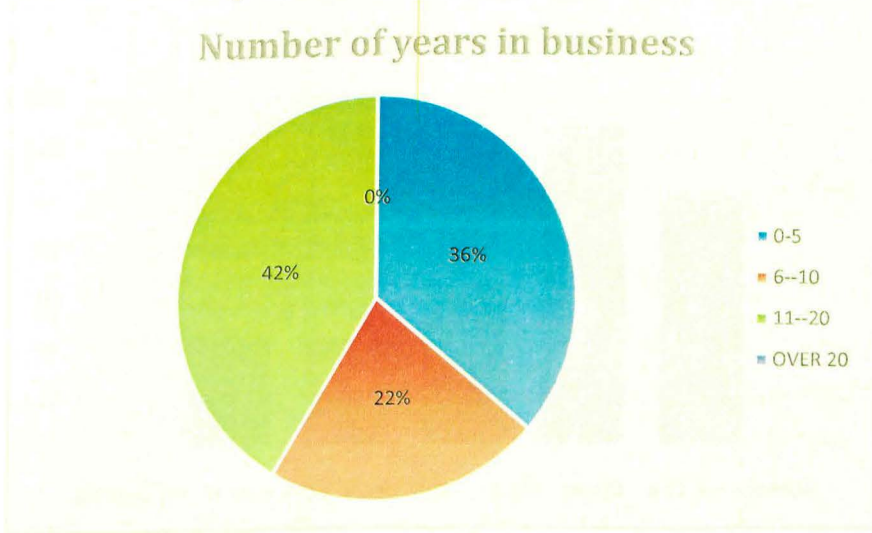


Figure 4.5: Number of years in the business

The figure above shows that 42% were having 11-20 years in business, 36% had 0-5 years, 22% had over 6-10 years in business, and none had over 20 years in business. These findings suggest that the participants in the study have been business for quite a long time and should be in a better position to understand the modalities and purposes of being compliant with tax payment considering their years of experience. The findings corroborate with the findings of Dollery (2005) who indicated that tax compliance is mostly affected by ones numbers of years in business. These findings suggest that more than 60% of the participants were in a better position to understand and comply with their tax obligations with IRD Oshakati.

4.3.7 Participants' annual turnover/Income

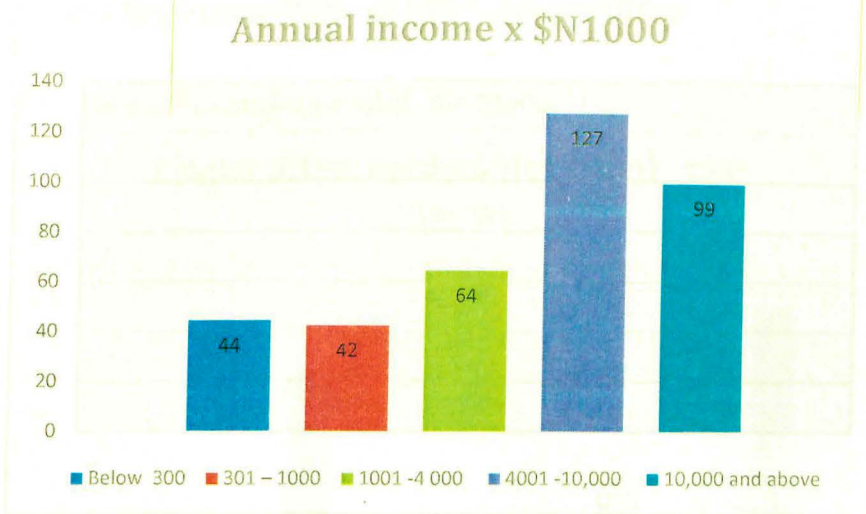
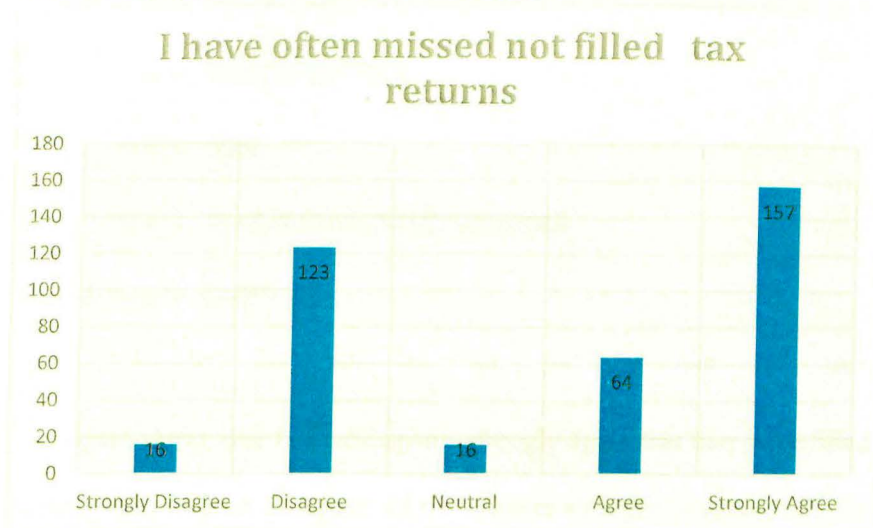


Figure 4.6: Participants' annual turnover/Income

The figure above shows that 127 participants were earning in thousands of dollars 4001-10000, 99 participants were earning over 10000, 64 participants were earning 1001-4000, 42 participants were earning 301-1000, 44 participants were earning less than 300 thousand dollars. These findings show that the majority of the participants in the study were earning quite a substantial amount and should have been paying a lot of tax since they are in the higher order tax brackets. The findings uphold the findings of De Vault (2017) who indicated that economies will do better if more people earning a lot of money are paying and returning taxes to the government since the tax is the one that the government uses in meeting the various needs of the state: providing medication to the hospitals, sustaining the free education program which is ongoing in the country.

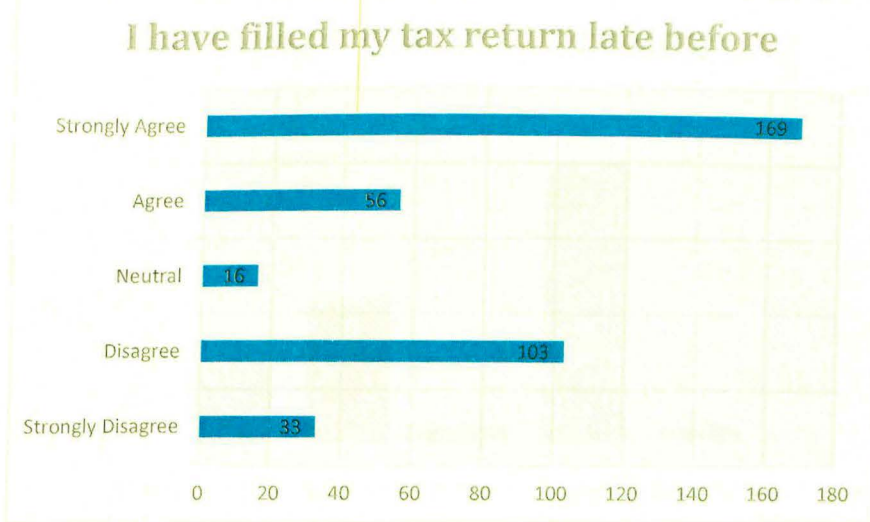
4.4 The Level of Compliance with Tax Laws among The Provisional Tax Payers Registered With An IRD Oshakati Office

4.4.1 I have often missed not filed tax returns



The graph shows that 157 participants in the study showed that they strongly agree that they have often missed not filed tax returns, 123 disagree, 64 agree, 16 strongly disagree and 16 were neutral. After combining the responses the found out that 221 participants agree and 139 agree that they have often missed not filed tax returns. These findings uphold the findings of Ngotho & Kerongo (2016) who indicated that few individuals comply with the payment of tax laws globally and those individuals who do not comply with the payment of tax may do so because they do not know the role taxpayers compliance to tax laws play in the development of any nation. Such individuals become contradict the progress which nations should make since most countries are depending on the employee's tax for them to run and sustain the government needs and demands.

