ASSESSMENT OF THE IMPACT OF TAX REFORMS ON THE NAMIBIA TAX SYSTEM

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JOHANNES SHAPUMBA EKANDJO

201501853

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MAIN SUPERVISOR: DR EUKERIA WEALTH (University of Namibia)

ABSTRACT

The study sought to assess the impact of tax reforms that were implemented from 2015 to 2021 on the Namibian tax system. The study was undergirded by the Theories of Distributive Justice and Limitation on Taxation and employed a sequential exploratory mixed-method research approach. Through purposive sampling, a total of hundred and fifteen (115) participants from the NamRA Domestic Tax Department and NamRA Legal Department participated in the study. Moreover, the study reviewed documents such as the Government Gazettes of Namibia on the Promulgation of Income Tax Amendment Act published from 2015-2021 and annual reports of the Ministry of Finance and Public Enterprises for the same period. The study administered a structured questionnaire to collect primary data on the impact of reforms on the three tax heads Individual Income tax, Corporation Income, and Value-Added tax. Consistent with other scholars, the study found that tax reforms in Namibia have improved the revenue mobilisation capacity, expanded the tax base, and enhanced public internal revenue generation. Value Added Tax Reforms in Namibia sought to boost the country's manufacturing capacity and attract foreign investment to Namibia and these findings were in addition to those noted by researchers in other countries. Furthermore, the study findings indicated that Individual Income Tax reforms in Namibia tend to be positively correlated with revenue with a 2.92 correlation coefficient and p-value= 0.075, while Corporation Income Tax reforms are statistically insignificant and reforms on Value Added Tax were positively correlated with Value-Added Tax Revenue with a 2.85 correlated coefficient and p-value= 0.034. The study also confirmed that the powers and functions of NamRA were not fully utilised towards individuals, corporations' income and Value Added Tax reforms on the Namibian tax system. The study further recommends the board of directors for NamRA to ensure that the agency exercises its duties and power to its full capacity by implementing internal control measures to ensure that individuals, corporations, and Value value-added tax reforms on the Namibian tax system are not stronger in words than in action.

Keywords: Tax reforms, Revenue, Individual income tax, Corporation Income Tax and Value Added Tax

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LIST OF ABBREVIATIONS AND ACRONYMS

CGE	Computable General Equilibrium
CIT	Company/ Corporations Income Tax
COGS	Cost of Goods Sold
CRAN	Communication Regulation Authority of Namibia
EPZ	Export Processing Zone
FIRS	Federal Inland Revenue Service
GDP	Gross Domestic Product
IFRS	International Financial Reporting Standards
IIT	Individual Income Tax
NAMRA	Namibia Revenue Agency
PIT	Personal Income Tax
PPT	Petroleum Profit Tax
PwC	Price Waterhouse Coopers
SARA	Semi-Autonomous Revenue Authority
URA	Uganda Revenue Agency
VAT	Value-Added Tax

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Above all, I give thanks to God for giving me the insight and necessary fortitude to complete this thesis. Praise be to him!

DEDICATION

I dedicate this thesis to my late grandma Kuku Eunike Mwetuvulwa Iyambo (GwIiyambo). Grandma! You have been a steadfast and kind source of support throughout my life. Your nature of love, kindness, and commitment to pursue excellence will always be a part of me. It is because of the spirit of tenacity that you bestowed upon me that keeps me going. Your sense of humor and superb sarcasm will be much missed. Grandma, rest in everlasting peace, for your spirit will endure forever.

DECLARATION

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CHAPTER 1

1 INTRODUCTION

1.1 Background of the study

Udezo and Onuora (2021), opine that tax reforms are continuous actions by the government and its agencies to alter the existing tax laws and policies and positively impact the tax administration for efficient revenue generation in the country. Tax reforms are not only intended to address non-compliance with tax obligations, non-registration in the tax system, and non-filing of tax declarations, but also delayed payments of tax liabilities, and lack of complete and accurate reporting of information in declarations (World Bank, 2020a, b as cited in Kamasa, Nortey, Boateng & Bonuedi, 2022). Nonetheless, several tax reforms were also designed to expand the tax base, reduce the tax burden on taxpayers, reinstate the confidence of the taxpayer in the tax system, and encourage voluntary compliance on the part of the taxpayer with the main goal of the enhancement of public internal revenue generation (Udezo & Onuora, 2021). According to Moore (2020) national tax administrations in Sub-Saharan Africa have undergone considerable reforms in recent decades and in several aspects, they are more reformed than tax administrations in other low-income regions of the world.

Bekoe, Danquah, and Senahey (2016) investigated whether Ghana's tax reform program improved the revenue mobilisation capacity of the overall tax system and individual taxes based on approximations of tax buoyancy and elasticity. The results from tax buoyancies and elasticities revealed that tax reforms positively influenced the overall tax structure and individual tax components except for excise duties. Another study in Ghana by Kamasa, Nortey, Boateng, and Bonuedi (2022) has also provided evidence that tax reforms significantly enhance tax revenue mobilisation in Ghana and clarifies that tax reform on individual income may render revenue levels more sustainable and promote future fiscal independence from foreign aid. It may also improve economic growth and address issues of inequality through redistribution.

On the contrary, Sajadifar, Khaibani, and Arakelyan (2012) measured the impact of tax reform on the Iranian economy and proved that Iranian government revenue increased while household well-being and GDP deteriorated due to the implementation of VAT. A study conducted in Nigeria by Udezo and Onuora (2021) indicated that reforms in Value Added Tax (VAT), Personal Income Tax (PIT), and Petroleum Profit Tax (PPT) had a significant positive effect on revenue performance in Nigeria. While reforms in Company Income Tax (CIT) had a positive but insignificant effect on revenue performance in Nigeria.

The Namibian Government's majority income (over 95%) comes from taxes on items such as the incomes of individuals, profits of corporates, goods, and services bought by consumers "Value Added Tax" (Ministry of Finance, 2019). Namibia is part of Sub-Saharan Africa and has also carried out several tax reforms from the year 2015 to 2021 in order to boost revenue generation through appropriate legislation, cover gaps in the existing tax structure by creating efficient, effective, resilient, and responsive fiscal institutions, improve the administration, assessment, and collection, making them more accountable, and promote voluntary payment of taxes by taxpayers (Udezo & Onuora, 2021).

The tax reform implemented in Namibia includes revising the definition of gross income for inclusion of restraint of trade payments and sale of petroleum licenses or rights adopted on 30 December 2015 (Government Gazette, 2015). According to the Government Gazette (2016) a second amendment on the withholding tax rate on management fees, director's fees, entertainment fees, and consultancy fees paid to non-residents was adopted on 21 June 2016. On 22 June 2020 manufacturers were granted scrapped benefits, capital allowance for manufacturers reduced from 20 years to 10 years, and additionally granted a 125% tax deduction for training costs of employees and salaries (Government Gazette, 2020).

Chiripanhura and Chifamba (2015) used a CGE model to evaluate the equity and distributional impacts of Namibia's tax policy reforms introduced in 2013. The results indicated that a decrease in the effective tax rate directly resulted in higher disposable incomes and households benefited from decreased consumer prices. However, the desired findings of the impact of a decrease in the effective tax rate on national revenue in Namibia are absent.

Therefore, the impact of tax reforms on the efficiency of tax system and state revenue in Namibia has not been clarified yet. Similarly, the impact of individual income tax reform, corporations profit tax reform and Value Added Tax reform on the efficiency of tax system and state revenue in Namibia has not yet been studied. This study uses data from 2015 to 2021 in assessing the impact of the tax reforms on the Namibian tax system as the only related study on tax reforms in Namibia was done by Chiripanhura and Chifamba (2015) which focused on the evaluation of equity and distributional impact of Namibia's tax policy reform.

1.2 Statement of the Problem

Although the government of the Republic of Namibia has different sources of income, the Ministry of Finance (2019) stated that over 95% of the Namibian government, income is generated from taxes on items such as the incomes of individuals, profits of companies, goods, and services bought by consumers (Value Added Tax) and property. Though, tax reforms are carried out to enhance the governmental internal revenue generation and boost revenue generation (Udezo & Onuora, 2021), the Ministry of Finance (2019) statistics indicate that the national income from 2017/18 to 2019/20 financial year recorded N$ 56.8 billion, N$ 56.2 billion and N $ 55.5 billion, while N$ 52.1 billion was recorded as the income for 2020/21 by Ministry of Finance (2021). Namibian national debts grew increasingly from a revised amount of N$74.4 billion to N$83.7 billion from 2015 to 2019. While, in the year 2020 Namibian national debt has risen to about N$ 140,8 billion, equivalent to 76, 2% of GDP (Ministry of Finance, 2021). Several tax reforms were made, this includes reforms on Value Added Tax such as export processing zone companies and management companies exempted from paying VAT and customs and excise duties on 22 June 2020 (Government Gazette, 2020). Reforms on corporate tax such as revising the definition of gross income for inclusion of restraint of trade payments and sales of petroleum license or rights on 30 December 2015 (Government gazette, 2015). Moreover, export processing zone companies and management companies are exempted from paying income tax (Government Gazette, 2020). Reforms on individual income tax such as amendment on the director's fees, and entertainment fees on 21 June 2016 (Government Gazette, 2016). In addition, granting a withholding tax rate on management fees, and consultancy, and amending the royalty rate on 30 December 2015 (Government Gazette, 2015). Since several tax policy reforms were made, the current study seeks to assess and determine the impact of the tax reforms on the Namibian tax system.

1.3 Main objective

To assess the impact of tax reforms on the efficiency of the Namibian tax system and national revenue.

1.4 Secondary objectives of the study

- To assess the impact of individual income tax reforms on the efficiency of the tax system and national revenue in Namibia.
- To determine the impact of corporations' income tax reforms on the efficiency of the tax system and national revenue in Namibia.
- To ascertain the impact of Value Added Tax reforms on the efficiency of the tax system and national revenue in Namibia.

1.5 Hypothesis of the Study

Ho1: Reforms on individual income tax have a significant impact on the Namibian tax system

Ho2: Reforms on corporations' income tax have no significant impact on the Namibian tax system

Ho3: Reforms on Value Added Tax have a significant impact on the Namibian tax system

1.6 Significance of the Study

The study is of utmost importance as multiple tax reforms were undertaken from 2015-2021 in Namibia but the impact on the efficiency of tax system and national revenue in Namibia is yet unknown. Therefore, the study seeks to enrich the literature on the impact of tax reform on the Namibian tax system. The study provides recommendations and guidance on the management of NamRA and the policymakers in Namibia on tax reform and may assist in improving tax administration in Namibia.

1.7 Limitations of the Study

The study may present limited data due to the Namibia Revenue Agency policies and regulations limited data on tax reforms.

1.8 Delimitation of the study

This study only focused on tax reform's impact on the Namibian tax system, although other factors had impacted the Namibian tax system. The study only assessed statistics from a period of seven years, that is from 2015-2021.

1.9 Definition of terms

The following terms relate to the study and should be understood as such.

1.9.1 Tax reforms

Udezo and Onuora (2021) define tax reforms as continuous actions by the government and its agencies to alter the existing tax laws and policies to positively impact the tax administration for efficient revenue generation in the country. Tax reforms can be either progressive, retrogressive, or dysfunctional (Udezo & Onuora, 2021; Rao, 2016).

1.9.2 National Revenue

National revenue is money received by a government from taxes and non-tax sources to enable it to undertake governmental expenditures, which can be improved by tax reforms that reduce tax evasion and avoidance and allow for more efficient and fair tax collection (World Bank, 2020a, b as cited in Kamasa, Nortey, Boateng & Bonuedi, 2022).

1.9.3 Value-Added Tax

Anderson, Sweeney, Williams, Camm, and Cochran (2016) define VAT as a consumption tax placed on a product whenever value is added at each stage of the supply chain, from production to the point of sale. Value Added Tax is also defined by Wawire (2017) as an indirect tax levied on public and private consumption and it is paid by the corporation even though the tax burden is shifted to consumers by being included in the price by manufacturers and service providers.

1.9.4 Individual income tax

Tax is generally imposed by the state or levied on the wages, salaries, dividends, interest, and other income a person earns throughout the year which can be regressive, proportional, and progressive taxes (Anderson, Sweeney, Williams, Camm & Cochran, 2016).

1.9.5 Corporation income tax

A corporate income tax (CIT) is a tax levied by federal and state governments on business profits. The taxes are paid on a company's taxable income, which includes revenue minus the cost of goods sold (COGS), general and administrative (G&A) expenses, selling and marketing, research and development, depreciation, and other operating costs (Anderson, Sweeney, Williams, Camm & Cochran, 2016).

1.10 Chapter Summary

The chapter emphasised the background of the study and the tax reforms that are being assessed. In addition, the chapter further provided the research objectives, and hypothesis and highlighted its significance in terms of providing recommendations, definitions of terms, and all other relevant information relating to this study, the next chapter focuses on the literature reviewed.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter concentrates on the studies conducted by other researchers, the detailed reforms undertaken, and the conceptual framework that underpins the study. It is important to benchmark with various authors and researchers to obtain views on the impact being assessed and to make comparisons to the current situation in Namibia. This literature provides a meaningful discussion about the assessments of the impact of tax reforms on the efficiency of the Namibian tax system and national revenue.

2.2 Key concepts of tax reforms

Kusi (2015) opined that tax reform is an essential component of any comprehensive strategy for any organisation or agency on alteration, recommencement of enhancements, and growth. However, tax reforms in developing countries involve broad issues of economic policy as well as specific problems of tax structure design and administration. Tax reforms are undertaken to improve the efficiency of tax administration and to maximise the economic and social benefits (Rao, 2016). Oti and Odey (2016) found that, the most important index to measure the performance and outcome of the recent tax reforms is the enhancement in revenue collection. Rao (2016) stated that different tax reform efforts impact differently on different amendment outcomes and not always in a positive way across all outcomes. Therefore, a shift towards progressive taxes can reduce inequality, however, it can undermine growth, and high levels of inequality undermine growth in the longer term. Mitu and Mitu (2022) have highlighted seven principles that an ideal tax system should respect, although, not limited to these principles, that is to state before reforming tax policies, justice and equity must be considered. Tax policies should be stable, predictable, and legal in nature. There must be neutrality in promoting the economy, with no influence on economic operators' decisions. Tax policies should be adequate for performing public functions and services. Tax policies should be understandable, simple, and simple to implement. Policies should demonstrate certainty, i.e., clear and precise rules. It should be economically reasonable in terms of collection and system administration costs.

Apart from the above principles, tax reform must have a description of the proposed ideal tax system that is “what the reform is intended to do” and “where it is intended to go” (Mitu & Mitu, 2022). For that reason, when a tax reform is proposed or affected there must be certain elements or steps to be followed that guide its implementation and are recommended for its success.

According to Magumba (2019), there are sets of numerous tax reforms that a country can introduce to increase the National revenue, simplify the tax code, and widen the tax base which involves: introducing an increment of penalties for noncompliance, introducing cash registers for all VAT taxpayers, reducing the number of tax categories, simplifying tax procedures, reducing tax rates, strictly enforcing tax laws, and delivering equal treatment for all taxpayers. Not only that but, importantly improving the efficiency of tax administration processes, which entails introducing electronic tax systems for taxpayer registration, filing, payment, and risk-based audits; and a two-stage dispute resolution mechanism which comprised an internal committee at the first stage and an external board to which taxpayers that were dissatisfied with a first stage ruling could appeal is also part of the implementation that countries can make.

Furthermore, Moore (2020) spelt out three tax reforms in different Anglophone African countries that were playing a role over the last 10 years, namely: the introduction of Value Added Tax (VAT), the introduction of improved revenue administration methods which is mostly done towards improving voluntary compliance through better taxpayer and administrator relationships. The creation of semi-autonomous revenue authorities (SARA). The Uganda Revenue Authority (URA) – was created to take over tax revenue administration, which was previously done by the Ministry of Finance, Planning and Economic Development (MoFPED). The creation of the URA was mainly driven by the need to get rid of public sector-related inefficiencies and reduce political influence in revenue administration. In addition, business process re-engineering, involve the introduction of information and communications technology (ICT)-based systems for client interface with the agency (registration, filing, and payment of taxes) and numerous other electronic systems for efficient management of internal organisational processes, including risk-based auditing. Blamelessly, if those outlined tax reforms are followed and implemented carefully, they assist in improving the agency’s brand and achieving voluntary taxpayer compliance through improved service delivery and staff professionalism which will lead to increased collection (Kagina, 2015 as cited in Magumba, 2019).

2.3 National Revenue

National revenue is money received by a government from taxes and non-tax sources to enable it to undertake governmental expenditures, which can be improved by tax reforms that reduce tax evasion and avoidance and allow for more efficient and fair tax collection (World Bank, 2020a, b as cited in Kamasa, Nortey, Boateng & Bonuedi, 2022). A successful revenue collection requires strong political commitment from the highest levels of government. As tax reforms in Georgia involved joint action by the government as a whole such as the police, the judiciary, the parliament, and other government arms, which played a major role in the reforms which yielded positive results that resulted in higher increased National revenue compared to Uganda which was solely driven by the tax administration's leadership (OECD/ITC, 2015 as cited in Magumba, 2019).

The key lesson derived from Georgia's experience was that for tax reforms to be successful and impact national revenue positively, tax reforms must be driven by both the tax administration leadership and the overriding government leadership. However, to curb corruption, there must be a transformation of the mindset of both tax administrators and taxpayers and tax administrators must be empowered to perform their duties without political interference by ensuring that tax laws and reforms are applied uniformly to all taxpayers. Lastly, salary increments for tax administrators must be matched with an increased probability of detection of corruption and guaranteed termination of employment should a tax administrator be found guilty of corruption, only then tax reforms impact the national revenue (Magumba, 2019).

Katusiimeh and Kangave (2015) claim that political power destabilised the Uganda Revenue Authority's ability to achieve significant results, as politically connected individuals could easily participate in tax negotiations and obtain exemptions, even after such exemptions had been abolished by tax reforms. Besides causing direct revenue loss, such irregularities render the tax system unfair, and needless to mention, it is difficult to elicit voluntary compliance from taxpayers who believe that tax regulations are not fairly or uniformly applied to all. On the other hand, In Georgia, even without semi-autonomous revenue authorities (SARA) being formed, success was achieved. Tax laws and regulations were equally applied to all citizens without political influence or favors. A fundamental inference from this contrast is that tax administration reforms cannot be hugely successful if they are solely driven by the revenue agency, they must be driven by the government as a whole. This weakness of tax reforms not led by the government as a whole is clearly shown by Magumba (2019) in Uganda, whereby, even though a semi-autonomous revenue authority (SARA) was formed and several other reforms were followed, the will to drive transformation in tax administration was stronger in words than in action. This is depicted by the government's apparent political interference in revenue administration amidst the reforms, and the lack of committed action by other government agencies to support the tax reforms. Although another country like Georgia that implemented similar reforms got a much bigger and sustained a positive impact, Uganda Revenue Authority reported that it frequently failed to meet its revenue collection targets in recent years. Nonetheless, revenue collections had grown rapidly by 317% in the period while tax contributions to the National Budget grew from 58.7% to 71.5% in the same period. This result was achieved after the Uganda Revenue Authorities were restructured by improving the agency's brand and achieving voluntary taxpayer compliance through improved service delivery and staff professionalism and increasing the salaries of UGA staff in an effort to improve staff welfare, discourage corruption, and reduce staff attrition (Magumba, 2019).

According to the government gazette (2017), Namibia has also established its semi-autonomous revenue authority (SARA) known as the Namibia Revenue Agency which is a State-Owned Enterprise (SOE) and a nation's tax collecting authority established in terms of the Namibia Revenue Agency Act 12 of 2017 as an autonomous agency and came into operation on 7 April 2021. It is responsible for administering the Namibian tax laws and customs and excise services. NamRA has a vision of being a World Class Revenue Agency, serving with a passion to positively impact the livelihoods of every Namibian and a mission to administer and enforce the Tax and customs laws of Namibia with consistency, fairness, efficiency, and effectiveness with a focus on the needs of each taxpayer and trader (Namibia Revenue Agency, 2019). To curb corruption in the agency, at the inception of NamRA, staff members in the Department of Inland Revenue or Directorate of the Customs and Excise in the Ministry of Finance were given a period to apply for employment with the Revenue Agency and were only employed if they succeeded in terms of qualification and being corrupt-free as well as redeployed anywhere in public services (Government Gazette, 2017). In addition, NamRA staff salaries were adjusted and increased to financially elevate them above their counterparts in other public service functions. Furthermore, the commissioner of the agency is required to submit a declaration of assets and interests to the Board. While staff members were to submit a declaration of their assets and interests to the Commissioner of the agency (Government Gazette, 2017). Furthermore, national revenue collection can also be hindered by corruption among the staff of the semi-autonomous revenue authorities (SARA) and may cause failure in meeting its financial obligations to its employees and all its citizens, the following section presents corruption and tax reforms.

2.4 Corruption and tax reforms

Corruption is defined by Aghili (2019) in fraud auditing and forensic accounting as dishonest or fraudulent conduct by those in power, typically involving conflict of interest, bribery, illegal gratuities, and economic extortion. Conflict of interest occurs when an employee, manager, or executive has an undisclosed economic or personal interest in a transaction that adversely affects the company. While, bribery is defined as the offering, giving, receiving, or soliciting anything of value to influence an official act or business decision. Illegal gratuities are similar to bribes, but with illegal gratuities, there is no necessary intention to influence a business decision, for instance, a person of influence could be given an expensive gift, free vacation, and so on for her influence in a negotiation or business deal, but the gift is made after the deal is over. Economic extortion is the opposite of bribery fraud. However, instead of a vendor offering a bribe, the employee demands payment from a vendor or client to favor the vendor.

Magumba (2019) indicated that before Georgia's tax reforms, its revenue administration was in a terrible state. It was considered inefficient at all levels. The tax code was complex and created a sense of ambiguity about true tax liabilities among taxpayers. This, among other factors, provided a big opportunity for corruption as it gave tax officers leeway to impose discretionary tax liabilities on taxpayers, which would culminate in negotiation, conflict of interest, illegal gratuities, and bribery. Because of these outrageous criminalities, the tax administration was not collecting sufficient funds to meet national expenditure needs, and the Government of Georgia was in a crisis, failing to meet its financial obligations to its employees and all its citizens.

However, after the switch of government, radical reforms were implemented in Georgia’s tax administration. Firstly, changing the mindset of people involved in the execution of actions sends the message of ‘zero tolerance for corruption’ to all taxpayers. Among other things, involve the arrest of prominent public figures for corruption and hailing the entire country to voluntarily declare their assets and taxes due, or face the consequences of evasion. The second stage involved eliminating corruption from the staff body, as well as, providing each employee a chance to prove themselves worthy going forward, and all who were caught engaging in corruption thereafter got fired, sufficient collection was experienced and some financial obligations were met (Katusiimeh & Kangave, 2015).

In Namibia, different allegations of corruption in NamRA have been reported and cases of corruption have been opened (Amukeshe, 2022). Namibian Revenue Agency (NamRA) states that it has discovered a tax fraud scam that has seen about N$15 million ending up in undeserving individuals' bank accounts, the fraudulent income tax claims were made mainly by individuals who have switched from being salaried employees to provisional taxpayers. The fraud scheme appears to be complex as it involves a variety of officials, at least 122 taxpayers all individuals, some tax consultants, and some NamRA staff members are said to have been involved in the scheme. The agency's commissioner indicated that the trend is, several individual taxpayers' profiles are changed (mostly by taxpayer representatives or bookkeepers) to provisional taxpayer status, which is associated with taxpayers earning income from sources additional to their employment, such as farming, subsequently, revised returns would be submitted with inflated deductions, which then result in tax refunds becoming due to the affected taxpayer. However, the agency has opened criminal cases against identified suspects, while the administrative violations would also be pursued in line with the applicable statutes.

2.5 Theory

The study is underpinned by the Theories of Distributive Justice and Limitations on Taxation. Sugin (2003) clarifies that the theory suggests that, reforming the tax system and policies cannot be evaluated by looking at its impact on private property or in isolation, conceived as something that has independent existence and validity. Tax reforms must be evaluated as part of the overall system of property rights that they contribute to, including other state and non-state institutions. Justice or injustice in taxation can only refer to the system of property rights and entitlements that result from a particular tax regime.

However, the theory could be read as an argument for the demise of all tax reform policy analysis, because it maintains that, the fairness and impact of the tax reform cannot be measured in isolation from all other public institutions, and that taxes affect markets and the definition of private property. According to the theory, the reforms of a tax system are one of the conditions that create a set of property holdings, the legitimacy of which can only be assessed by evaluating the justice of the entire system, including taxes.

Kisska-Schulze and Davis-Nozemack (2019) concur with the theory that no tax reform or even tax system, by itself, is capable of carrying out a conception of justice. Fairness in administration cannot be determined by isolating elements of any tax reform or tax system. Therefore, tax reforms must be viewed in context with other legal rules and relevant societal norms to understand their full impact and have any chance to effectively reform it again. In addition, only when viewing tax in its broader context with other rules and norms, is it determined whether tax fulfills foundational principles. Sugin (2003) continues by indicating that, the demand for everyone to have the same basic liberties is imperative in the theory. The tax system should be reformed to protect the scheme of basic liberties, which is done in two ways: reforms should be done so that, taxation may not violate any of the basic liberties, and the tax system may not allow other institutions with which it interacts, such as the market, to violate any basic liberties. Based on these principles, it is clear that any tax that jeopardizes political rights, personal integrity, or freedom of thought is unconstitutional. Thus, tax reform on people based on their political or moral beliefs, as well as a poll tax that disenfranchised the poor, would be prohibited. Though, the first principle precludes tax systems that are less transparently hostile to basic liberties, and an endowment tax, even if it does not target basic liberties, would be incompatible.

Based on the constraint, justice as fairness would rule out an endowment tax, which taxes people based on their ability to earn regardless of the actual choices they make to earn. The limitation is motivated by the protection of individual autonomy rather than economic justice. Furthermore, the first principle forbids any tax reform that allows economic inequalities to undermine the political system's integrity. Thus, where concentrations of wealth result in concentrations of political power, the first principle would require the tax system to be reformed to break up politically threatening concentrations of wealth in order to allow for equal liberties of citizenship.

The economic fairness model is also in agreement with the Theories of Distributive Justice and Limitations on Taxation. Heiserman, Simpson, and Willer (2020) postulate that the economic fairness model is not a concept that exists in isolation. The model indicates that tax fairness is only meaningful in the context of other non-taxes public and private institutions, and across individuals in society. Therefore, reforming tax policies in isolation and excluding other nontax public and private institutions, and across individuals in society may not yield any result. However, the model indicates that there is no pre-political, natural level of taxation that governments must strive to reach in reforming tax policies as countries vary in the relative sizes of their public and private sectors.

Nevertheless, the Theories of Distributive Justice and Limitations on Taxation endorse an accessions tax, which levies a tax on recipients of bequests, not to raise government revenue, "but solely to prevent accumulations of wealth that are judged to be inimical to background justice. The Theories of Distributive Justice and Limitations on Taxation, which focus on recipients rather than donors, who are the focus of an estate tax, may be fairly related to the content of background justice, specifically equal opportunity, and to the problem of justice between generations (Sugin, 2003).

2.6 Conceptual framework

For the individual income tax reforms, corporations profit tax reforms and Value Added Tax reforms to impact the national revenue positively, the highest levels of government should demonstrate a strong political commitment to enforcing the reforms dissimilar to passing the reforms and leaving it entirely on the direction of tax administration. In contrast to Uganda, where tax reforms were solely the responsibility of the tax administration's leadership, Georgia's tax reforms involved joint action by the government as a whole, including the police, the judiciary, the parliament, and other government arms. Therefore, this played a major role in the reforms' success and led to higher increases in national revenue (OECD/ITC, 2015 as cited in Magumba, 2019). Furthermore, according to Katusiimeh and Kangave (2015), political power can undermine the revenue authority's capacity to produce meaningful results because those with political clout found it easy to engage in tax negotiations and obtain exemptions, even after such exemptions had been eliminated by tax reforms. Such inconsistencies render the tax system unfair in addition to resulting in a direct loss of income, and it is challenging to obtain voluntary compliance from taxpayers who reckon that tax laws are not implemented equally or consistently to all. Similarly, Equitable Taxation (ET) concurs with Katusiimeh and Kangave (2015). According to Tanzi (2014), Equitable Taxation (ET) is an approach initially based on the work of Simons (1938) which was part of a larger framework for economic policy in which liberty and equality were viewed as the fundamental social principles. The strategy advocated for comprehensive income taxes because they were believed to reduce political meddling in the market economy and fairly raise money. Despite the approach opposition to all forms of consumption taxes, later commentators argued that, under certain conditions, they might be favored due to the idea of horizontal equity. In reality, ET is more interested in horizontal equity than vertical equity, leaving the latter to political processes (Tanzi, 2014).

According to Chetty, Mobarak, and Singhal (2014), there must be strong deterrence mechanisms in place to influence taxpayers to follow reforms effected, such as legal penalties and prosecution, to encourage taxpayers to consider paying individual income tax reforms, corporations' profit tax reforms and Value Added Tax consistently. These mechanisms would raise the risk associated with the utility maximisation function and deter the taxpayer from deciding to evade taxes, which is the most logical choice. According to this principle, taxpayers only consider economic factors when deciding how to comply with the law on taxes. This suggests that a taxpayer's decision to comply with the law will be greatly influenced by their subjective attitude toward risk. Aladejebi (2018) recommended that to avoid tax collection thefts from unregistered VAT vendors and employers, the government through tax authorities must make sure that everyone has registered for VAT before gauging tax compliance. Every company in the nation, large and small, should be subject to a certain level of routine inspections. Instead of relying on taxpayers to come in and register themselves, the ministry ought to travel around and register taxpayers so that all businesses could then legitimately register for tax, and thus, measuring their compliance would be easier (Chetty, Mobarak & Singhal 2014).

All in all, conceptual framework of taxonomy of conceptual framework was used. Equitable Taxation (ET), framework for economic policy and empirical findings from literature has indicated a cordial connotation for the impacts of tax reforms on the efficiency of tax system and state revenue. The suggestions indicated that unfair tax system results in a direct loss of state income, and it is challenging to obtain voluntary compliance from taxpayers who reckon that tax laws are not implemented equally or consistently to all.

The following diagram illustrates how theory as well as other concepts and empirical findings from the literature intertwine the relationships among these ideas and how they relate to the research study for the tax reforms to impact the national revenue.

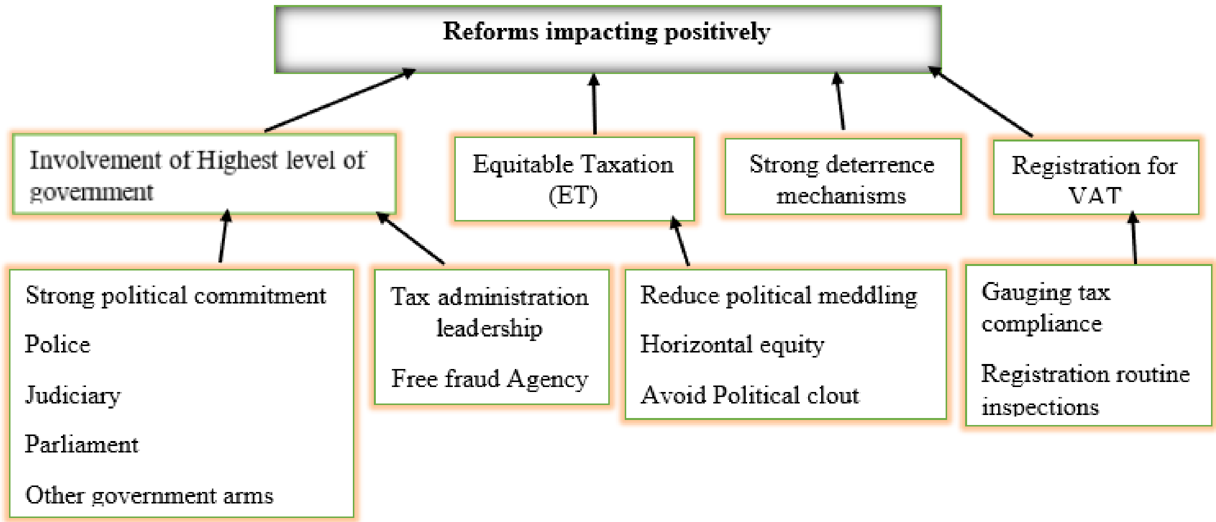

Figure 1*: Conceptual Framework Diagram (Source: Adopted from Equitable Taxation model by Tanzi (2014): OECD/ITC, 2015 as cited in Magumba (2019) and discoveries by Katusiimeh and Kangave (2015), Chetty, Mobarak and Singhal (2014) as well as Aladejebi (2018)).*

As per the diagram, impacting the efficiency of tax system and revenue positively requires involvement of highest of Government, Equitable Taxation (ET) and strong deterrence mechanism. It necessitates strong political commitment towards reforms, Police, Judiciary, parliament and other government arms. It also needs registrations routine inspections, gauging tax compliance for comprehensive registration of VAT.

2.7 Empirical Studies in other jurisdictions

The empirical studies from various jurisdictions that are described below were chosen based on the published studies conducted by various scholars in those particular countries.

The literature from these scholars were then analysed, with various researchers' conclusions and guiding principles being debated.

In other jurisdictions, a study on tax reforms and revenue mobilization was conducted in Kenya and evidence suggests that reforms had a positive impact on the overall tax structure in Kenya and the individual tax handles (Nikus, 2021). In a similar vein, research in Nigeria suggests that tax reforms had a favorable and substantial impact on the state's revenue structure, which is consistent with findings by Udezo and Onuora (2021) and Nikus (2021). These reforms include the establishment of the Federal Inland Revenue Service (FIRS) through the Finance (Miscellaneous Taxation Provisions) Act and the implementation of Value Added Tax (VAT), which was motivated by the study group on indirect taxation led by Sylvester's recommendation. However, Nikus (2021) indicated that the desire and chances for tax evasion, avoidance, and non-compliance with applicable tax rules increase as a percentage of the population's lack of information or education about taxation in the nation. As a result, Nigeria has endured unremitting delinquency due to rampant tax evasion and avoidance despite the several laws intended to increase tax revenue generation.

The impacts of major tax reforms in Uruguay were assessed by using computable general equilibrium modeling-microsimulation analysis and assessed the combined influence of tax fluctuations on macroeconomic and labour outcomes, poverty, and inequality using a top-down static computable general equilibrium modeling microsimulation approach (Cecelia et al.2016 as cited in Nikus, 2021). The findings indicate the full implementation of the reform that tends to strengthen the reduction of poverty, meaning reforms in

Uruguay has impacted positively on the reduction of poverty in the country. On the contrary, Amir, Asafu-Adjaye, and Ducpham (2014) found that tax reforms in Indonesia hindered economic growth and lead to an increase in income inequality in the nation of Indonesia.

According to Kusi (2015), the credibility of the tax administration is the key to the success of any tax reform, and making tax reforms without carefully considering transitional measures can damage the tax regime's credibility as this was proven in Ghana. As a result, transitional arrangements need to be examined considerably more carefully before being implemented and tax adjustments must be portrayed as a component of a longer-term plan to enhance the environment in the public sector for the private sector. Moreover, the tax reform process must be well coordinated, comparing coordinated tax reform to isolated, piecemeal changes to the tax code, there are many benefits in terms of coordinated tax reforms (Kusi, 2015). Therefore, tax reform and structural adjustment measures should be tightly coordinated to enhance national revenue.

According to Van Heerden (2014), several tax reforms were implemented in South Africa, including adjustments to marginal tax rates, adjustments to income bands and non-taxable thresholds, and adjustments to tax expenditures. However, tax reforms affected not only revenue collected but also levels of tax efficiency and fairness as measured by progressivity, by bringing the economy closer or further away from optimum growth and revenue.

Van Heerden (2014) further clarified that increases in marginal rates from current levels, particularly for higher-income groups, will be harmful to the economy. As a result, policymakers should carefully consider the trade-off between lower levels of PIT and the benefits of increased tax efficiency (lower deadweight loss). It is therefore recommended that marginal tax rates be reduced, particularly for middle-income groups, where efficiency is more sensitive to tax changes.

Adjusting income bands and non-taxable thresholds to the GDP/capita benchmark used by South Africa's peers improves tax liability and efficiency more than simply using inflation-adjusted taxable income bands. Furthermore, a policy recommendation made in the study is to adjust these levels accordingly, which means that the threshold for those under the age of 65 should equal the GDP/capita, while the lowest income band should be double the GDP/capita, and the highest income band should be 18 times the GDP/capita. Finally, with the tax expenditure reforms in South Africa, the analysis has shown that a medical tax credit provides a more equitable form of relief than medical deductions in South Africa (Van Heerden, 2014).

In Namibia, Shikongo, Kakujaha-Matundu, and Kaulihowa (2019) assessed the flexibility of Namibia’s overall tax system, reviewed the tax code and tax machinery, and found it ineffective. Therefore, the population gap appears as the overall tax system was assessed by Shikongo, Kakujaha-Matundu, and Kaulihowa (2019), and no clear focus on the impact of tax reforms on the Namibian tax system. Similarly, Chiripanhura and Chifamba (2015) used a CGE model to evaluate the equity and distributional impacts of Namibia's tax policy reforms introduced in 2013. The results indicated that a decrease in the effective tax rate directly resulted in higher disposable incomes and households benefited from falling consumer prices. However, the desired findings of the impact of a decrease in the effective tax rate on national revenue in Namibia are missing. Similarly, the lack of studies in Namibia on the impact of tax reform creates a literature gap that requires further clarification.

2.8 Reforms on Individual income tax

Tax generally imposed by the state or levied on the wages, salaries, dividends, interest, and other income a person earns throughout the year which can be regressive, proportional, and progressive taxes is classified as individual income tax (Anderson, Sweeney, Williams, Camm & Cochran, 2016).

In Indonesia tax reforms on individual income tax impacted differently, this is clearly illustrated by reform on reductions in the income tax of individuals that have hampered economic growth as no public development was initiated due to a reduction in the national tax base as it was found in the effects of the tax reforms on key macroeconomic variables under a balanced budget assumption (Amir, Asafu-Adjaye & Ducpham, 2014). Amir, Asafu-Adjaye, and Ducpham (2014) further indicated that the policy reforms also lead to a small reduction in the incidence of poverty in the country as an individual were left with higher disposable incomes which enable the households to sustain themselves easily. However, the policies also lead to an increase in income inequality since the tax cut is more advantageous to households in the highest income categories (Amir, Asafu-Adjaye & Ducpham, 2014).

Findings on tax reforms on individual income in Ghana have argued that tax reforms can also impact positively, as it proves that tax reforms on individual income may render individual revenue levels more sustainable and promote future fiscal independence from foreign aid, it may also improve economic growth and address issues of inequality through redistribution (Kamasa, Nortey, Boateng & Bonuedi, 2022).