4.4.2 I have filled my tax return late before



The figure shows that 169 participants strongly agree that they have filled their tax return late before, 103 disagree, 56 agree, 33 participants strongly disagree, and 16 were neutral on the statement. After the responses were combined together, the study found out that 225 agree and 146 disagree that they have filled their tax return late before. The study concluded that the participants in the study have filed their tax return late before which shows lack of compliance to tax laws. These findings harmonize with the findings of Datt & Datt (2016) who indicated that few organizations or companies which comply with the payment of taxes by filling their tax return on time do so because they have developed in themselves a sense of selflessness and understanding of the purpose of tax payment in the growth of a nation.

4.4.3 I have paid my tax late before

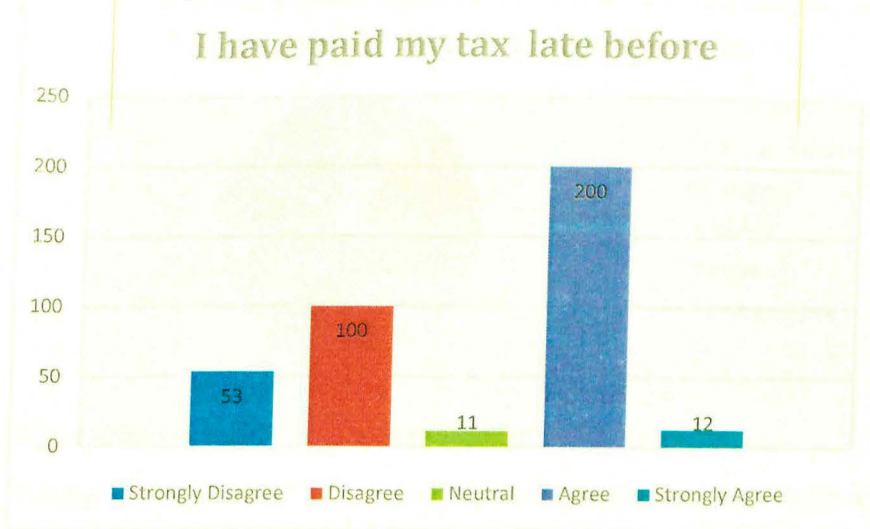


Figure 4.7: I have paid my tax late before

The figure shows that 200 participants in the study agree that they have paid their tax late before, 100 disagree 53 strongly disagreed, 12 strongly agreed and 11 were neutral that they have paid their tax late before. After combining these responses the study found out that 212 participants agreed that they have paid their tax late before, while 153 participants disagreed with the assertion. These findings substantiate the findings of Dollery (2005) who indicated that paying tax returns early is an act of patriotism by the taxpayer who acknowledges that his business success operations are made so because of the environment in which the business is taking place. This was regarded by Al-Abri & Al-Balushi (2014) as an act of unselfishness on the side of the taxpayer.

4.4.4 I have under reported my income

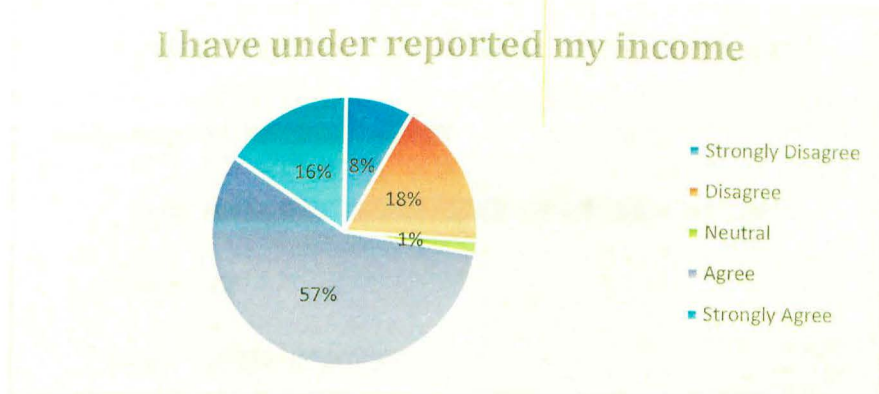


Figure 4 8:I have under reported my income

The figure shows that 57 % of the participants agree that they have under reported their income, 18% disagree, 16% strongly agree, eight percent strongly disagree and one percent were neutral on the statement. After the responses were combined the study concluded that 65% agree that they have under reported their income. These findings concur with the findings of Fjeldstad (2000) who indicated that being faithful to tax reporting is an act of corporate social responsibility and an outstanding sense of caring for the development of the nation. These findings further suggest that the majority of the study participants are not faithful to tax payment which shows high levels of lack of compliance to tax laws.

4.4.5 I have ever claimed deductions before

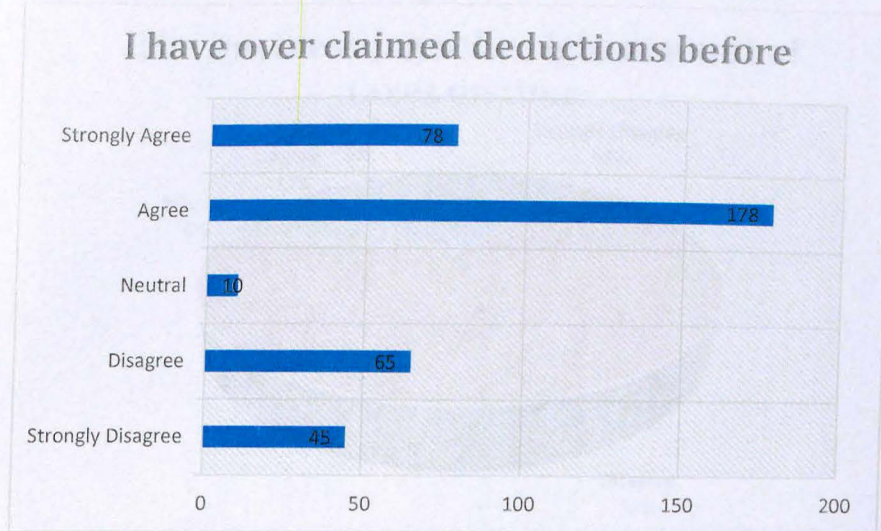


Figure 4.7: I have over claimed deductions before

The graph shows that 178 participants in the study agree that they have ever claimed deductions before, 78 participants strongly agree, 65 disagree, 45 strongly disagree, 10 were neutral on the statement. After the responses were combined together, it was found out that 256 participants agree and 110 disagree that they have ever claimed deductions before. These findings verify the findings of Aluko (2005) who indicated that organisations which overcame their tax deductions lack a sense of self responsibility in the development of their nation. Such individuals are enemies to the growth of a nation.

4.4.6 The business pays the right amount of taxes on time

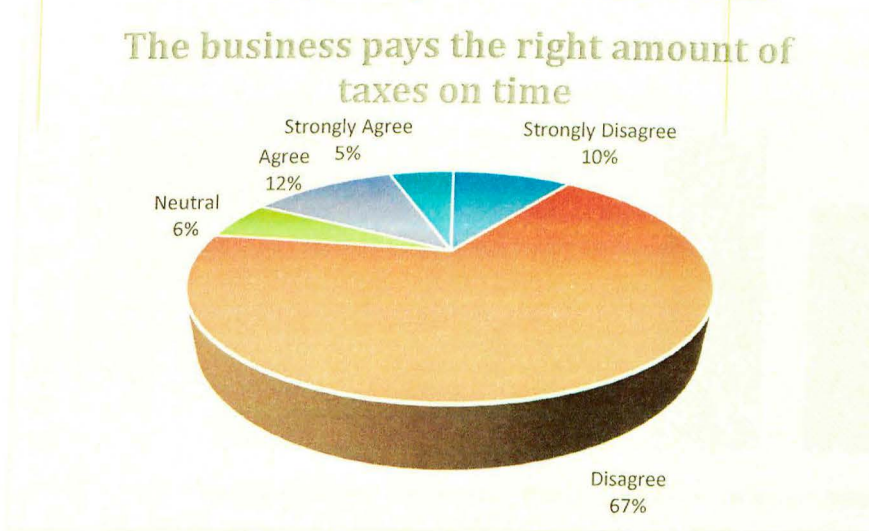


Figure 4. 8: The business pays the right amount of taxes on time

The figure shows that 67% of the participants disagree that the business pays the right amount of taxes on time, 10% strongly disagree, 12% agree, five percent strongly agree and six percent were neutral on the statement. The responses were then combined and it was found out that 77% strongly disagree, while 17% agreed that the business pays the right amount of taxes on time. These findings substantiate the findings of Gale & Pechman (2014) who indicated that the majority of organizations globally do not pay the right tax amounts, but they cheat the government in the way they declare their taxes in the tax returns. This level of fraud is a clear sign of lack of compliance.

4.4.7 I have overstated tax deductible on my returns

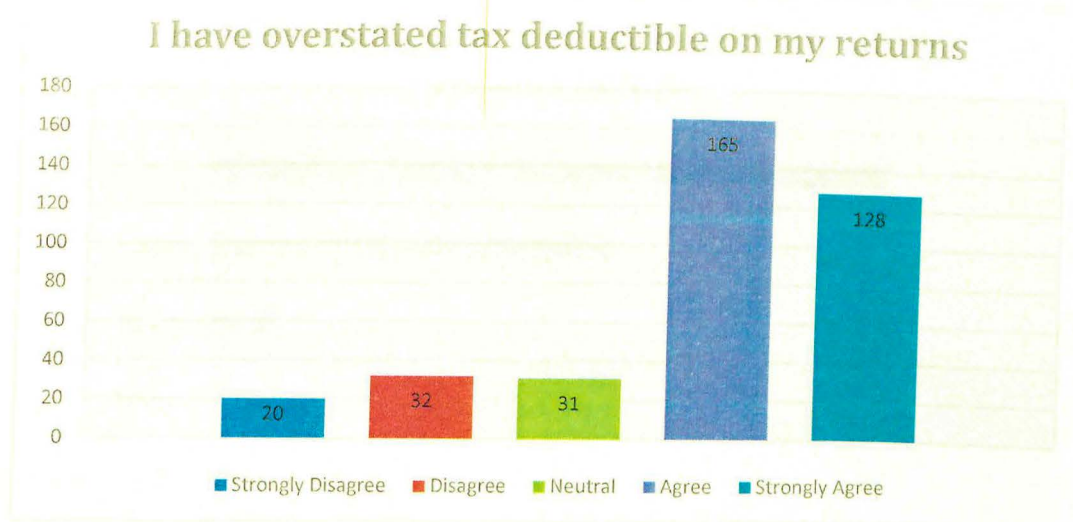


Figure 4.9: I have overstated tax deductible on my returns

The figure shows that 165 agree that they have overstated tax deductions on their returns, 128 strongly agree, 32 disagree, 20 strongly disagree, 31 were neutral on the statement. After combining the responses, it was found out that 293 participants agree and 53 disagree that they have overstated tax deductible on their returns. These findings support the findings of Thiga & Muturi (2015) who indicated that organizational management overstate their tax claims so that they can get some money back when they put forward their claims. These sentiments were further supported by Abubakari, Razak, & Christopher (2013) who also argued that if overstating of taxes is not controlled in organizations this can make the government to be bankrupt.

4.4.8 I have understated my taxable income on my returns before

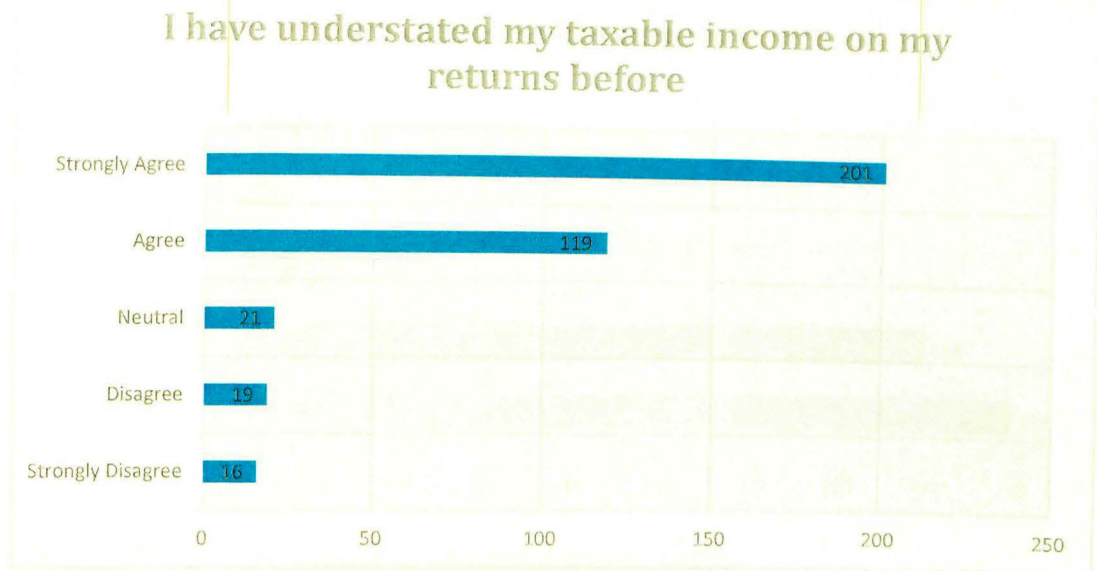


Figure 4.10: I have understated my taxable income on my returns before

The figure above shows that 201 participants strongly agree that they have understated their taxable income in their returns before, 119 indicated agree, 19 disagree, 16 strongly disagree and 21 were neutral. After the responses were combined, it was found out that 35 participants disagree and 320 agree with the statement that they have understated taxable income in their returns before. These findings corroborate with the findings of Abubakari, Razak, & Christopher (2013) who indicated that taxpayers who understate their tax values are not complying with the tax payment regulations.

4.4.9 I have often complied with tax regulations before

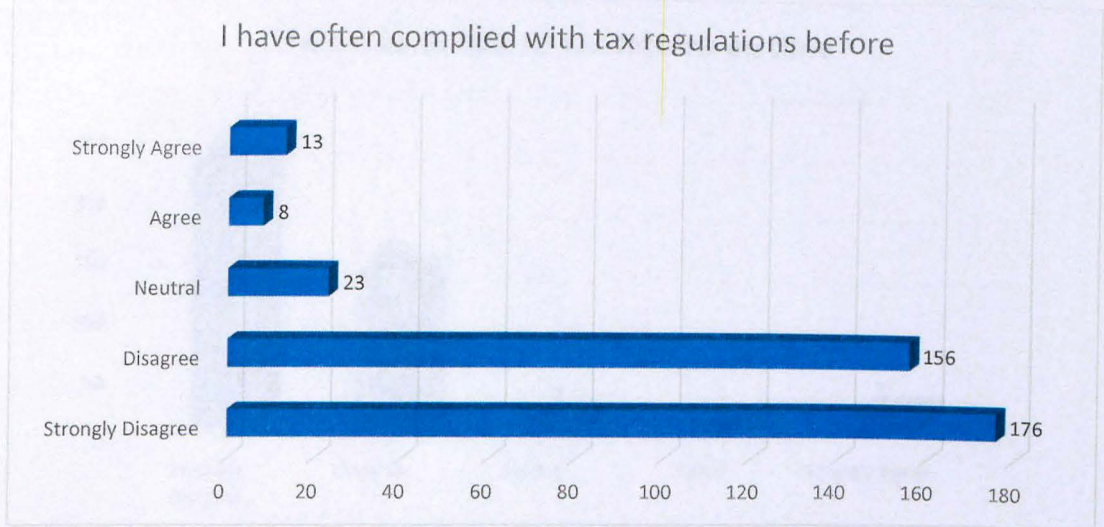


Figure 4.11: I have often complied with tax regulations before

The figure above shows that 176 participants strongly disagree that they have often complied with tax regulations before, 156 disagree, 23 were neutral, 13 strongly agree, eight agree. After the responses were combined, it was found out that 332 participants disagree that they have often complied with tax regulations before, and 21 agree. These findings verify and endorse the findings of Aluko (2005) who indicated earlier on that compliance of taxpayers in tax payment remains one of the challenges faced in many parts of the world today.