In Namibia reforms on individual income tax such as an amendment on the director's fees, and entertainment fees on 21 June 2016 were done (Government Gazette, 2016). In addition, granting a withholding tax rate on management fees, consultancy, and amending the royalty rate on 30 December 2015. Although Chiripanhura and Chifamba (2015) showed that a decrease in the effective tax rate directly resulted in higher disposable incomes for households and vice versa, the impact it has on national revenue is unknown and the impact of the amendment on the director's fees, entertainments fees on 21 June 2016 is not yet revealed. In addition, the impact of granting a withholding tax rate on management fees, and consultancy, and the royalty rate on 30 December 2015 is not yet clarified.

2.8.1 Withholding tax: director's fees, entertainment fees, management, and consultancy fee

According to the Namibian income tax act (1981) withholding tax is a set amount of income tax that an employer withholds from an employee's paycheck which may include a director's fee, entertainment fee, royalties, management fees, and consultancy fees. However, withholding tax is defined by Anderson, Sweeney, Williams, Camm, and Cochran (2016) as a tax charged on interest paid by any person to or for the benefit of a foreign person (which includes individuals, and companies) from a local source, the foreign person is responsible for the tax, but it must be withheld by the person making the interest payment to or for the benefits of the foreign person. A person who pays interest to a non-resident is required to withhold tax at a rate of 10% and pay it over to Inland Revenue. The interest to non-residents is deemed to be paid on the earlier of the actual payment or the date the interest becomes payable (PWC, 2020).

2.8.2 On Director's fees

Directors' fees are described by Anderson, Sweeney, Williams, Camm, and Cochran (2016) as compensation paid for services performed as a company non-executive director. Executive directors who work in the company are paid a regular salary or an agreed executive remuneration structure for their services. Whereas, South Africa income tax act 58 (1962) categoried that, non-executive directors or those who do not perform employee duties are not common law employees. Therefore, non-executive directors are paid services fees, and the director's fees received by a non-executive director for services rendered as a non-executive director on a company's board, are thus not "remuneration" and are not subjected to the deduction of employees' tax. However, both salaries and fees include or attract 9.5 percent superannuation (Anderson, Sweeney, Williams, Camm & Cochran, 2016). According to PWC (2020), there's no doubt that understanding the rules governing directors' fees can be confusing while claiming these costs as a deduction will lower your overall tax liability which is great news for your business bottom line. It is important to be aware that the Corporations Act 2001 stipulates directors' fees can only be paid if the company's constitution allows it, or with formal shareholder approval. PWC (2020) has clarified that Director's fees can be claimed as a tax deduction in the year they are paid or in the year they are intended to be paid. This means a company can gain a cash flow advantage by claiming the fees as a tax deduction before payment, provided the intention to pay can be proven. Boards will often pass resolutions to this effect just before the end of the financial year, to claim as-yet-unpaid directors' fees as a deduction for that period.

2.8.3 Entertainments fee and Management fee

The Namibian income tax act (1981) provides a definition of "Entertainment fee" as any amount payable to an entertainer (including a cabaret, motion picture, radio, television, or theatre artiste and any musician) or a sportsperson, and includes any payment made to any other person in relation to such activity. While "Management or consultancy fee" is defined together as any amount payable for administrative, managerial, technical, or consultative services or any similar services, whether such services are professional or not (Namibian income tax act, 1981). This means that the cost of providing any type of food or beverage to staff or officers, directors, trustees, consultants, and individuals providing services to the organisation at any time is also included.

Business entertainment is defined as entertainment (including the provision of accommodation, food, and drink, or any other form of hospitality) provided, directly or indirectly, by:

(a) Any person (including a company),

(b) Any person who is a member of such person’s staff, or

(c) Any person providing or performing any service for such person, in the course of or incidental to providing or performing such service (Namibian Income Tax Act, 1981).

Martini, Wahya, and Fithri (2022) define Nigeria’s entertainment tax as a regional taxation on the implementation of entertainment, which is defined as any sort of show, game, agility game, or crowd with any name that is viewed or enjoyed by everyone for a fee, excluding the use of sports facilities. Therefore, according to the results of the multiple linear regression analysis in Nigeria, local original revenue is positively impacted by hotel, restaurant, and entertainment taxes. Through increasing the entertainment tax rate and expanding the number of hotels in Nigeria these had an impact on increasing local revenue collection in Nigeria (Martini, Wahya, & Fithri, 2022). Nara (2021) claims that the inefficiency of the tax collection system in Indonesia has resulted in a decline in entertainment tax revenue, which affects the number of entertainment business owners declaring bankruptcy. In Indonesia, the amount of entertainment tax revenue collected is almost anticipated; at most, it is realised at a rate of 55% of the desired amount due to the inefficiency of tax collection. The recommendation is that the efficiency of tax collection should be addressed well in order for entertainment tax to impact positively on revenue.

Government Gazette (2016) indicated that the reduction in the rate of withholding tax on services is intended to apply to management fees and consulting fees by reducing the tax rate from 25% to 10% with effect from 21 June 2016 and exclude entertainment fees and directors' fees of which tax on such fees will be withheld at the original percentage of 25%.

2.8.4 On royalties

Royalties are defined by Clegg (2018) as the amount paid to a patentee for the use of a patent or to an author or composer for each copy of a book sold or for each public performance of a work. An author's royalties are the result of his hard work and wit and the location of his labour and wits must be considered as the source of the royalties, regardless of where the royalties are paid. If a writer writes a book in Namibia, the royalties will be paid in Namibia, regardless of where the royalties are paid. South Africa income tax act 58 (1962) has also concurred with Clegg (2018) as it indicated that royalties and know-how payments made to non-residents for the use of or right to use IP rights in South Africa are deemed to be from a South African source irrespective where the payment is made from and the payer of the royalty. Know-how payment is obligated to deduct a WHT of 15% of this payment, which is a final tax payable by the recipient of such income. However, PWC (2022) indicated that a person who pays an amount for the use of any patent, trademark, and motion picture film including the right to use industrial, commercial, or scientific equipment to a person not being ordinarily resident in Namibia is required to withhold tax on invoices of royalties at a rate of 10% which is less by 5% compared to South African rate and pay the amount withheld to Inland Revenue by the 20th of the month following the month in which the payment was made.

Juranek, Schindler, and Schneider (2018) stated that, since the production of domestic firms in Germany requires royalty payments for external technologies, domestic firms are also subject to a royalty payment tax if the royalty was paid to a foreign company. As a result, royalty taxes imposed on domestic firms create additional costs while providing no benefits to society. This issue, however, can be avoided by providing a suitable allowance. A 'royalty stripping rule,' similar to an earnings stripping rule for interest deductions, appears to be a promising approach. This would imply imposing a limit on deductible royalty payments about an earnings measure. If this ceiling is defined as the average (or higher quintiles') royalty payment made by domestic firms to third parties, the burden on domestic firms is reduced and investment distortions are reduced significantly. At the same time, profit shifting is effectively limited because tax deductibility for payments that exceed the defined earnings before Interest Tax Depreciation and Amortisation share is still denied (Juranek, Schindler & Schneider, 2018).

2.9 Reforms on Value-Added Tax

Anderson, Sweeney, Williams, Camm, and Cochran (2016) define VAT as a consumption tax placed on a product whenever value is added at each stage of the supply chain, from production to the point of sale. Value Added Tax is also defined by Wawire (2017) as an indirect tax levied on public and private consumption and it is paid by corporations even though the tax burden is shifted to consumers by being included in the price by manufacturers and service providers. Kusi (2015) exclaimed that Value Added Tax should be an instrument of choice for developing countries contemplating reform of their sales tax and there was no Value Added Tax (VAT) some fifty years ago. Since its introduction in the early 1950s, VAT has become a fiscal innovation that has influenced half of the world, including many developing countries. The VAT has thus become an instrument of choice for most developing countries contemplating reform of their sales tax. Kusi (2015) further indicated that a VAT could provide greater revenue, tax neutrality (economic efficiency) under certain circumstances, and to a limited extent vertical equity. Sajadifar, Khaibani, and Arakelyan (2012) measured the impact of tax reform on the Iranian economy and proved that household well-being and GDP deteriorated due to the implementation of VAT. In Namibia, the reform on Value Added Tax which was reformed in 2020 the export processing zone companies and management companies exempted from paying VAT and customs and excise duties on 22 June 2020 to promote and subsidies companies in export processing zone and management (Government Gazette, 2020). Despite the fact that Chiripanhura and Chifamba (2015) used a CGE model to evaluate the equity and distributional impacts of Namibia's tax policy reforms introduced in 2013, with the results showing that a decrease in the effective tax rate directly resulted in households benefiting from falling consumer prices. The desired findings of the impact of a decrease in the effective tax rate on the Namibian tax system are absent and the impact of exempting export processing zone companies and management companies from paying VAT on the Namibian tax system needs to be studied.

2.9.1 Export Processing Zone Companies and Management Companies

Neveling (2015) defines Export Processing Zone as a delineated, enclosed, and policed area of a country that has an industrial estate specialising in the production of manufactured goods for export only. Export Processing Zone Act (1995) indicated that as part of Namibia’s strategy to become internationally competitive and to create favorable investment conditions, the Namibian government introduced the Export Processing Zone like most other EPZ host countries. The Namibian government hoped that EPZs would attract foreign investment to Namibia and enhance the country’s manufacturing capacity. It also expected the creation of 25 000 jobs in the EPZs. According to Namibia's Export Processing Zone Act (1995), the specific purpose of EPZs is to attract, promote, or increase the manufacture of export goods, increase or expand industrial investment, including foreign investment, as well as encourage technology transfer and the development of managerial and labor skills. Although, creating or increasing industrial employment, and creating or expanding export earnings are also one of the purposes, Neveling (2015) contradicts this as the tax and customs incentives granted in the Puerto Rican EPZ increased the mobility for capital as no tax charged on the foreign company income which benefited the foreign profitability and lead to more revenue being shipped out of the country. Namibia also offers both foreign and local companies to apply for EPZ status, as long as they export all or almost all of their output, preference would be given with no condition (Namibia's Export Processing Zone Act, 1995).

The government gazette (2020) indicated reforms on 22 June 2020 for export processing zone companies and management companies were further exempted from paying VAT and customs and excise duties on 22 June 2020 which makes Namibia offers one of the most favorable EPZ regimes. Though, normal Namibian companies pay corporate income tax, general and additional sales duties as well as stamps and transfer duties. The EPZ companies do not pay any of these taxes and duties; only personal income tax on employees' income is paid, and there is a Non-Resident Shareholders' Tax of 10%. When dividends are exported currency conversion is guaranteed, and financial transactions (the transfer of dividends, profits, and dis-investment) may be undertaken by banks without the involvement of the Central Bank, which could lead to foreign companies shipping out revenue easier.

When Export Processing Zone Companies and Management Companies were further exempted from paying VAT and customs and excise duties it is a loss of state revenue in terms of General Acceptance Accounting Principles and therefore this study is to find out as to what extent is the loss.

2.10 Reforms on Corporate income tax

A corporate income tax (CIT) is a tax levied by federal and state governments on business profits. The taxes are paid on a company's taxable income, which includes revenue minus the cost of goods sold (COGS), general and administrative (G&A) expenses, selling and marketing, research and development, depreciation, and other operating costs (Anderson, Sweeney, Williams, Camm & Cochran, 2016). Udezo and Onuora (2021) showed that reforms in Petroleum Profit Tax (PPT) have a significant positive effect on revenue performance in Nigeria. While reforms in Company Income Tax (CIT) have a positive but insignificant effect on revenue performance in Nigeria. A study in Indonesia by Amir, Asafu-Adjaye, and Ducpham (2014) revealed that the effects of the tax reforms on key macroeconomic variables found that, reductions in the income tax of companies might affect economic growth in Indonesia as the state relay more on the corporate profit tax for initiating developments in the country. Nikus (2021) found that the impact of alternative fiscal reforms in Ghana and provided that the removal of trade-related import taxes accompanied by an increase in VAT reduces the incidence, depth, and harshness of household poverty, and progress the income distributions of households. Therefore, corporate profit tax is impacted differently in different jurisdictions by the types of tax reforms reformed in the country. In Namibia, tax reforms were done on corporate profit tax such as revising the definition of gross income for inclusion of restraint of trade payments and sales of petroleum licenses or rights on 30 December 2015 (Government Gazette, 2015). In addition, on 22 June 2020 manufacturers were granted scrapped benefits, capital allowance for manufacturers reduced from 20 years to 10 years, and additionally granted a 125% tax deduction for training costs of employees and salaries (Government Gazette, 2020). Due to lack of prior studies on the impact of tax reforms in Namibia, the impact of revising the definition of gross income for inclusion of restraint of trade payments and sales of petroleum licenses or rights on 30 December 2015 and granting the manufacturers scrapped benefits and reducing the capital allowances from 20 years to 10 years have not yet been researched on.

2.10.1 Manufacturers' scrapped benefits, capital allowance

According to the Namibian Income Tax (1981), all expenditures incurred during the year of assessment in respect of the acquisition of qualified non-current assets such as vehicles, aircraft, sea-going craft, machinery, implements, utensils, and articles used by the taxpayer for the taxpayer's trade are subjected to capital allowances and scrapped benefits. However, it has to be provided that the amount of any such expenditure shall not be fully deductible in the same year of assessment and shall be deducted as one-third in the year of assessment in which the expenditure is incurred, one-third in the first ensuing year assessment and one-third in the second ensuing year of assessment, but if any such non-current asset is sold or otherwise disposed of by the taxpayer during any of such years of assessment, no such deduction shall be allowed in respect of such non-current assets in that year of assessment or any such ensuing year of assessment which may remain.

Namibian income tax (1981) provided further clarity that a taxpayer should hold such non-current assets for purposes of such taxpayer's trade at the commencement of the year of assessment and not for any other purposes for undisposed off or scrapped by the taxpayer.

Furthermore, in respect of buildings used by the taxpayer for the purposes of such taxpayer's trade, an allowance equal to 20 percent of the cost of erection of such buildings in the year of assessment during which such buildings are brought into use, and four percent of such costs for each of the 20 years following on the year of assessment during which such buildings are brought into use. However, it should be provided that no allowance in respect of such costs has already been granted in respect of buildings used or to be used by the taxpayer for the availing of housing or housing facilities to employees. Ahakiri and Oboh (2017) indicated that based on the result of regression analysis, capital allowances showed a positive and significant relationship with investment decisions in Nigeria. Therefore, the government should devise a means to look at the relevant capital allowance that is granted to the various qualified assets and increase the capital allowance rate in order to encourage more investments which will lead to more taxable profits and high national revenue collection.

According to PWC (2020), assets used by taxpayers to conduct their trade are often disposed of and one of the most common uncertainties taxpayers have been determining how to calculate recoupment or scrapping allowances. When assets are sold or withdrawn from trade to use for non-trade purposes or removed from Namibia during the year of assessment, there is a possibility of claiming a scrapping allowance or recouping previously claimed as capital allowances on such assets which affect the taxable income and leads to less national income collection.

On 22 June 2020, manufacturers were granted scrapped benefits, capital allowance for manufacturers reduced from 20 years to 10 years, and additionally granted a 125% tax deduction for training costs of employees and salaries, meaning capital allowance will only be enjoyed for a period of less than 10 years compared to 20 years initially of which is a discouragement to investors (Government gazette, 2020).

2.10.2 Revising the definition of gross income: Restraint of trade payments and sales of petroleum licenses or rights

The Namibian Income Tax Act (1981) defined Gross Income, in relation to any year or period of assessment that means, in the case of any person, the total amount, in cash or otherwise, received by or accrued to or in favour of such person during such year or period of assessment from a source within or deemed to be within Namibia, excluding receipts or accruals of a capital nature but including, without in any way limiting the scope of this definition, such amounts (whether of a capital nature or not) so received or accrued as described in the act.

Before the amendments which were affected by the Government gazette (2015) in revising the definition of gross income for inclusion of restraint of trade payments and sales of petroleum license or rights on 30 December 2015, paragraph (O) in the Namibia income tax initially read as follow: “Any amount received or accrued from another person as consideration (or payment of like nature) or the open market value by way of a sale, donation, expropriation, cession, grant Or other alienation or transfer of ownership of a mineral licence as defined in the Minerals (Prospecting and Mining) Act, 1992 (Act No. 33 of 1992), or right to mine minerals in Namibia, and includes a sale of shares in a company for a mineral licence or right to mine minerals in Namibia;”p20.

However, after the amendments which were affected by the Government Gazette (2015) paragraph (O) reads as follows: any amount received or accrued, whether in money or kind, as consideration (or payment of like nature) or the open market value by way of a sale, donation, expropriation, cession, grant or other alienation or transfer of ownership of a mineral licence, or right to mine minerals in Namibia, and includes a sale, donation, expropriation, cession, grant or any other alienation or transfer of ownership of any share or member's interest in a company that holds a mineral license or mineral right whether directly, or indirectly, less the acquisition cost of the mineral license or mineral right, but the acquisition cost of the license or right may not create a loss. Whereas, paragraph (P) which read as "Any amount (whether in money or in-kind) received by or accrued to any person or company as compensation for any restraint of trade imposed on such person or company" was not established and only inserted by the Government gazette (2015).

Although, the inclusion of restraint of trade payments and sales of petroleum licenses is an additional source of income in terms of General Acceptance Accounting Principles, Mikhaylov (2019) indicated that revenue from gas production and petroleum products may increase or increase in Russia depending on the peculiarities of the economy, demands, and contracts signed. Therefore, before celebrating the additional sources of income an analysis should be done deeply on the peculiarities of the economy, demands, and contracts already signed to determine the flow of income in the future in terms of petroleum licenses.

2.11 Chapter Summary

The above chapter covered the reviewed literature from different scholars where the literature argued and discussed their findings and different principles together with the theories on the phenomena being studied. Literature indicates that tax reform is an essential component of any comprehensive strategy for organisational alteration, recommencement of enhancements, and growth and reforms can be measured through enhancement in revenue collection. In addition, ideal tax reforms should be reformed in line with the seven principles highlighted. In different jurisdictions, the literature indicated that tax reforms impacted differently on different amendment outcomes and not always in a positive way across all outcomes. In Kenya and Nigeria, tax reforms had a positive impact on the overall tax structure and a positive and significant effect on the revenue structure of the states. Similarly, in Uruguay tax reforms tend to strengthen the reduction of poverty in the country. However, in Indonesia tax reforms impacted negatively as literature argues that tax reforms hampered economic growth and lead to an increase in income inequality in Indonesia. While in Iran tax reforms impacted differently as Iranian government revenue was increased while household well-being and GDP deteriorated due to the implementation of VAT. Several tax reforms were done in Namibia including amendments on the director's fees, entertainment fees processing zone companies, and management companies exempted from paying VAT and customs and excise duties on 22 June 2020 but the impacts they have on revenue is not yet studied.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

Kombo and Tromp (2016) define research as a systematic process of arriving at a dependable solution to problems and conducted following a specific order through the planned systematic collection, analysis, interpretation of data, and presentation of data. As a result, this chapter describes the specific order and the planned systematic collection which is also known as research methods and procedures, such as research design, population and sampling techniques, research instruments, data collection procedure, validity and reliability, data analysis and research ethics that was employed in the research.