4.4.10 The business files its tax returns on time

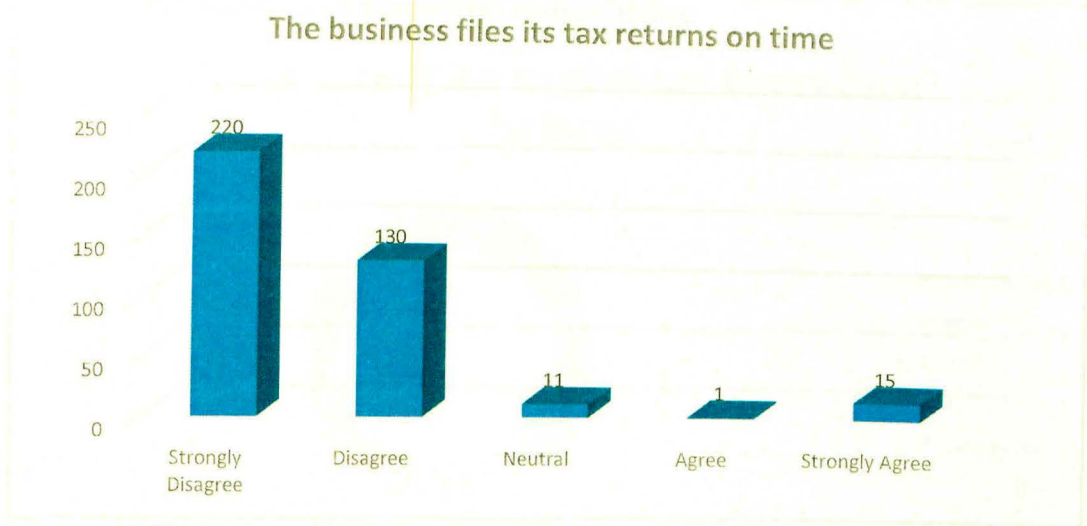


Figure 4.12: The business files its tax returns on time

The figure above shows that 220 participants in the study indicated that they strongly disagree that their business files its tax returns on time, 130 participants disagree, 15 strongly agree, one agree and 11 were neutral. After combining all the responses, the study concluded that 350 participants disagreed and 16 agreed that their business files its tax returns on time. These findings support the findings of Fjeldstad (2000) who highlighted that compliance in tax payment in business starts with the process and procedures of filling up business files on time.

4.4.11 I have forgotten to give my tax return before

I have forgotten to give my tax return before



Figure 4.13: I have forgotten to give my tax return before

The figure above shows that 54% of the participants strongly agree that they have forgotten to give their tax return before, 32% agree, nine percent were neutral, four percent disagree, two percent strongly disagree. After the responses were combined it was found out that 86% agree and six percent disagree. These findings verify the findings of Al-Abri & Al-Balushi (2014) who stated that organisations which are responsible for their operations do not forget to submit their tax forms on time. Such organisations make it their mandate and have a sense of ownership as they honor their national obligations.

4.4.12 Overall Compliance levels to tax laws among the Provisional Taxpayers registered with IRD Oshakati office

	Domain	Agree	Disagree	Overall Agree Percentage	Overall Disagree percentage
1	I have often missed not filed tax returns	221	139	59	37
2	I have filled my tax return late before	225	225	60	39
3	I have paid my tax late before	153	212	56	40
4	I have under reported my income	244	98	65	26
5	I have over claimed deductions before	256	110	68	29
6	The business pays the right amount of taxes on time	290	263	77	17
7	I have overstated tax deductible on my returns	289	63	77	17
8	I have understated my taxable income on my returns before	293	53	78	14
9	I have often complied with tax regulations before	21	332	6	88
10	The business files its tax returns on time	16	350	4	93
11	I have forgotten to give my tax return before	323	22	86	6
OVERAL COMPLIANCE LEVEL					36.9%

The table above shows the various compliance levels to the various domains of the study. The overall compliance level was calculated as the average of disagree with the asserted statements in the domains and in this study this was found to be 36.9%. This shows that the level of compliance to tax payment for the customers for the IRD Oshakati is very low, as shown by their compliance level percentage. These findings uphold and verify the finding of (De Vault, 2017; Abubakari, Razak, & Christopher, 2013; Datt & Datt, 2016) the measure of a customer's compliance with tax laws depends on how that particular customer conforms to the tax laws and regulations as expected of them.

4.5 Factors That Influence Provisional Taxpayers' Compliance with Tax Laws Among The Provisional Taxpayers Registered With An IRD Oshakati Office

4.5.1 Negative perception of Government spending affects taxpayers' compliance at IRD Oshakati

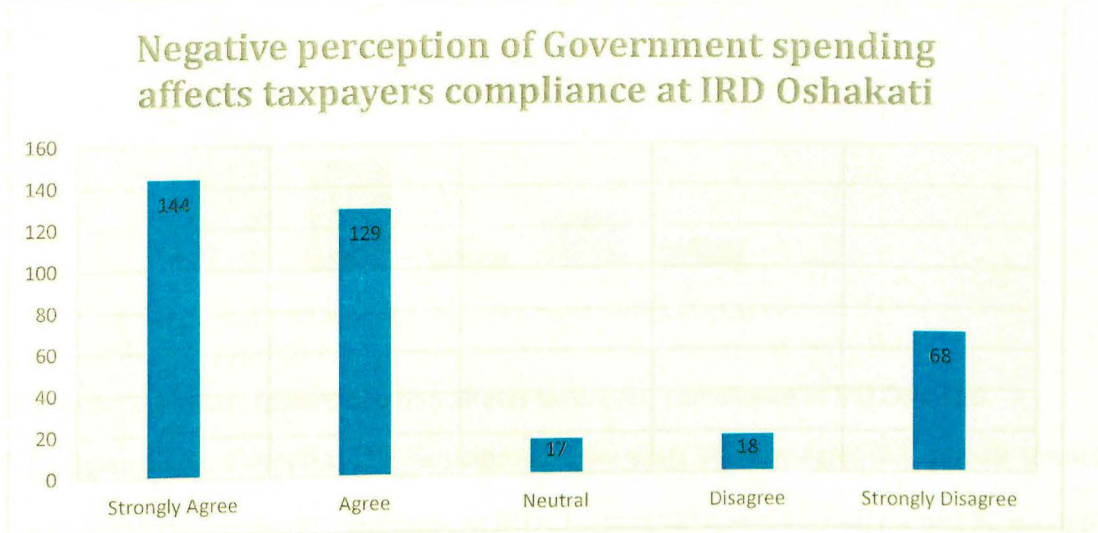


Figure 4.14: Negative perception of Government spending affects taxpayers compliance at IRD Oshakati

The figure above shows that 144 participants strongly agree that negative perception of Government spending affects taxpayers' compliance at IRD Oshakati, 129 agree, 68 strongly disagree, 18 disagree and 17 were neutral about the idea. After the responses were combined the study found out that 273 participants agree and 86 participants disagree that negative perception of Government spending affects taxpayers' compliance at IRD Oshakati. These findings support the findings of John, Naumann, & Soto (2008) who stated that if taxpayers have a negative perception of the way the government spent the taxpayers money, this will affect the level of compliance of the taxpayers to tax laws.

4.5.2 Attitude toward taxation affects taxpayers' compliance at IRD Oshakati

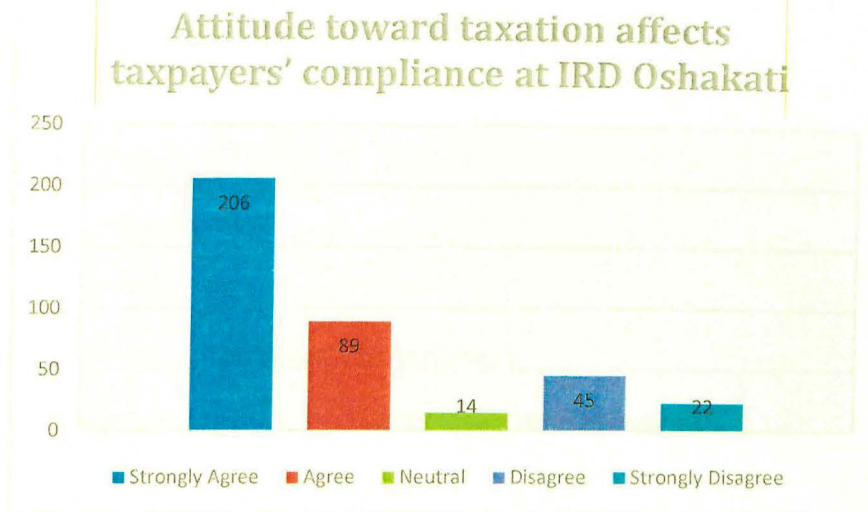


Figure 4.15: Attitude toward taxation affects taxpayers' compliance at IRD Oshakati

The figure above shows that 206 participants in the study strongly agree that attitude toward taxation affects taxpayers' compliance at IRD Oshakati, 89 agree, 45 disagree and 22 strongly disagree with the assertion. After the responses were combined together and it was concluded that 295 agree and 67 disagree. These findings concur and supports the findings of Sandmo (2015) who stated that taxpayers' attitudes towards taxation affects their compliance towards the payment of taxes in various organisations. Attitudes determine whether or not one would take part or may not take part in a certain initiative. Those who perceive the entire process as being helpful will tend to comply, but those who perceive the payment of taxes as something that works to their disadvantage will not contribute and comply with tax laws.

4.5.3 Lack of Tax knowledge affects taxpayers' compliance at IRD Oshakati

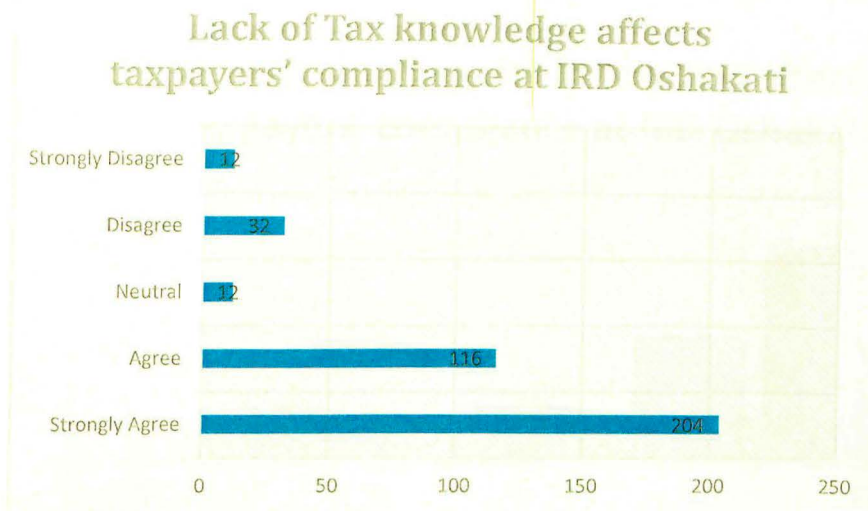


Figure 4.16: Lack of Tax knowledge affects taxpayers' compliance at IRD Oshakati

The figure above reflects that 204 participants strongly agree that lack of Tax knowledge affects taxpayers' compliance at IRD Oshakati, 116 agree, 32 disagree, 12 strongly disagree and 12 were neutral on the statement. After the responses were combined together it was found out that 320 participants agree and 44 participants disagree with the proclamation. These findings harmonize with the earlier findings by OECD (2015) who indicated that when one has knowledge he has power, individuals who have knowledge are in a position to do the right thing. Those who are knowledgeable about their role in payment of taxes are likely to play their role than those who have no knowledge of why they should pay taxes to the government. On this issue Datt & Datt (2016) stated that the power of knowing is instrumental in making individuals make the right moves in life.

4.5.4 Perception of equity in taxation affects taxpayers' compliance at IRD Oshakati

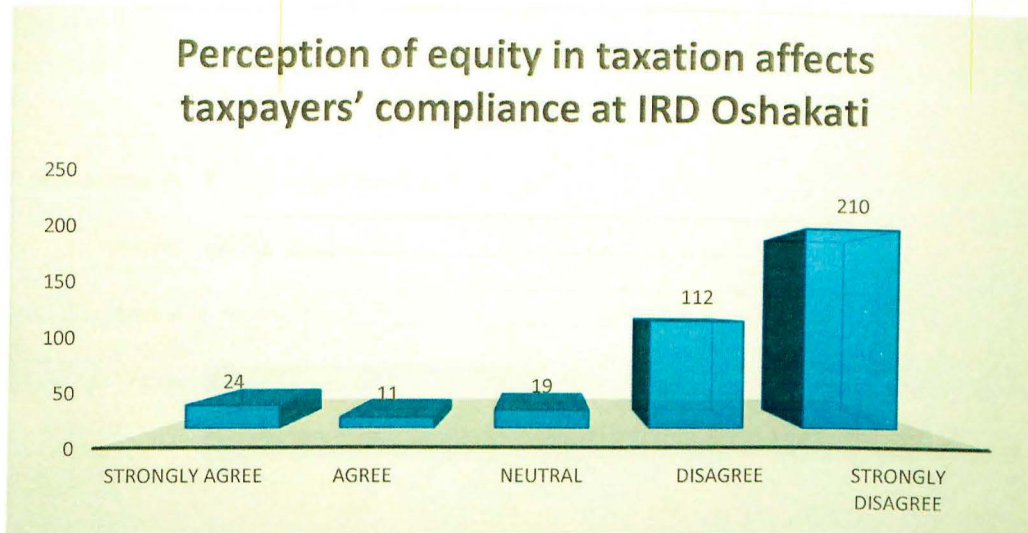


Figure 4.17: Perception of equity in taxation affects taxpayers' compliance at IRD Oshakati

The figure above shows that 210 participants strongly disagree that perception of equity in taxation affects taxpayers' compliance at IRD Oshakati, 112 disagree, 24 strongly agree, 19 were neutral and 11 agree. After the responses were combined together the study found out that 320 participants disagree and 35 participants agree to the statement. These findings contradict with the earlier findings of Simon & the Clinton (2013) who indicated that perception of equity in taxation affects taxpayers' compliance in many organizations. This statement is further supported by *Dollery (2005) who also supported the claim that Perception of equity in taxation affects taxpayers' compliance in various organizations.*

4.5.5 Perception of Government spending affects taxpayers' compliance at IRD Oshakati

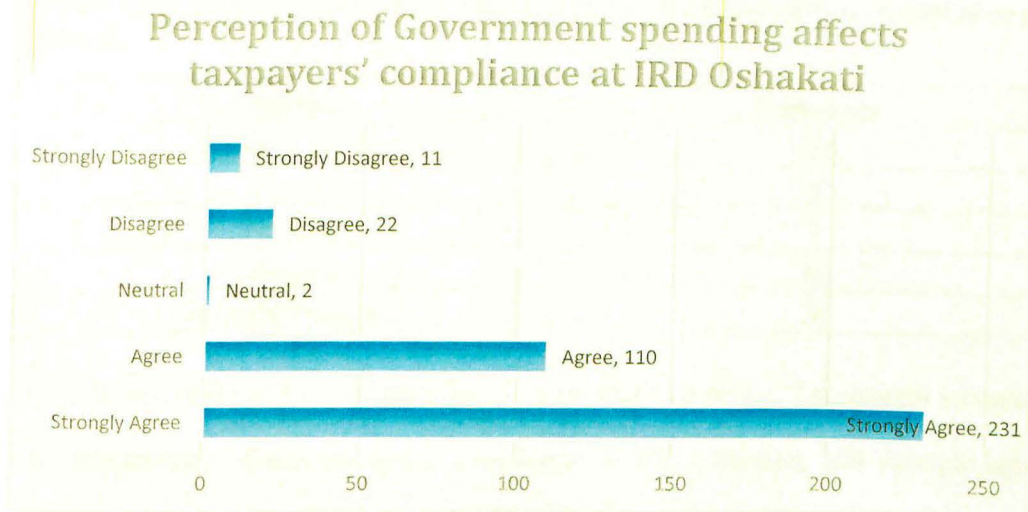


Figure 4.18: Perception of Government spending affects taxpayers' compliance at IRD Oshakati

The figure shows that 231 participants strongly agree that Perception of Government spending affects taxpayers' compliance at IRD Oshakati, 110 agree, 22 disagree, 11 strongly disagree and 2 were neutral on the statement. After the responses were combined the study found out that 341 participants agree and 33 participants disagree. These findings verify and concur with the findings of De Vault (2017) who cited that if the government spending is perceived to be poor by the taxpayers and their compliance to tax payment will be affected negatively. But if the government tax expenditures are reasonable with a lot of transparency and accountability, they will create a positive attitude towards tax payment on the side of the taxpayers since they can see that their money is being put into good use.