3.2 Research design

The objective of the study is to assess the impact of tax reform on national revenue in Namibia. The study incorporated pragmatism, as the mixed method was used by focusing on sequential exploratory for the reason that, two types of data were collected, which consist of quantitative data and qualitative data obtained through research questionnaires and documents review respectively. Creswell and Creswell (2018), describe a sequential exploratory design as a research design that incorporates two phases in which quantitative data is collected and analysed then thereafter qualitative data is collected and analysed depending on the quantitative results.

3.3 Population

Saunders, Bristow, Thornhill, and Lewis (2019), refer to the research population as the total number of people or objects which are of interest in terms of data collection from which a sample will be drawn. The study is based on the NamRA as it is the national tax collecting authority responsible for administering the Namibian tax laws and customs and excise service. In particular, this study targeted one hundred and fifty-eight (158) NamRA staff members from the Legal Department and Domestic Tax Department in Windhoek only (Namibia Revenue Agency, 2023), as the Legal Department is the custodian of policy reforms, while the Domestic Tax Department deals directly with internal collections. In addition, the researcher conducted a document review of which the study targeted four (4) Government Gazettes of Namibia on the Promulgation of Income Tax Amendment Act published from 2015-2021 as presented by (CRAN) and seven (7) annual reports of the Ministry of Finance and Public Enterprises for the financial year 2015/16-2021/22. The Government Gazette of Namibia is the official publication of the Government of the Republic of Namibia in which all the new laws, reforms, and policies including tax reforms are communicated to the general public.

3.4 Sample Size and Sampling Technique

A sample is a group of a relatively smaller number of people selected from a population for investigation purposes (Saunders, Bristow, Thornhill, & Lewis, 2019). According to the sampling table by Krejcie and Morgan, (1970), the sample size of this study was one hundred and fifteen (115) participants consisting of one hundred and eight (108) staff members from the NamRA Domestic Tax Department and seven (7) staff members from the NamRA Legal Department. The composition was made up of Managers, Senior and Junior Customs Excise Officers, Senior, and Junior Tax Officers from Domestic tax departments in Windhoek. All four (4) Government Gazettes of Namibia on Promulgation of Income Tax Amendment Act published in 2015, 2016, 2017, and 2020 consecutively were consulted, as only four (4) gazettes covered tax reforms through “Promulgation of Income Tax Amendment Act”.

Purposive sampling was applied in selecting the one hundred and eight (108) participants that are information-rich from the Domestic Tax Departments. The participants were selected through purposive sampling because the researcher wanted to select staff members who understand the tax policies reformed, and regulation in place and most importantly deals with high-level task or functions and are involved in day-to-day operational management. The study also reviewed legal documents such as Government Gazette published from 2015-2021 as shown by (CRAN) which documented the tax reforms. The annual report of the Ministry of Finance and Public Enterprises for the financial year 2015/16-2021/22 was also reviewed.

3.5 Research instrument

The study made use of a questionnaire to collect primary data. The questionnaire contained a section on “Impact of the tax reforms”. The questionnaire was designed for key informants from the agency on areas not adequately addressed by other data sources.

Because of limited access to some information, the researcher turned to the internet for assistance where documentary analysis was applied which focused on secondary data. The study examined the Government gazettes particularly the Promulgation of the Namibia Revenue Agency Act, of 2017 as it provided for the establishment of the NamRA, its powers, functions, and management. Furthermore, the study also examined the Income Tax Amendment Act, of 2015, 2016, and 2020 in order to gain in-depth understanding of tax reforms undertaken as they provided the completed tax reforms and replaced the old tax laws and policies. Annual financial reports of the Ministry of Finance and Public Enterprises were also examined in order to investigate the Revenue movement and how it was impacted by the tax reforms. Although, mixed methods are time-consuming and labor-intensive, frequently requiring an interdisciplinary team. The mixed method is the best for this study because it corroborates and validates the impact of tax reforms obtained from quantitative methods to the impact of tax reforms obtained qualitatively that means data obtained from the documentary analysis was substantiated with data attained through a questionnaire which reduces possible research bias which could be caused by using a quantitative method only without establishing credibility by providing a complete overview of the research problem (Saunders, Bristow, Thornhill & Lewis, 2019).

3.6 Procedure

The questionnaires were personally delivered to the respondents by the researcher himself. In the absence of the researcher, the respondents completed (filled in) the questionnaire, and the questionnaires were collected at a later stage. The informants were provided a questionnaire with a combination of multiple choices and scaled-questions format which consisted of closed and open-ended questions. In addition, the respondents were provided sufficient time to provide the necessary information and before participating in the study, the respondents were informed of the researcher's identity, as well as the aim and purpose of the study.

Online data was collected from respective institutional publication webpage while hardcopies were also manually collected from the respective institution.

3.7 Data Validity and Reliability

Data reliability refers to the consistency of a measure while data validity refers to the extent to which methods used accurately measures the variable they are intended to measure (Saunders, Bristow, Thornhill, & Lewis, 2019). According to Saunders, Bristow, Thornhill, and Lewis (2019), the use of mixed methodologies or triangulation which was used by this study lessens the study bias brought by the use of a single approach. Approaching the impacts of tax reforms with different tools would yield accurate measures of the impact of Individual Income Tax reforms, VAT reforms, and Corporate's income tax reforms that are intended to be measured, and it establishes credibility by providing a complete overview of the research problem. In addition, similar standardised questionnaires validated by a statistician and based on established theories or findings of previous studies were given to the different participants.

3.8 Data analysis

Saunders, Bristow, Thornhill, and Lewis (2019) indicated that data analysis typically entails reducing large amounts of data to manageable sizes, creating summaries, and looking for patterns, by employing statistical techniques. The quantitative data collected through the questionnaire were tabulated, and frequencies and percentages were calculated with the assistance of Microsoft Excel. The data were also analysed with inferential analysis, by using Logits. According to Saunders, Bristow, Thornhill, and Lewis (2019), the logit model is used to model the odds of success of an event as a function of independent variables, whereas the probit model is used to estimate the probability that observation with specific features will belong to a specific category.

Qualitative data obtained through studying the Government gazette on the Promulgation of the Income Tax Amendment Act, Namibia Revenue Agency Act, 2017, policies, the Annual Financial Report of the Ministry of Finance and Public Enterprises, and literature review were analysed by applying thematic analysis, in order to comprehend the commonalities and discrepancies between the two data.

3.9 Research Ethics

Ethical clearance certificate was issued by UNAM decentralised ethics committee. Participants were informed about their rights and the purpose of the study and informed consent of participate was required from participants before participation. It was made clear that the participation is voluntary, and no identification of participants was included.

In terms of secondary data, the relevance and reliability of the data were considered and part of this process was the authenticity of the publisher, the author's credentials, the publication date was also noted, and the letterhead of the document in which data appeared. All data collected would be stored in the researcher's computer, which would be password protected and permanently deleted after 5 years.

3.10 Chapter Summary

This chapter explored the research methodology that was used to carry out this study. A mixed method was used in the study. This study made use of both primary and secondary data. The standardised questionnaires validated by a statistician was developed based on established theories or findings of previous studies, such as Equitable Taxation, the Theories of Distributive Justice and Limitation on Taxation. It contained a section on "Impact of the tax reforms". The questionnaire was designed for key informants from the agency on areas not adequately addressed by other data sources. Secondary information was gathered from published materials such as financial statements, journals, articles, and media. The data is presented, analysed, and discussed in detail in the following chapter.

CHAPTER 4

DATA ANALYSIS, PRESENTATION, AND DISCUSSIONS

4.1 Introduction

This chapter is primarily concerned with the analysis, presentation, and discussion of the findings. The study's main objective is to assess the impact of tax reforms on the Namibian tax system. The presentation is set out in sections 4.2 to 4.5. Section 4.3 presents the quantitative findings on the impact of individual tax reforms, while section 4.4 presents the findings on the impact of corporations' income tax reforms. Section 4.5 presents the findings on the impacts of Value Added Tax. Qualitative data is presented in 4.5 then the chapter concludes with discussions in section 4.6.

4.2 Response Rate from Research Questionnaire

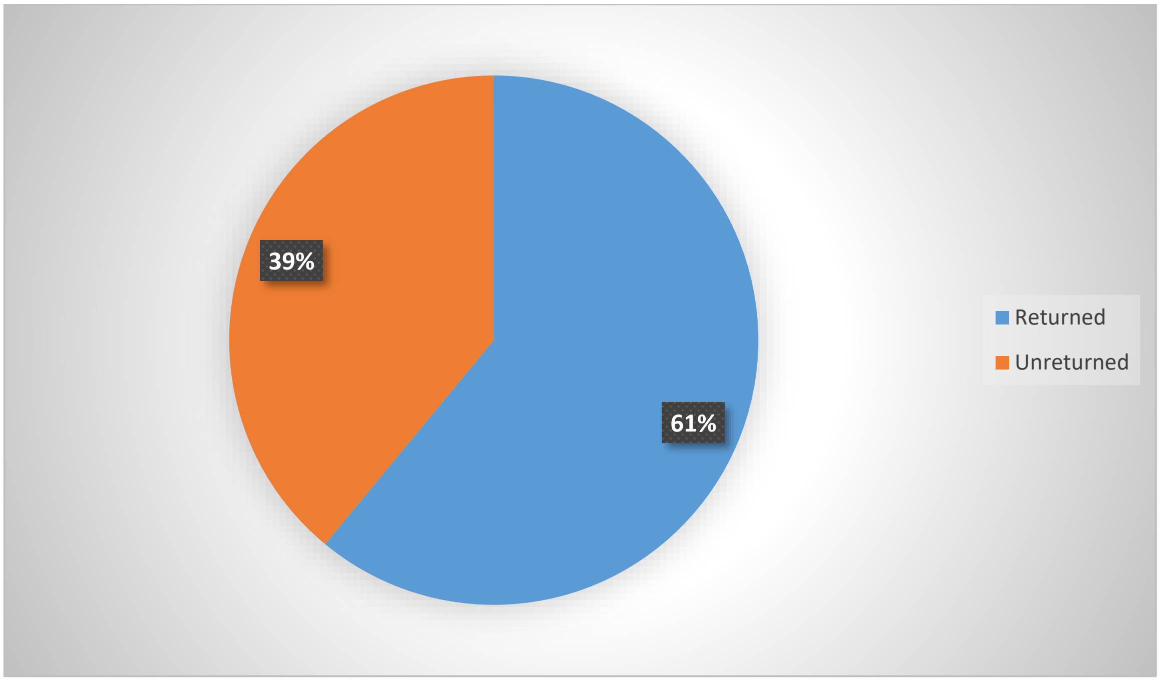

***Figure 2**: Returned and Unreturned questionnaires (Source: Primary data collected through questionnaires).*

A sample size of 115 participants was used, and out of the 115 participants, 70 of them answered the questionnaires distributed to them, which implied a response rate of 61%. Although (45) participants could not complete the questionnaire, this response rate is adequate as according to Nix, Pickett, Baek, and Alpert, (2019) a response rate of at least 50 percent is adequate for analysis and reporting. Data collected was analysed with inferential analysis, using Logits. Results were presented in the form of tables, pie charts, and bar charts. The findings were clustered according to the three research objectives of the study. The following are the findings for research objective 1.

4.3 Findings based on objective 1: To assess the impact of individual income tax reforms on the efficiency of the tax system and national revenue in Namibia

4.3.1 Indications of the improved revenue mobilisation capacity

Participants were requested to indicate whether the Individual Income Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity. Responses from the participants were analysed and tabulated in Table 1 below.

Table 1*: Participant's indication on the improved revenue mobilisation capacity (Source: Primary data collected through questionnaires).*

RESPONSE	FREQUENCY	PERCENTAGE
Strongly disagree	0	0
Disagree	2	3
Neutral	10	14
Agree	42	60
Strongly agree	16	23
TOTAL	**70**	**100**

Table 1 depicts the results of the participant's indications of whether the Individual Income Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity.

The study revealed that the majority of the participants (60%) agreed, while (23%) strongly agreed that the Individual Income Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity. Very few of the participants (3%) indicated that they are not in agreement that the Individual Income Tax reforms from 2015 to 2021 have improved the revenue mobilization capacity. Results further revealed that 14% of the participants indicated neutral. Overall results from Table 1 indicate that, generally the Individual Income Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity. This concurs with a study in Ghana by Kamasa, Nortey, Boateng, and Bonuedi (2022) which provided evidence that Individual Income Tax Reforms significantly enhance tax revenue mobilisation in Ghana and clarifies that tax reform on individual income may make revenue levels more sustainable. Next is the findings on the promotion of future Independence from foreign aid.

4.3.2 Indication of promoting future Independence from foreign Aid

Participants were requested to indicate whether the Individual Income Tax reforms from 2015 to 2021 have promoted future independence from foreign aid. Responses from the participants were analysed and tabulated in Table 2 below.

Table 2*: Participant's indication on promoting future independence from foreign aid (Source: Primary data collected through questionnaires).*

RESPONSE	FREQUENCY	PERCENTAGE
Strongly disagree	13	19
Disagree	44	63
Neutral	10	14
Agree	3	4
Strongly agree	0	0
TOTAL	**70**	**100**

Table 2 illustrates the results of the participant's indication of whether the Individual Income Tax reforms from 2015 to 2021 have promoted future independence from foreign aid. The study revealed that the majority of the participants (63%) disagreed, while (19%) strongly disagreed that the Individual Income Tax reforms from 2015 to 2021 have promoted future independence from foreign aid. Very few of the participants (4%) indicated that they agreed that the Individual Income Tax reforms from 2015 to 2021 have promoted future independence from foreign aid. Results further revealed that 14% of the participants indicated neutral. Overall results from Table 2 indicate that, generally the Individual Income Tax reforms from 2015 to 2021 have not promoted future independence from foreign aid. However, a study in Ghana by Kamasa, Nortey, Boateng, and Bonuedi

(2022) has dissociated that tax reform on individual income may promote future fiscal independence from foreign aid, it may also improve economic growth and address issues of inequality through redistribution. Similarly, Amir, Asafu-Adjaye, and Ducpham (2014) further indicated that the policy reforms on Individual Income Tax also led to a small reduction in the incidence of poverty in the country as an individual were left with higher disposable incomes which enabled households to sustain themselves easily in Indonesia than relying on foreign Aid. This generally means that although, the Individual Income Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity in Namibia as per Table 2, future independence from foreign Aid is not promoted which may lead to less economic growth in Namibia. Following are the findings on the objectives of Individual Income Tax reforms.

4.3.3 Objectives of the Individual Income Tax Reforms

Participants were requested to point out the objectives of the Individual Income Tax reforms from 2015 to 2021 by ticking more than one objective where appropriate. Responses from the participants were analysed and tabulated in the Figure below.

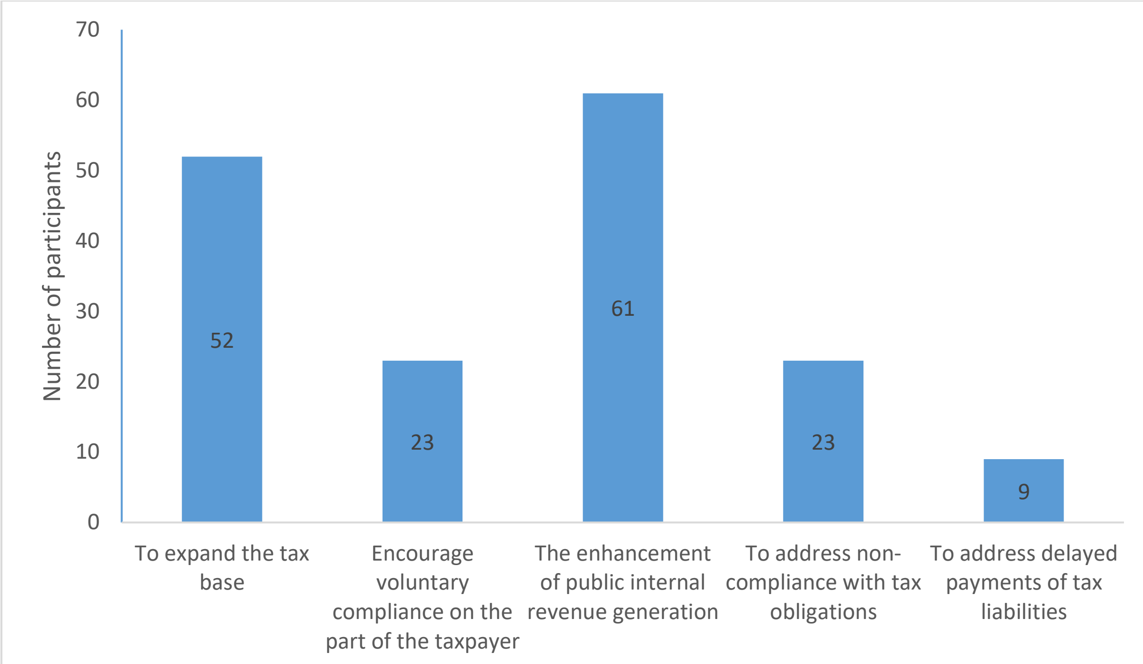

***Figure 3**: Objectives of the Individual Income Tax reforms (Source: Primary data collected through questionnaires)*

Figure 3 demonstrates the results of the participant's indications on the objectives of Individual Income Tax reforms from 2015 to 2021. The study revealed that the objective of the enhancement of public internal revenue generation was pointed out by (61 participants) which aggregate to (87% of the participants), emerging as the primary objective of the individual tax reforms. While the objective to expand the tax base was pointed out by (52 participants) which is (74% of the participants) of which made it the secondary objective. Very few of the participants (9 participants) which is 13% of the participants pointed out the objective: to address delayed payments of tax liabilities as the objective of Individual Income Tax reforms from 2015 to 2021. Results further revealed that, encourage voluntary compliance on the part of the taxpayer and to address non-compliance with tax obligations were marked by (23 participant) which is 33% of the participants and made the two objectives emerge as the tertiary objectives. Overall results from Figure 3 show that, generally the main objectives of Individual Income Tax reforms from 2015 to 2021 were to expand the tax base and the enhancement of public internal revenue generation. Although, Individual Income Tax reforms are intended to address not only non-compliance with tax obligations, non-registration in the tax system, and non-filing of tax declarations, but also delayed payments of tax liabilities and a lack of complete and accurate reporting of information in declarations (World Bank, 2020a, b as cited in Kamasa, Nortey, Boateng, & Bonuedi, 2022) and this is similar to the intention of the Individual Income Tax Reforms from 2015 to 2021 in Namibia. Nonetheless, several tax reforms have always been designed to broaden the tax base, reduce the tax burden on taxpayers, restore taxpayer confidence in the tax system, and encourage voluntary compliance on the part of taxpayers, with the main goal of increasing public internal revenue generation (Udezo & Onuora, 2021). Below are the findings on the weakness of Individual Income tax reforms.

4.3.4 The Weaknesses of the Individual Income Tax Reforms

Participants were requested to indicate the weakness of the Individual Income Tax reforms from 2015 to 2021 by ticking more than one options were applicable. Responses from the participants were analysed and tabulated in Figure 4 below.