4.5.6 Government accountability and transparency affects taxpayers' compliance at IRD Oshakati

Table 4.2: Government accountability and transparency affects taxpayers' compliance at IRD Oshakati

Response	Frequency
Strongly Agree	150
Agree	167
Neutral	1
Disagree	34
Strongly Disagree	24

The table above shows that 167 participants in the study agree that Government accountability and transparency affects taxpayers' compliance at IRD Oshakati, 150 strongly agree, 34 disagree, 24 strongly disagree, only one was neutral on the idea. After combining the responses, it was found out that 317 participants agree and 58 participants disagree that Government accountability and transparency affects taxpayers' compliance at IRD Oshakati. These findings uphold the findings of Ngotho & Kerongo (2016) who argued that Government accountability and transparency affects taxpayers' compliance in many organizations. Transparency and accountability in the way the taxpayers' money is spent helping to motivate the taxpayer to pay more and to respect and honor the laws of taxation (Abubakari, Razak, & Christopher, 2013).

4.5.7 Tax complexity affects taxpayers' compliance at IRD Oshakati

Tax complexity affects taxpayers' compliance at IRD Oshakati

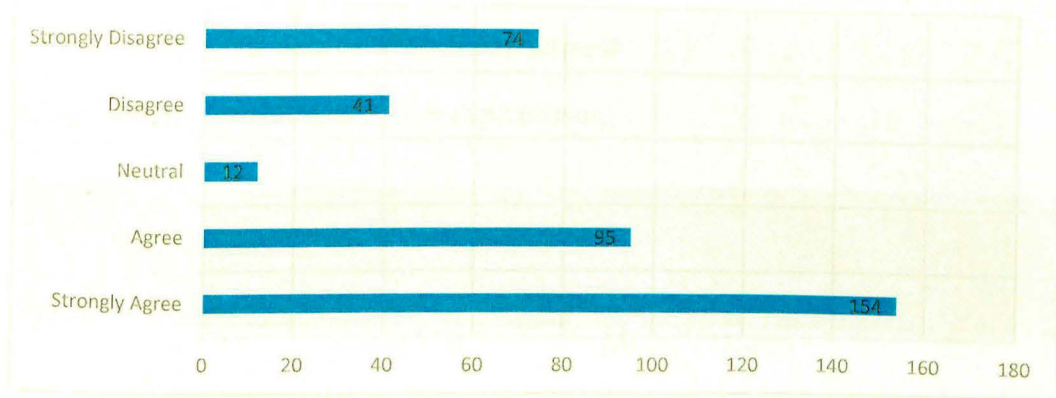


Figure 4.19: Tax complexity affects taxpayers' compliance at IRD Oshakati

The figure shows that 154 participants strongly agree that tax complexity affects taxpayers' compliance at IRD Oshakati, 95 agree, 74 strongly disagree, 41 disagree, 12 were neutral. After the responses were put together it was found out that 269 participants agree and 115 disagree. The finding harmonies with the earlier findings by Gale & Pechman (2014) who stated that high scores for underlying complexity and resource impacts of income tax may suggests an inherently complex tax and might also indicate it as a good focus for an attempt at simplification. That's a tax complexity is a good determinant of taxpayers compliant in any economy.

4.5 Presentation of qualitative findings from the indepth face to face interview with the tax authorities for IRD Oshakati.

4.5.1 Demographic details of each participant

Table 4.3: Demographic details of each participant

Participant	Gender	Educational Level	Age
1	Male	Master's Degree	29
2	Female	Honours Degree	26
3	Male	Master's Degree	37
4	Female	Diploma	53
5	Female	Honours Degree	42
6	Male	Master's Degree	51
7	Female	Honours Degree	45
8	Female	Master's Degree	29
9	Male	Honours Degree	49
10	Female	Diploma	48
11	Female	Honours Degree	28
12	Male	Master's Degree	58
13	Female	Honours Degree	28
14	Male	Diploma	29

This subdivision presents the demographic information of the participants to offer the reader a better understanding of the study participants as reflected in Table above. The respondents were

employees for in IRD Oshakati Office (males and females) in the Oshana Region in Namibia. Six of the participants were males, while eight were females. The table above shows that six participants were employees for IRD Oshakati Office holding honors' degrees, five participants were holding masters and had three were holders of diplomas. These findings show that the study participants are fully qualified employees who are in a good position to proffer meaningful solutions to the issue under investigation.

4.6 Presentation and discussion of data

This section presents the findings from the various themes which emerged from the study. Data presented includes the description of the collected data into some form of explanation, understanding or elucidation of the people and situations under study. This involves turning and exhibiting the data from the interviews into findings, which provide useful information, suggesting conclusions, and supporting decision-making (Belland, French, & Ertner, 2012). Since the study was following a qualitative approach, the data were analyzed thematically and presented in themes and sub-themes which were aligned to answer the research questions of the study. The data collected during the individual in-depth face to face interview was transcribed and then analysed according to the framework of data analysis for qualitative research (Blaikie, 2014). Thematic analysis is performed through the process of coding in six phases to create established, meaningful patterns (Cohen, Manion, & Morrison, 2012). The researcher's explanations and analysis are integrated with the literature, which serve as substantiation of the themes and sub-themes (Borg & Gall, 1989). The themes were recognized and acknowledged through sequential phases which are data familiarization, data coding, searching for themes and thematic development, reviewing themes, defining and naming themes and finally writing up the themes. The data were then presented in themes with transcribed quotations of the respondents being included to support the findings. The themes

and sub-themes that emerged from the analysed, transcribed collected data are tabulated in Table 4.4

Table 4.4: Themes and sub-themes

THEMES	SUB-THEMES
Theme 1: Strategies can be used to mitigate on the compliance with tax laws among the provisional tax payers registered with the IRD Oshakati Office	Sub-theme 1.1: Making mandatory the clearance to tax compliance to all government contractors
	Sub-theme 1.2: Campaigning for tax payment
	Sub-theme 1.3: Educating the general public
	Sub-theme 1.4: Sending text messages to tax payers
	Sub-theme 1.5: Heavy penalties defaulters
	Sub-theme 1.6: Life style audit

4.7 Theme 1: Strategies can be used to mitigate on the compliance to tax laws among the provisional tax payers registered with Oshakati Office

Several strategies were proposed by the study participants to mitigate on the taxpayer compliance to the payment of tax at IRD Oshakati. The participants in the study who were the employees for the IRD Oshakati recommended the following strategies:

“Timely audit and producing the audit results to taxpayers for taxpayer to know where they stand to avoid late payment and penalties.” (Participant 4)

“IRD should also consider incentives to allow taxpayers to settle their outstanding payments on time.” (Participant 14)

“Making the office attractive to taxpayers by stopping abusing the law.” (Participant 13)

“More consultations with taxpayers through meetings.” (Participant 10)

These findings above concur with the findings of Abubakari, Razak, & Christopher (2013) who stated that every government need to have strategies in place that can be used to mitigate on lack of compliance of taxpayers in that particular country. This will help the receiver of revenue to have enough money that can be distributed to various sectors and cater for the needs of the various ministries.

4.7.1 Sub-theme 1.1: Making mandatory the clearance to tax compliance to all government contractors

Making the clearance of all contractors mandatory before government or private tenders can be awarded can be a helpful strategy that can mitigate on taxpayer compliance to the payment of tax (De Vault, 2017). Mandatory clearance to tax compliance for all contractors will be helpful in mitigating on customer compliance to tax payment. On this issue this is what the participants had to say:

“There is a need for all people getting contracts to first be cleared by IRD, through issuance of the Good Standing Certificate, before they can be awarded any tenders”.
(Participant 1)

“The government need to put a law that will make all the contractors, private or government to be cleared or to have a letter or a certificate of good standing in tax compliance.” (Participant 6)

“Good Standing Certificates and other services should be mandatory.” (Participant 13)

These findings uphold the findings of Bannan, Baku, & Nketiah (2013) who indicated that all contractors need to be cleared by the tax authorities before they can be awarded any tenders.

This will help to improve and mitigate on the compliance of any aspiring tender to pay their taxes since this is a condition for them to be considered for tender awarding processes.

4.7.2 Sub-theme 1.2: Campaigning for tax payment

Campaigns are an important tool that can be used to inform the public of any important aspect which they have to observe (Aluko, 2005). Tax campaigns can be very instrumental in mitigating and improving on the taxpayers' compliance to tax payment in the department of Inland Revenue globally (Simon & Clinton, 2013). This initiative has proved to be very effective in many settings and in many countries. Participants in the study recommended the use of campaigns as an important tool to mitigate on tax compliance among the taxpayers at IRD Oshakati. The following citations from the participants support this claim:

“There is a need for the IRD to hold a nationwide campaign on tax compliant among its clients.”(Participant 14)

“Campaigns will definitely improve on the tax compliance of the taxpayers countrywide.”(Participant 1)

These findings are in line with the findings of De Vault (2017) who recommended that the use of nationwide campaigns can be used to mitigate and create awareness to the taxpayers nationally.