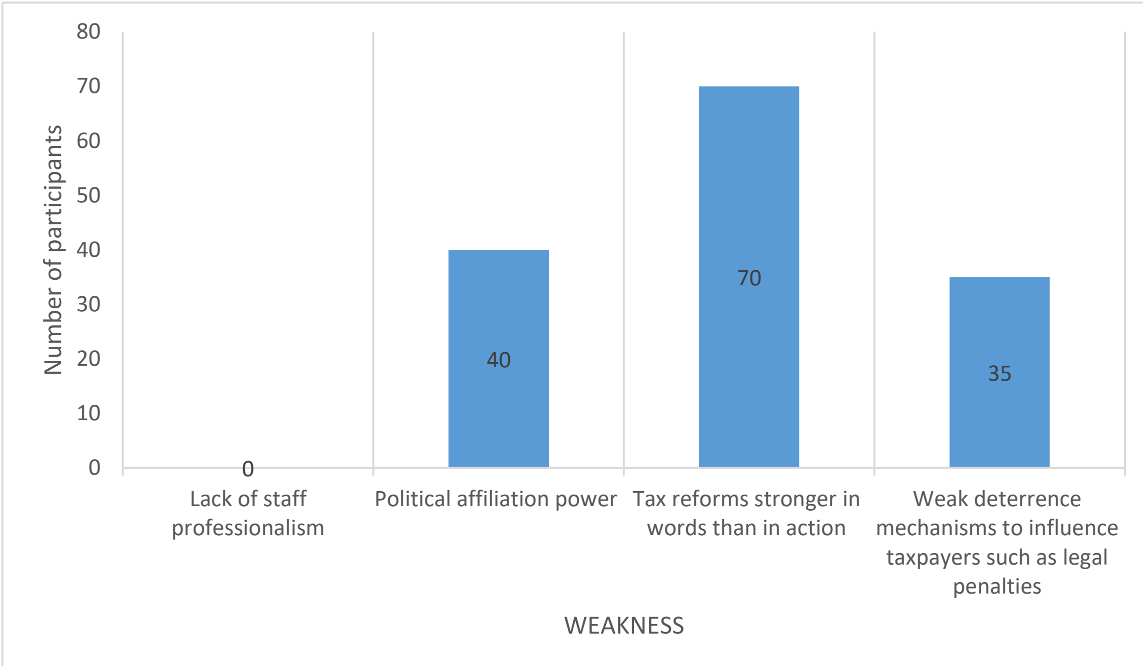

Figure 4 *: The weaknesses of the Individual Income Tax reforms (Source: Primary data collected through questionnaires)*

Figure 4 portrays the results on the participant's indication on the weakness of Individual Income Tax reforms from 2015 to 2021. The study depicts that the weakness in terms of the tax reforms stronger in words than in action was pointed out by (70 participants) which aggregate to (100% of the participants), while the weakness in terms of Political affiliation power was pointed out by (40 participants) which is (57% of the participants). None of the participants (0 participants) which is 0% of the participants marked the weakness in terms of Lack of staff professionalism as the weakness of Individual Income Tax reforms from 2015 to 2021. Results further revealed that, weak deterrence mechanisms to influence taxpayers such as legal penalties were marked by (35 participant) which is 50% of the participants. Overall results from Figure 4 show that, generally the main weakness of Individual Income Tax reforms from 2015 to 2021 is that, the tax reforms were stronger in words than in action, Political affiliation power and weak deterrence mechanisms to influence taxpayers such as legal penalties. This may lead to a similar situation as in the case of Uganda, where Katusiimeh and Kangave (2015) claim that political power destabilised the Uganda Revenue Authority's ability to achieve significant results, as politically connected individuals could easily participate in tax negotiations and obtain exemptions, even after such exemptions had been abolished by Individual Income Tax Reforms. Besides causing direct revenue loss, such irregularities render the tax system unfair, and needless to mention, it is difficult to elicit voluntary compliance from taxpayers who believe that tax regulations are not fairly or uniformly applied to all, this appears to be the same in Namibia as Individual Income Tax reforms from 2015 to 2021 was stronger in words than in action, involve political affiliation power and weak deterrence mechanisms to influence taxpayers such as legal penalties. Subsequent to this is the unconsidered aspects in Individual income tax reforms.

4.3.5 Unconsidered important aspects in Individual Income Tax reforms

The study sought to determine whether there were any unconsidered important aspects in Individual Income Tax reforms from 2015 to 2021. Results were tabulated in Figure 5.

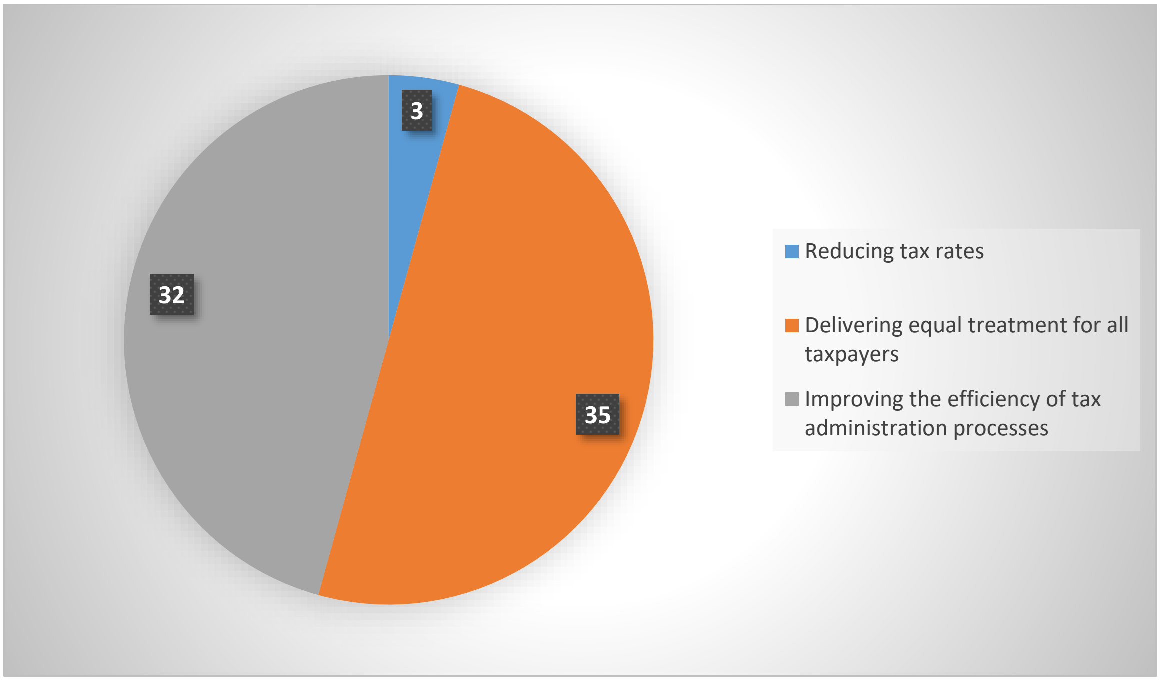

Figure 5*: Unconsidered important aspects (Source: Primary data collected through questionnaires)*

Figure 5 depicts results as to whether there were any unconsidered important aspects in Individual Income Tax reforms from 2015 to 2021 the study directed those 35 participants which is 50% of the participants stressed out that Individual Income Tax reforms from 2015 to 2021 did not consider delivering equal treatment for all taxpayers. While 32 participants which is 46% of the participants indicated that, Individual Income Tax reforms from 2015 to 2021 did not consider improving the efficiency of tax administration processes. In addition, only 3 participants that is 4% of the participant indicated that Individual Income Tax reforms from 2015 to 2021 did not reflect reducing tax rates. Overall results from Figure 5 indicate that, generally Individual Income Tax reforms from

2015 to 2021 did not reflect improving the efficiency of tax administration processes and delivering equal treatment for all taxpayers. Although, Magumba (2019), indicated that there are set of numerous Individual Income Tax Reforms that a country can consider to increase the National revenue, which includes delivering equal treatment for all taxpayers and improving the efficiency of tax administration processes, which entailed introducing electronic tax systems for taxpayer registration, filing, payment, and risk-based audits. The Individual Income Tax reforms from 2015 to 2021 in Namibia did not reflect such and besides causing direct revenue loss, such irregularities render the tax system unfair, and needless to mention, it is difficult to elicit voluntary compliance from taxpayers who believe that tax regulations are not fairly or uniformly applied to all. The next section are the findings on the principles of Individual Income tax reforms.

4.3.6 Principles Involved in Individual Income Tax Reforms

As the study unveiled the unconsidered important aspects of Individual Income Tax reforms from 2015 to 2021, it also requested participants to provide their opinions on the principals involved in Individual Income Tax reforms. The results were tabulated in t Figure 6 below.

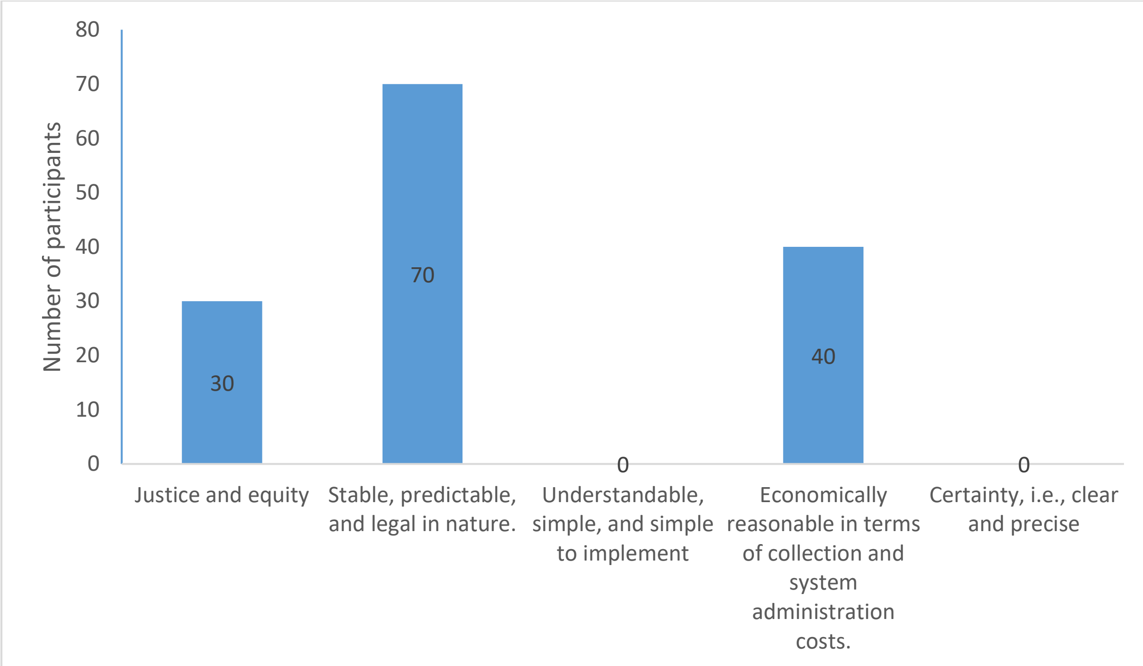

Figure 6: *Principles involved in Individual Income Tax reform (Source: Primary data collected through questionnaires).*

Figure 6 shows the results obtained on the participants' view towards the principals involved in Individual Income Tax reforms from 2015 to 2021, the participants had the option to indicate more than one principle where applicable. In this study, the principles of Stable, predictable, and legal in nature were indicated by all the 70 participants which made it to have a 100% score. It was followed by the principles of economically reasonable in terms of collection and system administration costs indicated by 40 participants which is a 57% score. While the principles of Justice and equity were indicated by 30 participants which is a 43% score. Participants indicated that Individual Income Tax reforms from 2015 to 2021 did not involve the principles of Understandable, simple and simple to implement together with the principles of Certainty, i.e., clear and precise as no participants indicated these variables which had a 0% score. Overall results from Figure 6 indicated that the Individual Income Tax reforms from 2015 to 2021 did not involve the principles of Understandable, simple and simple to implement together with the principles of Certainty, i.e., clear and precise. Although, Mitu and Mitu (2022) have indicated principles that an ideal tax system and Individual Income Tax Reforms should respect, that is to say before reforming tax policies, consideration of justice and equity. Tax policies should be stable, predictable, and legal in nature. Tax policies should be understandable, simple, and simple to implement. Policies should demonstrate certainty, i.e., clear and precise rules. It should be economically reasonable in terms of collection and system administration costs. This is in contrary to the Individual Income Tax Reforms from 2015 to 2021 in Namibia. Ensuing are the findings on the non-taxation institution assisted in enforcing the Individual Income Tax reforms.

4.3.7 Non-taxation institutions assisted in enforcing the Individual Income Tax reforms

The study sought to understand whether there were any Non-taxation institutions assisted in enforcing the Individual Income Tax reforms from 2015 to 2021. Participants gave their opinions and results were tabulated in Figure 7 below.

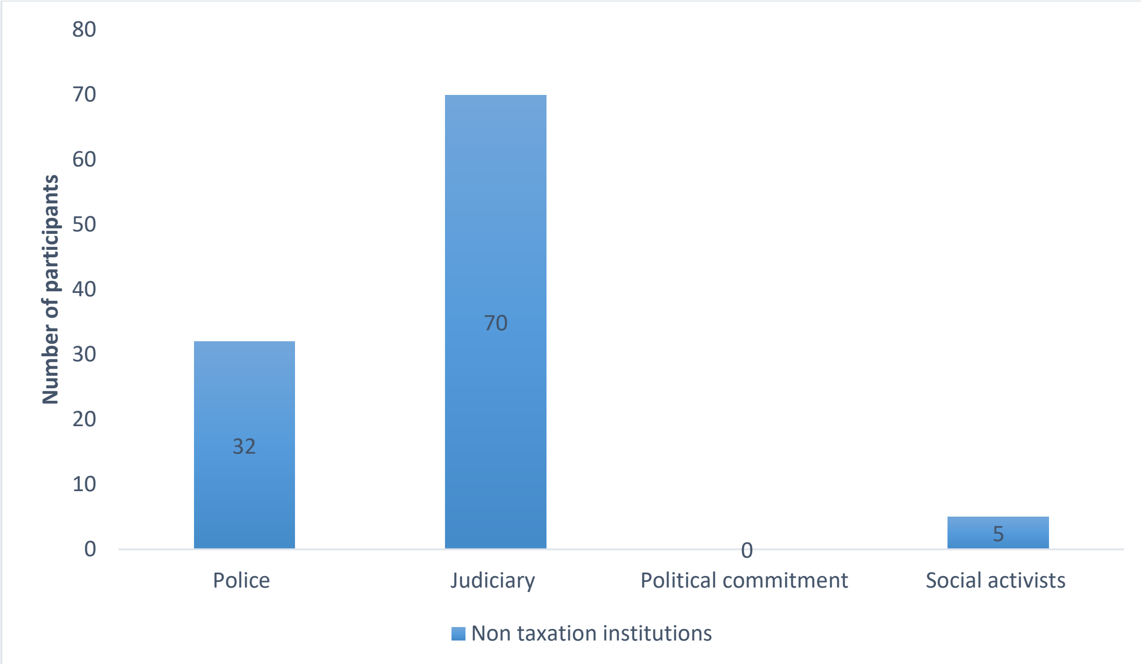

Figure 7*: Non-taxation institutions assisted in enforcing the Individual Income Tax reforms (Source: Primary data collected through questionnaires).*

Figure 7 demonstrates the results on the participant's indications on the Non-taxation institutions that assisted in enforcing the Individual Income Tax reforms from 2015 to 2021 and the participants had an option to indicate more than one Non-taxation institution where applicable. The study revealed that the judiciary was pointed out by (70 participants) which aggregate to (100% of the participants), while the Police was pointed out by (32 participants) which is (46% of the participants). Only (5 participants) which is (7% of the participant) indicated that social activist assisted in enforcing the Individual Income Tax reforms from 2015 to 2021. None of the participants (0 participants) which is 0 % of the participant showed that political commitment assisted in enforcing the Individual Income Tax reforms from 2015 to 2021. Overall results from Figure 7 depicts that the political commitment did not assist in enforcing the Individual Income Tax reforms from 2015 to 2021 and only the judiciary and the police assisted. The current study learned that there was no political commitment in assisting and enforcing the Individual Income Tax reforms from 2015 to 2021, and only the judiciary and the police assisted. Nevertheless, a successful revenue collection requires strong political commitment from the highest levels of government. As tax reforms in Georgia involved joint action by the government as a whole such as the police, the judiciary, the parliament, and other government arms, which played a major role in the reforms which yielded positive results that resulted in higher increased National revenue compared to Uganda which was solely driven by the tax administration's leadership (OECD/ITC, 2015 as cited in Magumba, 2019). Next are the findings on the awareness of Individual Income Tax reforms.

4.3.8 The Awareness of Individual Income Tax Reforms

The study needed to understand further the awareness of Individual Income Tax reforms from 2015 to 2021 whether it was excellent, average, or poor. Participants provided their opinions and results were tabulated in Table 3 below.

Table 3*: Awareness of Individual Income Tax reforms (Source: Primary data collected through questionnaires)*

RESPONSE	FREQUENCY	PERCENTAGE
Excellent	49	70
Average	21	30
Poor	0	0
TOTAL	**70**	**100**

Table 3 represents the results of the participant's indication on the awareness of Individual Income Tax reforms from 2015 to 2021. The study revealed that the majority of the participants (49 participants) which represents (70%) indicated that the awareness of Individual Income Tax reforms from 2015 to 2021 was excellent. While 21 participants which are (30%) show that the awareness of Individual Income Tax reforms from 2015 to 2021 was average. None of the participants (0 participants) which is (0% of the participants) indicated that the awareness of Individual Income Tax reforms from 2015 to 2021 was poor. Overall results from Table 3 depict that, generally the awareness of Individual Income Tax reforms from 2015 to 2021 was excellent. Kusi (2015) noted that, by comparing coordinated Individual Income Tax Reforms to isolated Individual Income Tax Reforms, piecemeal changes to the tax law, there are numerous benefits to coordinated tax reforms as the general public becomes aware of the amended laws and will start adhering to the new policies rather than being reluctant. Therefore, to increase national revenue, tax reform, and structural adjustment measures should be strongly coordinated. The following are the regression results on the Individual Income Tax Reforms.

4.3.9 Regression results on the Individual Income Tax Reforms

Multinomial logistic regression

Number of obs	=	70
LR chi2(6)	=	14.51
Prob > chi2	=	0.0244
Pseudo R2	=	0.1936

Log likelihood = 30.222714

Revitaxq11r	Coef.	Std. Err.	z	P>|z|	[95% Conf.	Interval]
1						
Baseitaxq13a	1.019415	1.594389	0.64	0.523	2.10553	4.144359
Complyitaxq13b	16.89567	2740.097	0.01	0.995	5353.596	5387.387
Delayitaxq13d	2.928124	1.645473	1.78	0.075	6.153192	.2969435
_cons	32.90025	5480.194	0.01	0.995	10773.88	10708.08

4.3.10 Regression write-up on the Individual Income Tax Reforms

Multinomial Logistic regression analyses were conducted to examine the relationship between Individual Income Tax Revenue and various potential indicators. The above results summarised the descriptive statistics and analysis results. As can be seen, the indicator of compliance and Tax Base in Individual Income Tax is statistically insignificant. However, the reforms on addressing delayed payment of individual Income Tax tend to be positively correlated with Individual Income Tax Revenue with a 2.92 correlation coefficient and p-value= 0.075. This means that the reforms on Individual Income Tax have statistically impacted revenue as the pre-specified alpha (level of significance) is 0.077. The following are the findings for research objective 2.

4.4 Findings based on objective 2: To determine the impact of corporations' income tax reforms on the efficiency of the tax system and national revenue in Namibia.

4.4.1 Indications of the improved revenue mobilisation capacity

Participants were requested to indicate whether the Corporations' Income Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity. Responses from the participants were analysed and tabulated in Table 3 below.

Table 4*: Participant's indications on the improved revenue mobilisation capacity (Source: Primary data collected through questionnaires).*

RESPONSE	FREQUENCY	PERCENTAGE
Strongly disagree	0	0
Disagree	2	3
Neutral	9	13
Agree	46	66
Strongly agree	13	18
TOTAL	**70**	**100**

Table 4 depicts the results of the participant's response of whether the Corporations' Income Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity. The study revealed that the majority of the participants (66%) agreed, while (18%) strongly agreed that the Corporations' Income Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity. Very few of the participants (3%) indicated that they are not in agreement that the Corporation's Income Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity. Results further revealed that 13% of the participants indicated neutral. Overall results from Table 4 depict that, generally the Corporations Income Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity. This agrees with a study on tax reforms and revenue mobilisation which was conducted in Kenya and evidence suggests that reforms had a positive impact on the overall tax structure in Kenya and the individual tax handles (Nikus, 2021). Moreover, the findings of Udezo and Onuora (2021) concur with Nikus (2021) as discoveries in Nigeria indicate that, tax reforms had a positive and significant effect on the revenue structure of the State. Below are the findings on the promotion of future independence from foreign aid.

4.4.2 Indication of promoting future independence from foreign aid

Participants were required to indicate whether the Corporations' Income Tax reforms from 2015 to 2021 have promoted future independence from foreign aid. Responses from the participants were analysed and tabulated in Table 4 below.

***Table 5**: Participants' indications on promoting future independence from foreign aid (Source: Primary data collected through questionnaires)*

RESPONSE	FREQUENCY	PERCENTAGE
Strongly disagree	10	14
Disagree	49	70
Neutral	10	14
Agree	1	2
Strongly agree	0	0
TOTAL	**70**	**100**

Table 5 illustrates the results of the participant's response of whether the Corporations' Income Tax reforms from 2015 to 2021 have promoted future independence from foreign aid. The study revealed that the majority of the participants (70%) disagreed, while (14%) strongly disagreed that the Corporations' Income Tax reforms from 2015 to 2021 have promoted future independence from foreign aid. Only 1 participant (2%) indicated that they agreed that the corporations' Income Tax reforms from 2015 to 2021 have promoted future independence from foreign aid. Results further revealed that 14% of the participants indicated neutral. Overall results from Table 5 indicate that, generally the Corporations' Income Tax reforms from 2015 to 2021 have not promoted future independence from foreign Aid. Similar to Individual Income Tax Reforms from 2015 to 2021 as per Table

5, a study in Ghana by Kamasa, Nortey, Boateng, and Bonuedi (2022) has also dissociated that tax reform on corporation income may promote future independence from foreign aid, it may also improve economic growth and address issues of inequality through redistribution. This generally means that although, the Corporation Income Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity in Namibia as per Table 5, future independence from foreign aid is not promoted which may lead to a decrease in economic growth in Namibia. In the next section the findings on the objectives of Corporations' Income Tax reforms are presented.

4.4.3 Objectives of the Corporations' Income Tax Reforms

Participants were requested to point out the objectives of the Corporations' Income Tax reforms from 2015 to 2021. Participants had the option to indicate more than one objective where applicable. Responses from the participants were analysed and tabulated in Figure 8 below.

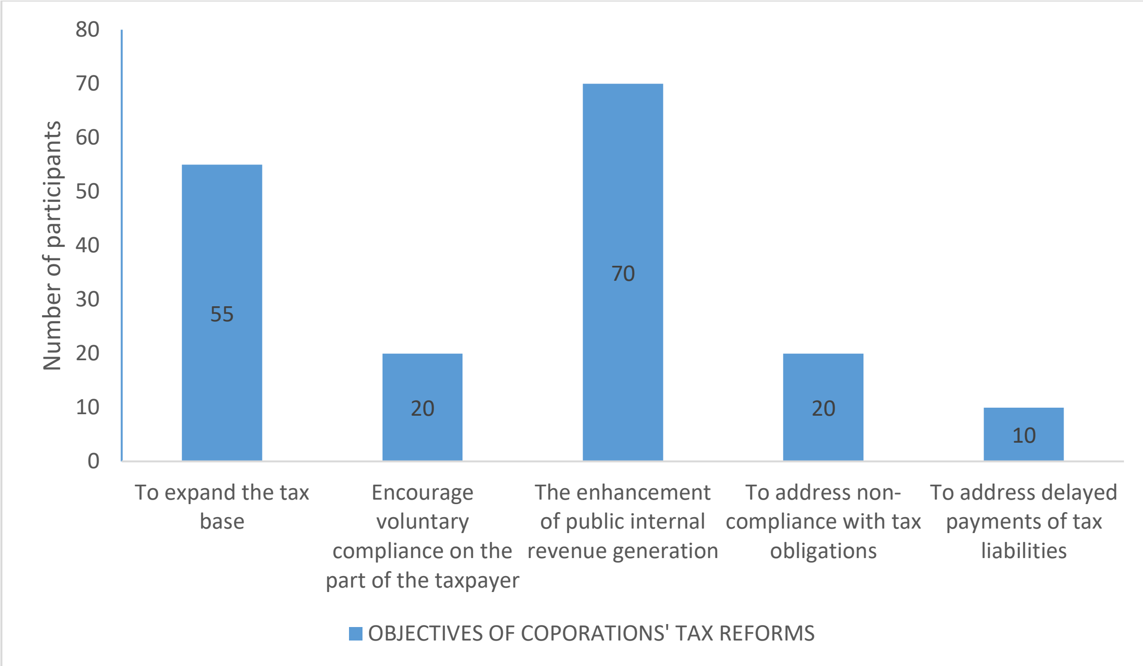

Figure 8*: Objectives of the Corporations Income Tax reforms (Source: Primary data collected through questionnaires).*

Figure 8 demonstrates the results of the participant's response on the objectives of Corporations' Income Tax reforms from 2015 to 2021. The study revealed that the objective of the enhancement of public internal revenue generation was pointed out by (70 participants) which aggregate to (100% of the participants), and emerge as the primary objective of Corporations Income Tax reforms. While, the objective to expand the tax base was pointed out by (55 participants) which are (79% of the participants) and become the secondary objective. Very few of the participants (10 participants) which is 14% marked to address delayed payments of tax liabilities as the objective of Corporations' Income Tax reforms from 2015 to 2021. Results further revealed that both to encourage voluntary compliance on the part of the taxpayer and to address non-compliance with tax obligations were indicated by (20 participants) which is 29% of the participants. This made the two objectives as tertiary objective of Corporations Income Tax reforms. Overall results from Figure 8 illustrate that, generally the main objectives of Corporations Income Tax reforms from 2015 to 2021 were to expand the tax base and the enhancement of public internal revenue generation. Although, Corporations Income Tax reforms are intended to address not only to expand the tax base and the enhancement of public internal revenue generation, but also to address non-compliance with tax obligations, non-registration in the tax system, and non-filing of tax declarations (World Bank, 2020a, b as cited in Kamasa, Nortey, Boateng, & Bonuedi, 2022). This is similar to the intention of the Corporation Income Tax Reforms from 2015 to 2021in Namibia although not all the objectives were matched. Nonetheless, several tax reforms have always been designed to broaden the tax base, reduce the tax burden on taxpayers, restore taxpayer confidence in the tax system, and encourage voluntary compliance on the part of taxpayers, with the main goal of increasing public internal revenue generation (Udezo & Onuora, 2021). The next section presents the findings on the weakness of Corporations' Income tax reforms.

4.4.4 The Weaknesses of the Corporations' Income Tax Reforms

Participants were requested to indicate the weakness of the Corporations' Income Tax reforms from 2015 to 2021. Participants had the option to indicate more than one weakness where applicable. Responses from the participants were analysed and tabulated in Figure 9 below.

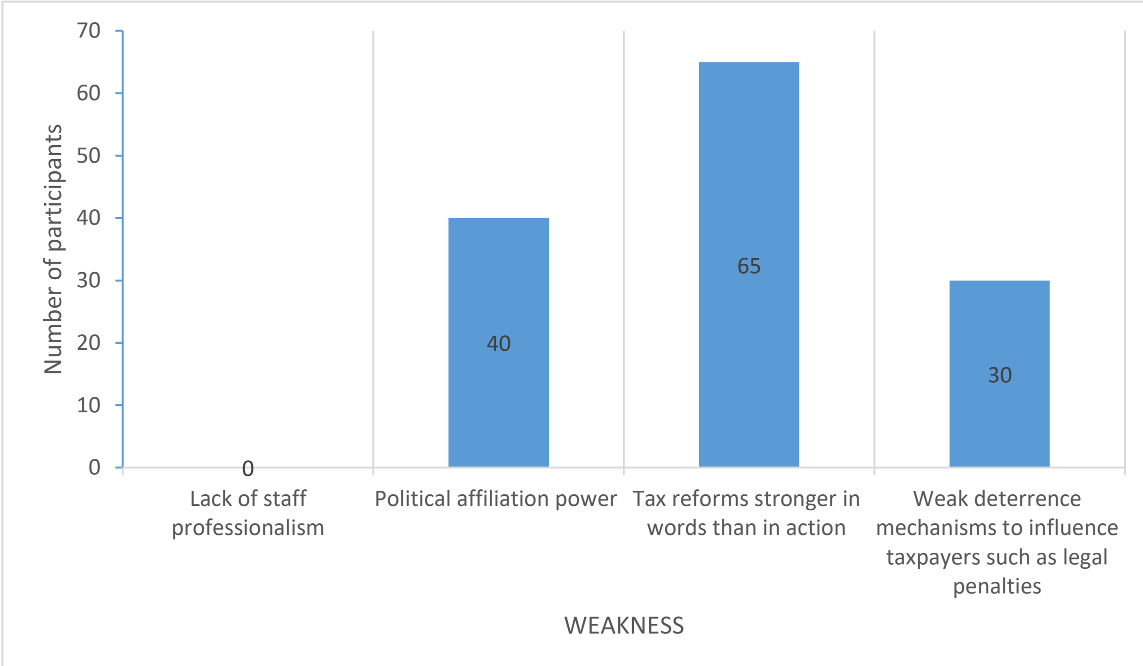

***Figure 9**: The weaknesses of the Corporations' Income Tax reforms (Source: Primary data collected through questionnaires).*

Figure 9 portrays the results of the participant's indications on the weakness of Corporations' Income Tax reforms from 2015 to 2021. The study reveals that the weakness in terms of the tax reforms being stronger in words than in action was pointed out by (65 participants) which aggregate (93% of the participants), while the weakness in terms of Political affiliation power was pointed out by (40 participants) which is (57% of the participants). None of the participants (0 participants) which is 0% of the participants marked the weakness in terms of Lack of staff professionalism as the weakness of Corporations Income Tax reforms from 2015 to 2021. Results further revealed that, weak deterrence mechanisms to influence taxpayers such as legal penalties marked by (30 participants) which is 43% of the participants. Overall results from Figure 9 show that generally, the main weakness of Corporations' Income Tax reforms from 2015 to 2021 is that, the tax reforms were stronger in words than in action, Political affiliation power, and weak deterrence mechanisms to influence taxpayers such as legal penalties. This appears to be similar to the situation of Uganda and similar consequence would be faced, where Katusiimeh and Kangave (2015) claim that political power destabilised the Uganda Revenue Authority's ability to achieve significant results, as politically connected individuals could easily participate in tax negotiations and obtain exemptions, even after such exemptions had been abolished by Corporations' Income Tax Reforms. Besides causing direct revenue loss, such irregularities render the tax system unfair, and needless to mention, it is difficult to elicit voluntary compliance from taxpayers who believe that tax regulations are not fairly or uniformly applied to all, this appears to be the same in Namibia as Corporations Income Tax reforms from 2015 to 2021 was stronger in words than in action, involve political affiliation power and weak deterrence mechanisms to influence taxpayers such as legal penalties. Subsequent to this is the unconsidered aspects in Corporations' income tax reforms.

4.4.5 Unconsidered important aspects in Corporations' Income Tax Reforms

The study sought to determine whether there were any unconsidered important aspects of Corporations' Income Tax Reforms from 2015 to 2021. Results were tabulated in Figure 10 below.

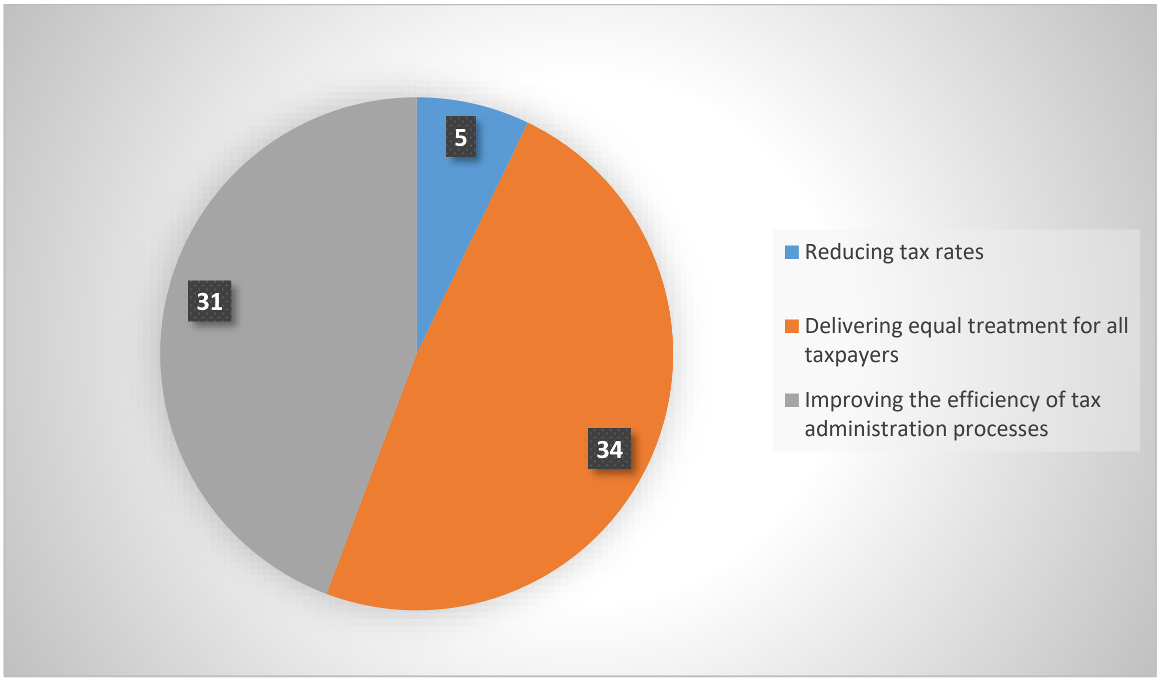

Figure 10*: Unconsidered important aspects (Source: Primary data collected through questionnaires).*

Figure 10 depicts results as to whether there were any unconsidered important aspects in Corporations' Income Tax reforms from 2015 to 2021 the study indicated that 34 participants which are 49% of the participants stressed that Corporations' Income Tax reforms from 2015 to 2021 did not consider delivering equal treatment for all taxpayers. While, 31 participants which are 44% of the participants showed that, Corporations' Income Tax reforms from 2015 to 2021 did not consider improving the efficiency of tax administration processes. In addition, only 5 participants that are 7% of the participant indicated that Corporations' Income Tax reforms from 2015 to 2021 did not reflect reducing tax rates. Overall results from Figure 10 indicate that, generally Corporations' Income Tax reforms from 2015 to 2021 did not reflect improving the efficiency of tax administration processes and delivering equal treatment for all taxpayers. Although, Magumba (2019) opined that there are set of numerous Corporation Income Tax Reforms that a country can consider increasing the National revenue, which includes delivering equal treatment for all taxpayers and improving the efficiency of tax administration processes, which entailed introducing electronic tax systems for taxpayer registration, filing, payment, and risk-based audits. The Corporation Income Tax reforms from 2015 to 2021 in Namibia did not reflect some as per Figure 10 and besides causing direct revenue loss, such irregularities render the tax system unfair, moreover, it is difficult to elicit voluntary compliance from taxpayers who believe that tax regulations are not fairly or uniformly applied to all. The following section presents the findings on the principles of Corporations' Income tax reforms.

4.4.6 Principles Involved in Corporations' Income Tax Reforms

As the study unveiled the unconsidered important aspects of Corporations' Income Tax reforms from 2015 to 2021, it also requested participants to provide their opinions on the principals involved in Corporations' Income Tax reforms. Results were tabulated in Figure 11 below.

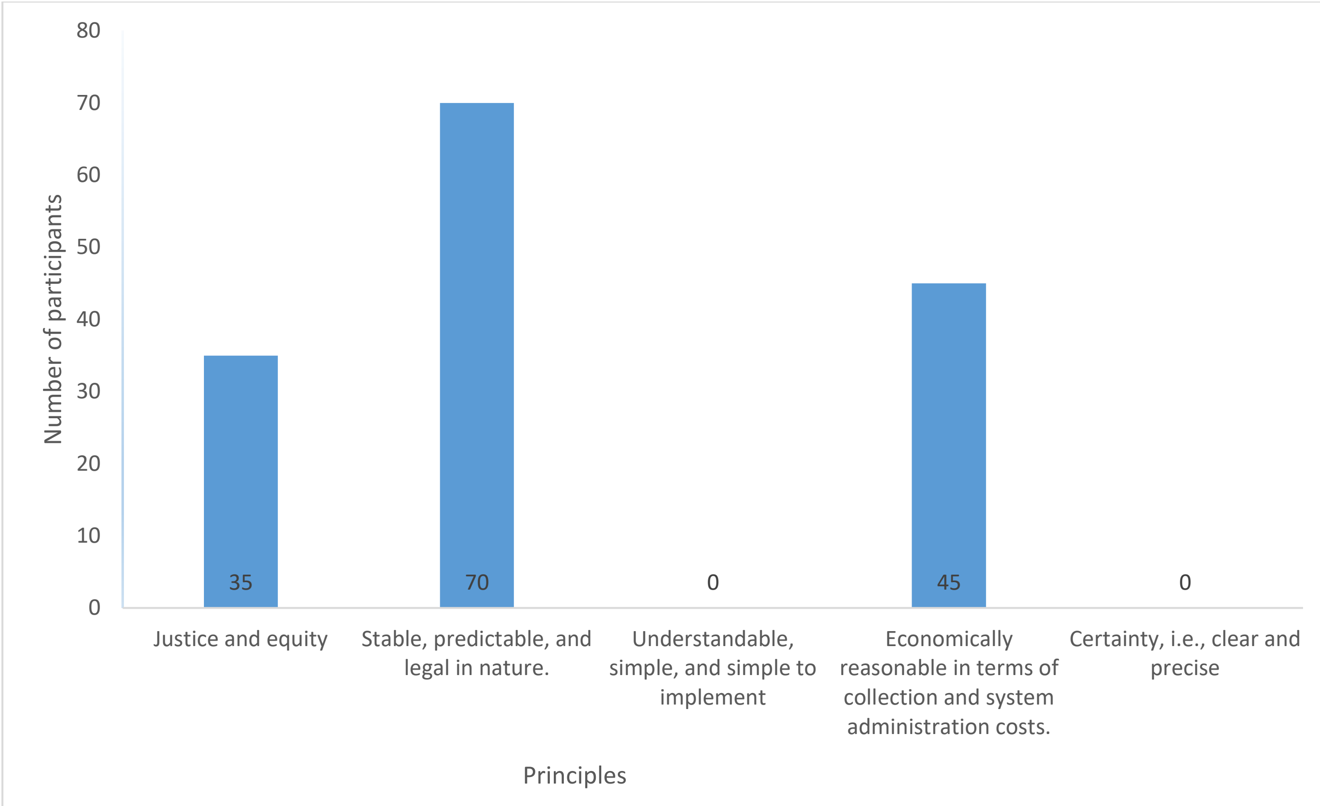

***Figure 11**: Principles involved in Individual Income Tax reform (Source: Primary data collected through questionnaires)*

Figure 11 depicts the results obtained on the participants' views towards the principals involved in Corporations' Income Tax reforms from 2015 to 2021. The participants had the option to indicate more than one principle where applicable. In this study, the principles of stable, predictable, and legal in nature were indicated by all 70 participants which had a 100% score. It was followed by the principles of economically reasonable in terms of collection and system administration costs indicated by 45 participants which is a 64% score. While the principles of justice and equity were indicated by 35 participants which is a 50% score. Participants indicated that corporations' Income Tax reforms from 2015 to 2021 did not involve the principles of understandable, simple, and simple to implement together with the principles of certainty, i.e., clear and precise as no participants indicated them which had a 0% score. Overall results from Figure 11 reveal that the Corporations' Income Tax reforms from 2015 to 2021 did not involve the principles of understandable, simple, and simple to implement together with the principles of Certainty, i.e., clear and precise. However, Mitu and Mitu (2022) have indicated some of the principles that an ideal tax system and Individual Income Tax Reforms should respect, that is to say before reforming tax policies, consideration of justice and equity is key. Tax policies should be stable, predictable, and legal in nature. Tax policies should be understandable, simple, and simple to implement. Policies should demonstrate certainty, i.e., clear and precise rules. It should be economically reasonable in terms of collection and system administration costs. This is contrary to the Corporations Income Tax Reforms from 2015 to 2021 in Namibia. In the following section the findings on the non-taxation institution assisted in enforcing the Corporations' Income tax reforms are presented.