4.7.3 Sub-theme 1.3: Educating the general public on the importance of paying taxes

Education is a tool that has proved to be effective in improving taxpayers' compliance to tax payment. Through education, taxpayers can be informed of the importance of their paid taxes to state development (Abubakari, Razak, & Christopher, 2013). Education helps individuals

with the wrong perceptions about tax payment to reform and renew their thinking (De Vault, 2017). The participants in the study recommended educating the general public on the importance of tax payment. On this issue, this is what they had to say:

“There is a need to educate the general public of the importance to pay tax.” (Participant 3)

“If people are given the right education and lectures on the significance to comply with the tax payment this will definitely go a long way to improve on the compliance of the taxpayers to paying tax.” (Participant 11)

The discoveries above to verify the earlier findings by Abubakari, Razak, & Christopher (2013) who stated that educating the general public on the importance of paying taxes is an important tool that can improve on the compliance of

4.7.4 Sub-theme 1.4: Sending seems to tax payers

Text messages are an effective means by which tax authorities can use to remind the taxpayers that their tax payments are due (Aluko, 2005). Through the use of text messages, the taxpayers will have no room to argue that they forgot or they didn't remember about paying taxes to the IRD. The participants in the study recommended the use of text messages at one of the strategies that can be used to alert the taxpayers that their taxes are due (Dollery, 2005). This has proved to be effective in some countries which have adopted this initiative. On this issue, this is what the study participants had to say:

“IRD needs to make use of text messages to remind the general public of their due dates for paying taxes.” (Participant 7)

“There is need to make use of text messages to remind the general public of their role to pay taxes.” (Participant 10)

“People need to be reminded either through the radios or televisions to comply with the payment of taxes.” (Participant 8).

These findings concur with the findings of (Abubakari, Razak, & Christopher, 2013; Wilson, 2014) who stated that reminders in the form of text messages or use of the media, radio or televisions need to be utilized more often to remind the general public on the need to comply with tax payment.

4.8 Summary

This chapter presented the findings of the study, which were collected from the in-depth face to face interview and the questionnaire for IRD Oshakati. The reviewed literature was used to substantiate and elaborate on these findings and were also aligned to answer the research questions of the study. The next chapter presents the conclusion, summary of the findings and recommendations of the study.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter will present a summary of the study, the conclusions from the findings and recommendations for future research. The aim of this study investigated the level of compliance with the Tax Laws for provisional taxpayers' registered with the IRD Oshakati office. The study adopted a mixed method research design (Farrokhi & Mahmoudi-Hamidabad, 2012). The study sort answers to the following research questions: (1) What is the level of compliance to tax laws among the provisional tax payers registered with IRD Oshakati Office? (2) What are the factors that influence provisional taxpayers' compliance with tax laws among the provisional taxpayers registered with the IRD Oshakati Office? (3) What strategies can be used to mitigate on the compliance with tax laws among the provisional tax payers registered with Oshakati Office?. The study utilized a mixed methodology to collect data from employees for OIR and the taxpayers for Oshakati IRO. The quantitative dimension of the study used a stratified random sampling strategy to select 376 taxpayers who completed a closed ended questionnaire and a purposeful sampling strategy through the use of an in-depth face to face interview was used to select data from 14 employees for Oshakati Inland Revenue. The questions were all answered in Chapter 4 where research findings were presented and discussed in detail.

The study had three main objectives, namely to:

1. To establish the level of compliance to tax laws among the provisional tax payers registered with the IRD Oshakati Office
2. To identify the factors that influence provisional taxpayers' compliance with tax laws among the provisional taxpayers registered with the IRD Oshakati Office

3. To explore strategies that can be used to mitigate on the compliance with tax laws among the provisional tax payers registered with Oshakati Office

The collected data was analysed, from employees for IRD Oshakati and provisional taxpayers who are taxpayers at IRD Oshakati and the findings were elaborated on in Chapter Four. Literature was used to substantiate, explain, compare and contrast the findings of this study and align them to answer the research questions of the study. A brief summary on each of the previous chapters, as well as conclusions and recommendations from the findings will be presented in the following sections.

5.2 Summary

The summary of the study provides a brief account of the chapters, without going into detail, as they have been thoroughly discussed already.

5.2.1. Chapter 1: Introduction to the study.

This chapter provided the reader with a general contextual overview of the research study, the research problem, research goal, research question, delimitations used to execute the study.

5.2.2. Chapter 2: Literature review.

In Chapter 3, the researcher presented a comprehensive review of literature. The literature which was explored mainly focused on the factors that influence the taxpayer compliance to tax payment at IRD Oshakati, the level of compliance to tax payment, and the various strategies that can be used to improve the compliance of taxpayers to tax laws at IRD Oshakati

5.2.3. Chapter 3: Research methodology.

These researchers chose and used a mixed method approach through the use of both qualitative (descriptive) and quantitative (survey) research approach as the best suited in seeking to achieve the study's aims. Chapter 3 elaborated more on the research methodology and the steps used to complete the research study successfully. This chapter presented the research

design (qualitative and quantitative) approach, description of the studied population (tax payers for IRD Oshakati) and sampling strategies (stratified and purposeful) which were adopted in the study. In this study, the sample was taken from IRD Oshakati (taxpayers and employees). The data were collected by means of semi-structured face-to-face in-depth interviews and an open ended questionnaire. In addition to that, this chapter also presented issues of data collection and analysis, and ethical issues which were considered in the study.

5.2.5. Chapter 4: Presentation and discussion of the findings.

Chapter 4 presented a discussion of the main findings which was presented in the form of tables, graphs, theme and sub-themes that were generated from the in-depth interviews and the close ended questionnaire. This chapter also presented the demographic information of the 376 participants in the study who were taxpayers and 14 employees for IRD Oshakati. With the one main theme and four subthemes which emerged in the study, literature and theory was used to substantiate, explain, compare and contrast the findings of this study. Specifically, the following themes emerged from the study:

5.2.5.1. Objective 1: The level of compliance to tax laws among the provisional tax payers registered with the IRD Oshakati Office

The purpose of the study was to investigate the level of the taxpayers' compliance to tax payment at IRD Oshakati. The study unveiled the taxpayers often filled tax late, and they also do not comply with tax regulations, they ever claim deductions and submit their tax forms late among others. Because of this, their level of compliance to be 36.9%.

5.2.5.2. Objective 2: Factors that influence the provisional taxpayers' compliance to tax payment at IRD Oshakati

One of the research objectives of the study was to establish that negative perception of government spacing, attitude towards taxation, lack of tax knowledge, government accountability and transparency, and tax complexity, perceptions of equity in taxation among others affects the taxpayers' compliance at IRD Oshakati.

5.2.5.3. Objective 3: To make recommendations or strategies that can be used to mitigate on the compliance with tax laws among the provisional tax payers registered with Oshakati Office.

The participants recommended that taxpayer compliance can be improved by making it mandatory for all contractors for private and government to get a tax clearance certificate before a tender is awarded. They also recommended that making campaigns on tax payment can improve the compliance of taxpayers, and also educating the general public on their role and need to pay tax. The participants also recommended that the use of text messages to send reminders to taxpayers can also be used to improve on the compliance of the tax payers.

5.2.6. Chapter 5: Conclusion and recommendations.

Lastly, Chapter 5 presents the conclusions and recommendations of the study. It presents an overall summary of the chapters covered in the study, as well as the limitations that need to be observed concurred with the findings of the study. The chapter also provides recommendations for future research.

5.3 Limitations of the study

For fear of the unknown by respondents, the researcher experienced non-cooperative respondents who were not willing to disclose necessary data during the data collection phase. With this in mind, the researcher had to convince the participants that whatever information they were providing were going to be used only for academic purposes. The absence of readily available research grants on critical research topics such as this one has also been a limitation as their availability could have led to countrywide studies being undertaken and made literature based on nationwide studies available. The researcher had to rely on data from other countries who are also embarking on taxpayers' compliance. The major limitation of the study was that not all taxpayers in the country or the region were selected to participate. As a result,

generalizing the findings to the entire sector in the country would not be possible since the research was only carried out in the IRD Oshakati and the views of the participants might not have been reliable because some could have provided biased information to create favorable impressions.