4.4.7 Non-taxation institutions assisted in enforcing the Corporations' Income Tax reforms

The study sought to understand whether there were non-taxation institutions that assisted in enforcing the Corporations' Income Tax reforms from 2015 to 2021. Participants provided their opinions and results were tabulated in Figure 12 below.

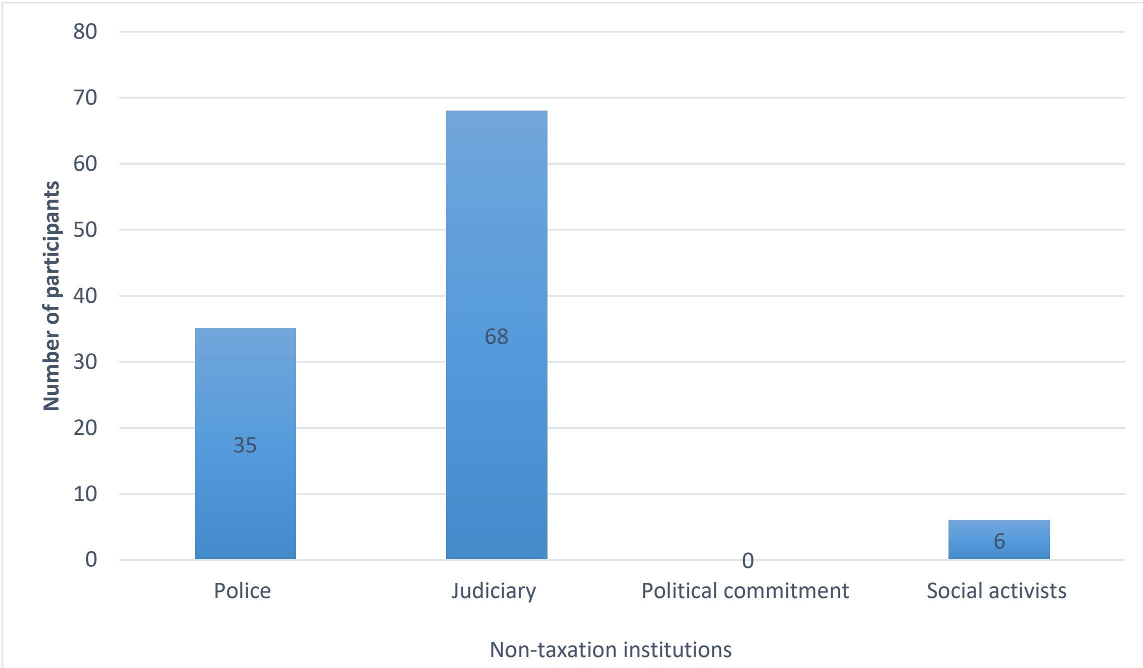

***Figure 12**: Non-taxation institutions assisted in enforcing the Corporations' Income Tax reforms (Source: Primary data collected through questionnaires).*

Figure 12 demonstrates the results of the participant's response on the non-taxation institutions that assisted in enforcing the Corporations' Income Tax reforms from 2015 to 2021. Participants had the option to indicate more than one non-taxation institution where applicable. The study revealed that the judiciary was pointed out by (68 participants) which aggregate to (97% of the participants), while the Police was pointed out by (35 participants) which is (50% of the participants). Only (6 participants) which is (9% of the participant) indicated that social activists assisted in enforcing the Corporations' Income

Tax reforms from 2015 to 2021. None of the participants (0 participants) which is 0 % indicated that political commitment assisted in enforcing the Corporations' Income Tax reforms from 2015 to 2021. Overall results from Figure 12 indicate that the political commitment did not assist in enforcing the Individual Income Tax reforms from 2015 to 2021 and only the judiciary and the police assisted. The current study learned that Corporations Income Tax is similar to the Individual Income Tax Reforms in terms of non-taxation institutions that assisted in enforcing, as there was no political commitment to assist and enforce the Corporation Income Tax reforms from 2015 to 2021, and only the judiciary and the police assisted. Nevertheless, a successful revenue collection requires strong political commitment from the highest levels of government. As tax reforms in Georgia involved joint action by the government as a whole such as the police, the judiciary, the parliament, and other government arms, which played a major role in the reforms which yielded positive results that resulted in higher increased national revenue compared to Uganda which was solely driven by the tax administration's leadership (OECD/ITC, 2015 as cited in Magumba, 2019). The following section presents the findings on the awareness of Corporations' Income Tax reforms.

4.4.8 The Awareness of Corporations' Income Tax Reforms

The study sought to understand further the awareness of Corporations' Income Tax reforms from 2015 to 2021 whether it was excellent, average, or poor. Participants provided their opinions and results were tabulated in Table 6 below.

***Table 6**: Awareness of Corporations' Income Tax Reforms Source: Primary data collected through questionnaires*

RESPONSE	FREQUENCY	PERCENTAGE
Excellent Average Poor	53 17 0	76 24 0
TOTAL	**70**	**100**

Table 6 represents the results of the participant's response on the awareness of Corporations' Income Tax reforms from 2015 to 2021. The study revealed that the majority of the participants (53 participants) which represents (76% of participants) indicated that the awareness of Corporations' Income Tax reforms from 2015 to 2021 was excellent. While 17 participants which represent (24% of participants) indicated that the awareness of Corporations' Income Tax reforms from 2015 to 2021 was average. None of the participants 0 participants which is (0% of the participants) indicated that the awareness of Corporations' Income Tax reforms from 2015 to 2021 was poor. Overall results from Table 6 reveal that, generally the awareness of Corporation Income Tax reforms from 2015 to 2021 was excellent. Kusi (2015) noted that by comparing coordinated Individual Income Tax Reforms to isolated Individual Income Tax Reforms, piecemeal changes to the tax law, there are numerous benefits to coordinated tax reforms as the general public becomes aware of the amended laws and may adhere to the new policies rather than being reluctant. Therefore, to increase national revenue, Corporations' Income tax reform, and structural adjustment measures should be strongly coordinated. The following are the regression results on Corporation Income Tax Reforms.

4.4.9 Regression results on Corporation Income Tax Reforms

```
Multinomial logistic regression                 Number of obs   =         70
                                                LR chi2(6)      =      11.36
                                                Prob > chi2     =     0.0780
Log likelihood =  29.980958                     Pseudo R2       =     0.1592
```

Revctaxq11r	Coef.	Std. Err.	z	P>|z|	[95% Conf.	Interval]
1						
Basectaxq13a	1.469953	1.591119	0.92	0.356	1.648584	4.58849
Complyctaxq13b	16.65462	2781.674	0.01	0.995	5435.327	5468.636
Delayctaxq13d	2.675608	1.618177	1.65	0.098	5.847176	.49596
_cons	33.59736	5563.349	0.01	0.995	10937.56	10870.37

4.4.10 Regression Write-up on Corporation Income Tax Reforms

Multinomial Logistic regression analyses were conducted to examine the relationship between Corporation Income Tax Revenue and various potential indicators. The above results summarised the descriptive statistics and analysis results. As can be seen, although the indicator of compliance is statistically insignificant, it is also not correlated. However, the reforms on addressing delayed payment of Corporation Income Tax and the expansion of the tax base in Corporation Income Tax tend to be positively correlated with Corporation Income Tax Revenue with the 2.672 and 1.46 correlated coefficient, and p-value= 0.098, p-value= 0.356 consecutively. This means that the reforms on Corporation

Income Tax and the expansions of the base have statistically insignificantly impacted revenue as the pre-specified alpha (level of significance) is 0.077. The following are the findings of research objective 3.

4.5 Findings based on objective 3: To ascertain the impact of Value Added Tax reforms on the efficiency of the tax system and national revenue in Namibia.

4.5.1 Indications of the improved revenue mobilisation capacity

Participants were requested to indicate whether the Value Added Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity. Responses from the participants were analysed and tabulated in Table 7 below.

Table 7*: Participant's indications on the improved revenue mobilisation capacity Source: Primary data collected through questionnaires*

RESPONSE	FREQUENCY	PERCENTAGE
Strongly disagree	0	0
Disagree	3	4
Neutral	11	16
Agree	42	60
Strongly agree	14	20
TOTAL	**70**	**100**

Table 7 depicts the results of the participant's response of whether the Value Added Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity. The study revealed that the majority of the participants (60%) agreed, while (20%) strongly agreed that the Value Added Tax reforms from 2015 to 2021 have improved the revenue mobilization capacity. Very few of the participants (4%) indicated that they are not in agreement that the Value Added Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity. Results further revealed that 16% of the participants indicated neutral. Overall results from Table 7 show that, generally the Value Added Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity. Similarly, a study conducted in Nigeria by Udezo and Onuora (2021) found that reforms in Value Added Tax (VAT), have a significant positive effect on revenue performance in Nigeria. A study on tax reforms and revenue mobilisation was conducted in Kenya and evidence suggests that reforms had a positive impact on the overall tax structure in Kenya and the individual tax handles (Nikus, 2021). In the same way, the findings of this study concur with Udezo and Onuora (2021) and Nikus (2021) as discoveries in Nigeria indicate that, tax reforms had a positive and significant effect on the revenue structure of the State. The following section presents the findings on the promotion of future independence from foreign aid.

4.5.2 Indication of promoting future independence from foreign aid

Participants were requested to indicate whether the Value Added Tax reforms from 2015 to 2021 have promoted future independence from foreign aid. Responses from the participants were analysed and tabulated in Table 8 below.

Table 8*: Participant's indications on promoting future independence from foreign aid*

Source: Primary data collected through questionnaires

RESPONSE	FREQUENCY	PERCENTAGE
Strongly disagree	0	0
Disagree	3	4
Neutral	6	9
Agree	46	66
Strongly agree	15	21
TOTAL	**70**	**100**

Table 8 illustrates the results of the participant's response of whether the Value Added Tax reforms from 2015 to 2021 have promoted future independence from foreign aid. The study revealed that the majority of the participants (66%) agreed, while (21%) strongly agreed that the Value Added Tax reforms from 2015 to 2021 have promoted future independence from foreign aid. Very few of the participants (4%) indicated that they disagreed that the Individual Income Tax reforms from 2015 to 2021 have promoted future independence from foreign aid. Results further revealed that 9% of the participants indicated neutral. Overall, the results from Table 8 indicate that, generally the Value Added Tax reforms from 2015 to 2021 have promoted future independence from foreign aid. Kamasa, Nortey, Boateng, and Bonuedi (2022) have provided evidence that tax reforms promote future independence from foreign aid and also improve economic growth and address issues of inequality through redistribution in Ghana. In the current study, Value Added Tax reforms from 2015 to 2021 have promoted future independence from foreign aid due to the exemption of export processing zone companies and management companies from paying VAT and customs and excise duties. This concurs with a study by Chiripanhura and Chifamba (2015) which used a CGE model to evaluate the equity and distributional impacts of Namibia's tax policy reforms introduced in 2013, with the results confirming that a decrease in the effective tax rate directly resulted in households benefiting from falling consumer prices and households would not depend more on the foreign Aids. Following are the findings on the objectives of Value Added Tax reforms.

4.5.9 Objectives of the Value-Added Tax Reforms

Participants were requested to point out the objectives of the Value Added Tax reforms from 2015 to 2021. Participants had the option to indicate more than one objective where applicable. Responses from the participants were analysed and tabulated in Figure 13 below.

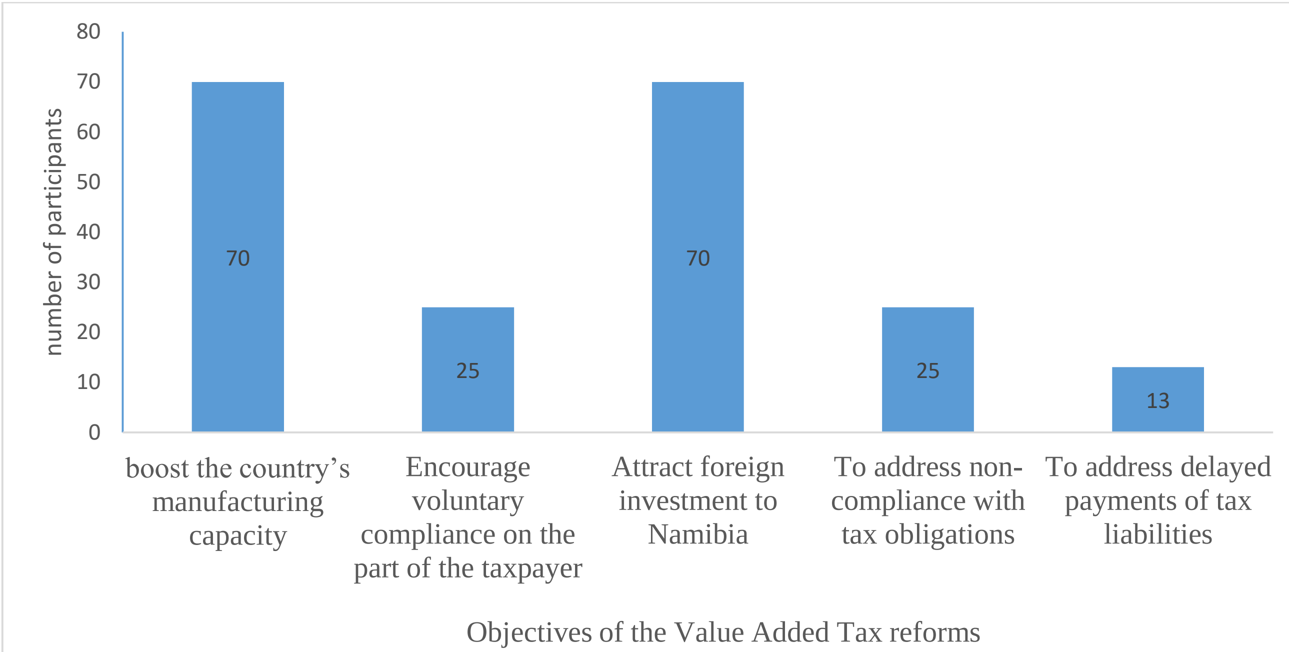

***Figure 13**: Objectives of the Value-Added Tax Reforms Source: Primary data collected through questionnaires*

Figure 13 demonstrates the results of the participant's response on the objectives of Value Added Tax reforms from 2015 to 2021. The study revealed that the objectives of Boost the country's manufacturing capacity and the objective to attract foreign investment to Namibia were both pointed out by (70 participants) which aggregate (100% of the participants) of which made the two emerge as the primary objectives of Value Added Tax Reforms from 2015 to 2021. Very few of the participants (13 participants) which is 19% marked to address delayed payments of tax liabilities as the objective of Value Added Tax reforms from 2015 to 2021. Results further revealed that both to encourage voluntary compliance on the part of the taxpayer and to address non-compliance with tax obligations were marked by (25 participants) which is 36% of the participants of which became the secondary objectives. Overall results from Figure 13 indicated that, generally the main objectives of Value Added Tax Reforms from 2015 to 2021 were to boost the country's manufacturing capacity and to attract foreign investment to Namibia. Value Added Tax reforms are intended to not only to expand the tax base and the enhancement of public internal revenue generation. But also, to address non-compliance with tax obligations, non-registration in the tax system, and non-filing of tax declarations (World Bank, 2020a, b as cited in Kamasa, Nortey, Boateng, & Bonuedi, 2022). However, Value Added Tax Reforms from 2015 to 2021in Namibia went further to boost the country's manufacturing capacity and to attract foreign investment to Namibia. Nonetheless, several tax reforms have always been designed to broaden the tax base, reduce the tax burden on taxpayers, restore taxpayer confidence in the tax system, and encourage voluntary compliance on the part of taxpayers, with the main goal of increasing public internal revenue generation (Udezo & Onuora, 2021). The next section presents the findings on the weakness of Value Added tax reforms.

4.5.4 The Weaknesses of the Value-Added Tax Reforms

Participants were requested to indicate the weakness of the Value Added Tax reforms from 2015 to 2021. Participants had the option to indicate more than one weakness where applicable. Responses from the participants were analysed and tabulated in Figure 14 below.

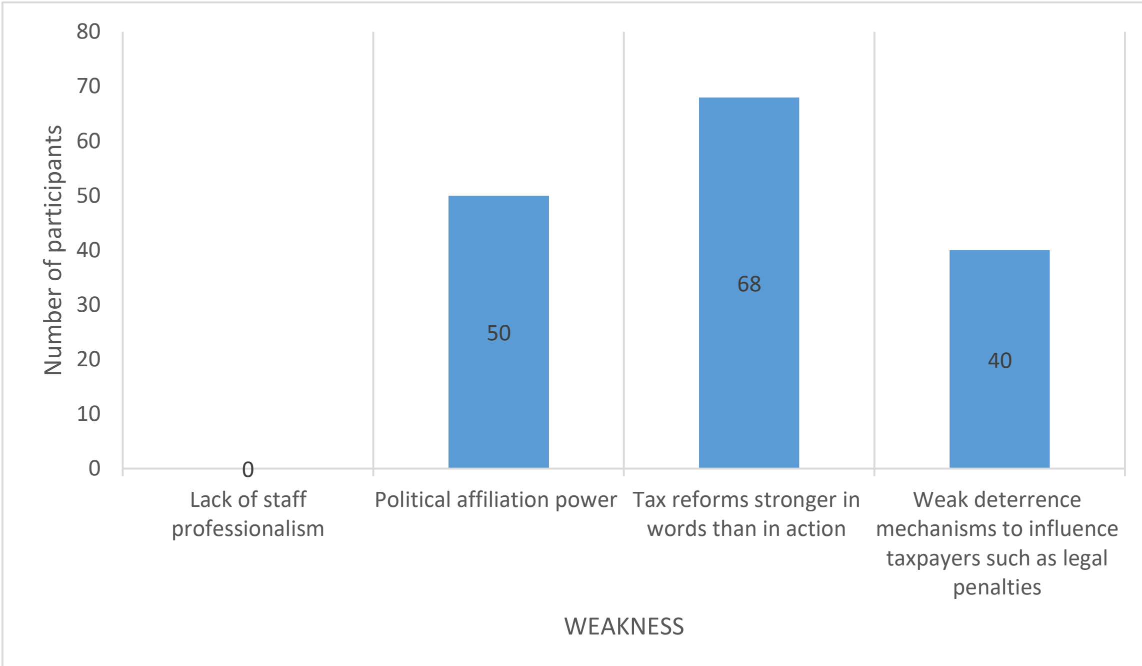

Figure 14: *The weaknesses of the Value-Added Tax reforms (Source: Primary data collected through questionnaires)*

Figure 14 portrays the results of the participant's response on the weakness of Value-added Tax reforms from 2015 to 2021. The study indicates that the weakness in terms of the tax reforms being stronger in words than in action was pointed out by (68 participants) which aggregate (97% of the participants), while the weakness in terms of Political affiliation power was pointed out by (50 participants) which is (71% of the participants).