5.4 Recommendations

5.4.1 Recommendations to the Ministry of finance and customs.

The Ministry of Finance – Inland Revenue Department is responsible for collecting domestic tax countrywide. With this background, the study recommends that:

- There is a need for the Ministry to have a component that do lifestyle audits as there seems to be a mismatch between the standard of living and the contributions to the government account in the form of taxes.
- Taxpayers need to be sufficiently educated on the need to pay tax to the IRD.
- There is a need to give heavy fines to all tax defaulters in Oshakati.
- There is a need to introduce Gambling tax for people owning gambling machines to pay tax to the government
- The IRD needs to fully implement the Integrated Tax Administration System that will be used countrywide.
- IRD need to recruit more tax auditors to be able to do timely audit and produce the findings without delay.
- There is a need for mandatory GSC (Good Standing Certificate) for both government and private procurements/contacts.

5.5 Suggestions for further research

This study was done with IRD Oshakati Office. Future studies need to be done in the other offices countrywide to:

- Compare the findings so as to have a better understanding of the level of provisional taxpayers' compliance to tax laws countrywide and to understand the various factors affecting the provisional taxpayers in being compliant with tax laws. Find ways to assist provisional taxpayers in playing a proactive role in adherence to the tax laws.

5.6 Conclusion

The purpose and goal of the study was to make recommendations or strategies that can be used to mitigate on the compliance with tax laws among the provisional tax payers registered with Oshakati Office. This chapter presented a summary of the chapters in the study, followed by a summary of the main findings emanating from the study. It also presented recommendations and areas for further research. A mixed method approach involving both (qualitative and quantitative) research approaches was used to answer the research questions, thereby attaining the research goal and objectives of the study. The results of this study provided insight into the level of compliance of the taxpayers to tax laws at IRD Oshakati and the factors influencing the taxpayers to tax payment laws in Oshakati Office. This last chapter of the study provided the reader with a summary and the conclusions of the study, from the introduction, literature review, applied methodology and the presentation of the research findings.

A number of recommendations were made to the Ministry of Finance and the department of IRD. In addition, the researcher made suggestions for future research. Finally, this study is expected to add new knowledge to a limited body of literature on the factors that influence the taxpayers' compliance with tax laws in the Namibian context.

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APPENDIX A: PARTICIPANTS' QUESTIONNAIRE

SECTION A: BIOGRAPHICAL INFORMATION OF THE PARTICIPANTS

Please respond by putting a \checkmark or \times in the appropriate box.

1. How old are you?

18-30	1
31-40	2
41-50	3
51-60	4
Above 60	5

2. What is your gender?

Male	1
Female	2

3. What is your education level?

None	1
Primary	2
Secondary	3
Tertiary	4

4. What's your employment capacity?

Contract	1
Fulltime	2

5. How many properties do you own/manage?

Number of Properties owned	Respondents
1	204
2	76
3	60
4	34
Above	2

6 Number of years in the business?

Years	Tick
	Appropriately
0-5	
6-10	
11-20	
OVER 20	

7 What is your annual turnover/Income? (amount you get per year)

TURNOVER N\$ 000	
Below 300	44
301 -- 1000	42
1001 --4 000	64
4001 --10,000	127
10,000 and above	99

SECTION B: THE LEVEL OF COMPLIANCE TO TAX LAWS AMONG THE PROVISIONAL TAX PAYERS REGISTERED WITH IRD OSHAKATI OFFICE

Please respond by putting a \sqrt or \times in the appropriate box.

	Factors	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
		1	2	3	4	5
1	I have often missed not filled tax returns					
2	I have filled my tax return late before					

3	I have paid my tax return late before					
3	I have under reported my income					
4	I have over claimed deductions before					
5	The business pays the right amount of taxes on time					
6	I have overstated my tax returns					
7	I have understated my tax returns before					
8	I have often complied with tax regulations before					
9	The business files its tax returns on time					
10	I have forgotten to give my tax return before					

SECTION C: FACTORS THAT INFLUENCE PROVISIONAL TAXPAYERS' COMPLIANCE TO TAX LAWS AMONG THE PROVISIONAL TAXPAYERS REGISTERED WITH IRD OSHAKATI OFFICE

Please respond by putting a \checkmark or \times in the appropriate box.

		Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
		1	2	3	4	5
1	Negative perception of Government spending affects taxpayers compliance at IRD Oshakati					
2	Attitude toward taxation affects taxpayers compliance at IRD Oshakati					
3	Lack of Tax knowledge affects taxpayers compliance at IRD Oshakati					
4	Perception of equity in taxation affects taxpayers compliance at IRD Oshakati					
5	Perception of Government spending affects taxpayers compliance at IRD Oshakati					
6	Government accountability and transparency affects taxpayers compliance at IRD Oshakati					

7	Tax complexity affects taxpayers compliance at IRD Oshakati	INFORMATION REQUEST LETTER	RD OSHAKATI		
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Date: 20/05/2019

Place: Oshakati

To: Mr. [Name]

From: Mr. [Name]

Subject: [Subject]

Reference: [Reference]

1. [Faint text]
2. [Faint text]
3. [Faint text]
4. [Faint text]
5. [Faint text]
6. [Faint text]
7. [Faint text]
8. [Faint text]
9. [Faint text]
10. [Faint text]

[Handwritten signature]

APPENDIX B: PERMISSION REQUEST LETTER IRD OSHAKATI

P.O. Box 5028
Oshakati
24 June 2018

The Receiver of Revenue
Northern Regional Office
Oshakati

Dear Sir/Madam,

RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH

1. I am referring to the above-mentioned subject.
2. My name is Akefel Amukutiwa and I am studying toward a DEGREE OF MASTERS OF BUSINESS ADMINISTRATION in Finance, at the University of Namibia. I am currently doing a Research on **assessment of provisional taxpayers' compliance with tax laws: a case for Oshakati office**
3. The Research questions for the study are:
 - a. What is the level of compliance to tax laws among the provisional tax payers for Oshakati office?
 - b. What are the factors that influence provisional taxpayers to comply to tax laws among the provisional taxpayers for Oshakati office?
 - c. What strategies can be used to mitigate on the compliance to tax laws among the provisional tax payers of Oshakati office
4. As part of my academic studies, I am required to collect data from Senior Officials of Inland Revenue Department Oshakati office. The data collected will enable me to conduct in-depth study on the subject mentioned above.



APPENDIX C PERMISSION OFFER LETTER IRD OSHAKATI



REPUBLIC OF NAMIBIA

MINISTRY OF FINANCE
DIRECTORATE: INLAND REVENUE

Tel: (065) 229 762
Fax : (065) 221190

Northern Regional Office
Inland Revenue Building
Private Bag 5548
Oshakati
Namibia

02 July 2018

Enquiries: Ms S. Samuel

To: Mr Aktofel Amakutuwa
P.O. Box 5025
Oshikuku
Namibia

Dear Mr Amakutuwa

RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH

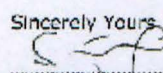
Permission is hereby granted to Mr Aktofel Amakutuwa to conduct research on the assessment of provisional taxpayers' compliance with tax laws: a case for Oshakati office.

Mr Amakutuwa is advised to ensure that the data obtained should be kept confidential until the completion of the study where the findings can then be shared.

You are advised to ensure that the findings are shared with my office.

Thank you for your understanding.

Sincerely Yours


Ms Salja Samuel
Acting Deputy Director
Receiver of Revenue
Northern Region



APPENDIX D: INTERVIEW PROTOCOL (STAFF MEMBERS IRD)

Research Questions are:

As part of my academic studies, I am required to collect data from Senior Tax Officials and you are one of those selected for this purpose. The data collected will enable me to conduct in-depth study on the subject mentioned above. I would appreciate if you could kindly afford me an opportunity to interview you in order to complete my study. Please be informed that the interview is being used for academic purposes only and I can assure you of anonymity and confidentiality of the information collected that it will be kept in the researcher's file cabinet which is always under lock and key. Electronically collected information will be stored in my personal computer which is always password protected and thereafter it will be destroyed.

1. What strategies can be used to mitigate on the compliance to tax laws among the provisional tax payers of Oshakati office
2. What do you think are the major challenges you face in dealing with Inland Revenue Department, Oshakati office?
3. How do you rate the performance of Inland Revenue department Oshakati office in terms of efficiency and effectiveness?
4. Any advice can you give to Inland Revenue Department Oshakati office?