None of the participants (0 participants) which is 0% of the participants marked the weakness in terms of Lack of staff professionalism as the weakness of Value Added Tax reforms from 2015 to 2021. Results further revealed that, weak deterrence mechanisms to influence taxpayers such as legal penalties marked by (40 participants) which is 57% of the participants. Overall results from Figure 14 reveal that generally, the main weakness of Value Added Tax reforms from 2015 to 2021 is that the tax reforms were stronger in words than in action, Political affiliation power, and weak deterrence mechanisms to influence taxpayers such as legal penalties. This appears to be similar to the situation of Uganda and similar consequence would be faced, as Katusiimeh and Kangave (2015) claim that political power destabilised the Uganda Revenue Authority's ability to achieve significant results, as politically connected individuals could easily participate in tax negotiations and obtain exemptions, even after such exemptions had been abolished by Value Added Tax Reforms. Besides causing direct revenue loss, such irregularities render the tax system unfair, and needless to mention, it is difficult to elicit voluntary compliance from taxpayers who believe that tax regulations are not fairly or uniformly applied to all, this appears to be the same in Namibia as Value Added Tax reforms from 2015 to 2021 was stronger in words than in action, involve political affiliation power and weak deterrence mechanisms to influence taxpayers such as legal penalties. The next section presents the unconsidered aspects in Value Added Tax reforms.

4.5.5 Unconsidered important aspects in Value-Added Tax Reforms

The study sought to determine whether there were any unconsidered important aspects of Value Added Tax Reforms from 2015 to 2021. Results were tabulated in Figure 15 below.

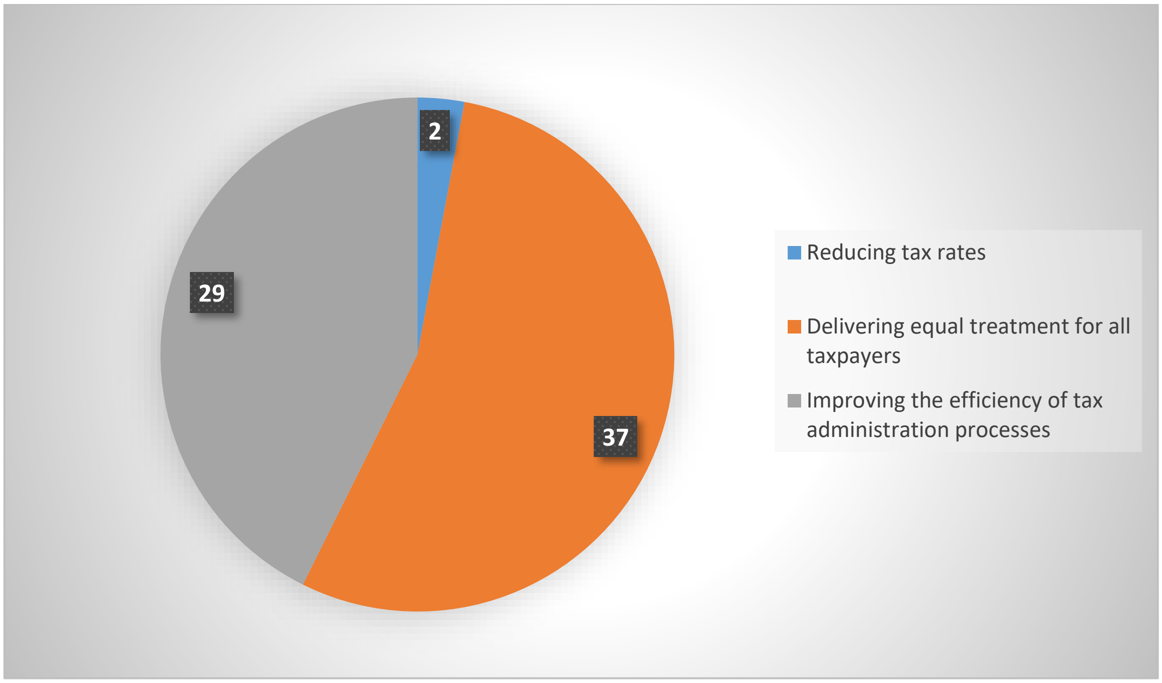

***Figure 15**: Unconsidered important aspects (Source: Primary data collected through questionnaires)*

Figure 15 depicts results as to whether there were any unconsidered important aspects in Value Added Tax reforms from 2015 to 2021 the study indicated that 37 participants which are 53% of the participants stressed that Value Added Tax reforms from 2015 to 2021 did not consider delivering equal treatment for all taxpayers. While, 29 participants which is 42% of the participants showed that, Value-Added Tax reforms from 2015 to 2021 did not consider improving the efficiency of tax administration processes. In addition, only 2 participants that are 3% of the participant indicated that Value-added Tax reforms from 2015 to 2021 did not reflect reducing tax rates. The overall results from figure 15 indicate that, generally value-added Tax reforms from 2015 to 2021 did not reflect improving the efficiency of tax administration processes and delivering equal treatment for all taxpayers. Although, Magumba (2019), indicated that there are set of numerous Value Added Tax Reforms that a country can consider to increase the National revenue, which includes delivering equal treatment for all taxpayers and improving the efficiency of tax administration processes, which entailed introducing electronic tax systems for taxpayer registration, filing, payment, and risk-based audits. The Value added Tax reforms from 2015 to 2021 in Namibia did not reflect some as per Figure 15 and besides causing direct revenue loss, such irregularities render the tax system, moreover, it is difficult to elicit voluntary compliance from taxpayers who believe that tax regulations are not fairly or uniformly applied to all. The next section presents the findings on the principles of Value Added Tax reforms.

4.5.6. Principles of Value-Added Tax Reforms

As the study unveiled the unconsidered important aspects of Value-added Tax reforms from 2015 to 2021, it also requested participants to provide their opinions on the principals involved in Value Added Tax reforms. Results were tabulated in Figure 16 below.

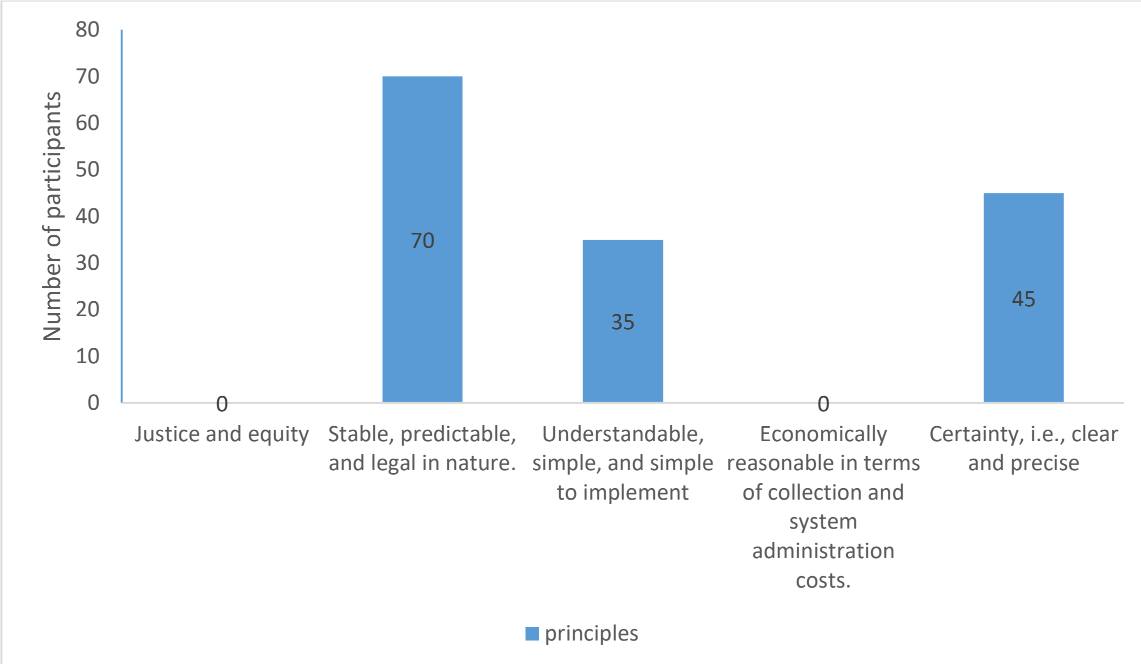

Figure 16: *Principles involved in Value-added Tax reforms (Source: Primary data collected through questionnaires)*

Figure 16 illustrates the results obtained on the participants' view towards the principals involved in Individual Income Tax reforms from 2015 to 2021, the participants had the option to indicate more than one principle where applicable. In this study, the principles of stable, predictable, and legal in nature were indicated by all 70 participants which created a 100% score. It was followed by the principles of certainty, i.e., clear and precise indicated by 45 participants which is a 64% score. While the principles of Understandable, simple, and simple to implement were indicated by 35 participants which is a 50% score. Participants indicated that Value-added Tax reforms from 2015 to 2021 did not involve the principles of justice and equity together with the principle of economically reasonable in terms of collection and system administration cost as no participants indicated these principles and it led to a 0% score. Overall results from Figure 16 have shown that the Value added Tax reforms from 2015 to 2021 have involved the principles of stable, predictability, and legal in nature, followed by understandable, simple, and simple to implement together with the principles of certainty, i.e., clear and precise. This is similar to the study by Mitu and Mitu (2022) as it provided an indication of principles that an ideal tax system and Value Added Tax Reforms should respect, that is to say before reforming tax policies, consideration of justice and equity. Tax policies should be stable, predictable, and legal in nature. Tax policies should be understandable, simple, and simple to implement. Policies should demonstrate certainty, i.e., clear and precise rules. It should be economically reasonable in terms of collection and system administration costs. This is in concurrences with the Value Added Tax Reforms from 2015 to 2021 in Namibia. Value Added Tax reforms from 2015 to 2021 have involved the principles of stable, predictability, and legal in nature, followed by understandable, simple, and simple to implement together with the principles of certainty, i.e., clear and precise. The following section presents the findings on the non-taxation institution assisted in enforcing the Value Added Tax reforms.

4.5.7 Non-taxation institutions assisted in enforcing the Value-Added Tax reforms

The study sought to understand further whether there were Non-taxation institutions that assisted in enforcing the Value-added Tax reforms from 2015 to 2021. Participants provided their opinions and results were tabulated in Figure17 below.

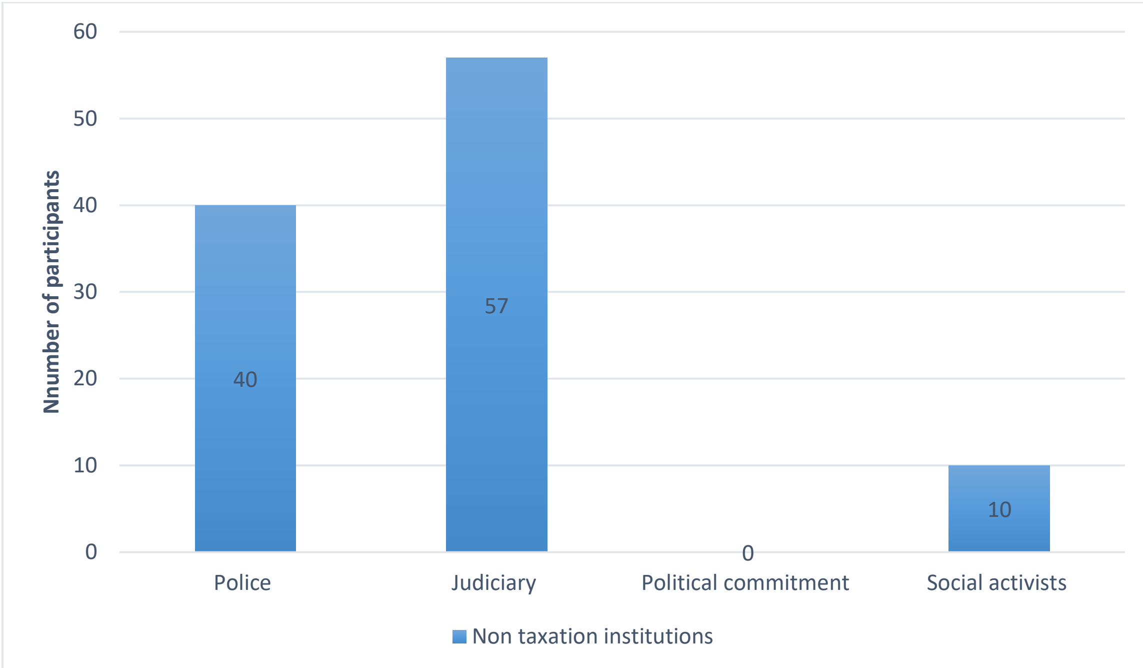

Figure 17*: Non-taxation institutions assisted in enforcing the Value-Added Tax reforms (Source: Primary data collected through questionnaires*

Figure 17 demonstrates the results of the participant's response on the non-taxation institutions that assisted in enforcing the Value-added tax reforms from 2015 to 2021 and the participants had the option to indicate more than one non-taxation institution where applicable. The study revealed that the judiciary was pointed out by (57 participants) which aggregate to (81% of the participants), while the Police was pointed out by (40 participants) which is (57% of the participants). Only (10 participants) which is (14% of the participant) indicated that social activists assisted in enforcing the Value-added Tax reforms from 2015 to 2021. None of the participants (0 participants) which is 0 % of the participant indicated that political commitment assisted in enforcing the Value-added tax reforms from 2015 to 2021. Overall results from Figure 17 have shown that political commitment did not assist in enforcing the Value-added tax reforms from 2015 to 2021 and only the judiciary and the police assisted. The current study learned that there was no political commitment in assisting and enforcing the Value Added Tax reforms from 2015 to 2021, and only the judiciary and the police assisted. Nevertheless, a successful revenue collection requires strong political commitment from the highest levels of government. As tax reforms in Georgia involved joint action by the government as a whole such as the police, the judiciary, the parliament, and other government arms, which played a major role in the reforms which yielded positive results that resulted in higher increased National revenue compared to Uganda which was solely driven by the tax administration's leadership (OECD/ITC, 2015 as cited in Magumba, 2019). The next section presents the findings on the awareness of Value Added Tax reforms.

4.5.8 The Awareness of Value-Added Tax Reforms

The study sought to understand further the awareness of Value-added tax reforms from 2015 to 2021 whether it was excellent, average, or poor. Participants provided their opinions and results were tabulated in Table 9 below.

***Table 9**: Awareness of Value-Added Tax Reforms (Source: Primary data collected through questionnaires)*

RESPONSE	FREQUENCY	PERCENTAGE
Excellent	45	64
Average	25	36
Poor	0	0
TOTAL	**70**	**100**

Table 9 represents the results of the participant's response on the awareness of Value-Added Tax reforms from 2015 to 2021. The study revealed that the majority of the participants (45 participants) which represents (64% of participants) show that the awareness of Value-Added Tax reforms from 2015 to 2021 was excellent. While 25 participants which represent (36% of participants) show that the awareness of Valued Added Tax reforms from 2015 to 2021 was average. None of the participants 0 participants which is (0% of the participants) indicated that the awareness of Value-Added Tax reforms from 2015 to 2021 was poor. Overall results from Table 9 show that, generally the awareness of Value-Added Tax reforms from 2015 to 2021 was excellent. The current study is in conjunction with Kusi (2015) by noticing that, by comparing coordinated Value Added Tax Reforms to isolated Value Added Tax Reforms, piecemeal changes to the tax law, there are numerous benefits to coordinated tax reforms as the general public becomes aware of the amended laws and may adhere to the new policies rather than being reluctant. Therefore, to increase national revenue, Value-Added Tax reform, and structural adjustment measures should be strongly coordinated. The following are the regression results on Value-Added Tax Reforms.

4.5.9 Regression results on Value Added Tax Reforms

```
Multinomial logistic regression                 Number of obs   =         70
                                                LR chi2(4)      =      10.27
                                                Prob > chi2     =     0.0361
Log likelihood =  37.166059                     Pseudo R2       =     0.1214
```

Revvatq11r	Coef.	Std. Err.	z	P>|z|	[95% Conf.	Interval]
1						
Basevatq13a	0	(omitted)				
Complyvatq13b	15.60326	1160.761	0.01	0.989	2259.447	2290.654
Delayvatq13d	2.856918	1.344705	2.12	0.034	5.492491	.2213444
_cons	28.88049	2321.523	0.01	0.990	4578.982	4521.221

4.5.10 Regression write-up on Value-added Tax reforms

Multinomial Logistic regression analyses were conducted to examine the relationship between Value-Added Tax Revenue and various potential indicators. The above results summarised the descriptive statistics and analysis results. As can be seen, the indicator of compliance and Tax Base in Value-Added Tax is statistically insignificant. However, the reforms on addressing delayed payment of Value-Added Tax tend to be positively correlated with Value-Added Tax Revenue with the 2.85 correlated coefficient and p-value= 0.034. This means that the reforms on the Value Added Tax have statistically impacted revenue as the pre-specified alpha (level of significance) is 0.077. The following section presents the findings from qualitative data.

4.5.9 Findings from Qualitative Data

After analysing the responses from the questionnaires, the study sought to understand further through documentary review to obtain qualitative data by studying the Government Gazette on the Promulgation of the Income Tax Amendment Act, Namibia Revenue Agency Act, 2017.The Annual Financial Report of the Ministry of Finance and Public Enterprises, was analysed through thematic analysis, in order to comprehend the commonalities and discrepancies between the two data.

4.5.9.1 Namibia Revenue Agency Act, 2017

Part 2 of the Namibia Revenue Agency Act describes the Powers and functions of the Revenue Agency, one of them being, assessing and collecting taxes and duties on behalf of the State in terms of the laws set out in the Schedule. This could be done through executing the power and function of enforcing the revenue, customs, and excise laws, with respect to the collection of revenue as provided by those laws. In addition, the Namibia Revenue Agency Act in part 2 indicates that Namibia Revenue Agency has the power and function to levy penalties and interest on overdue accounts, collect unpaid taxes, and impose liens over properties, as provided by revenue laws. This simply means that the Namibia Revenue Agency has the power to enforce tax laws. However, according to primary data collected through questionnaires, most participants indicated that individuals, corporations, and Value Added Tax reforms on the Namibian tax system were stronger in words than in action, although NamRA has the power to enforce those laws so that they could be followed, and actions be taken. Katusiimeh and Kangave (2015) claim that underutilisation of power and functions may cause a gap for political power to destabilize Revenue Authority's ability to achieve significant results, as politically connected individuals could easily participate in tax negotiations and obtain exemptions, even after such exemptions had been abolished by tax reforms. Thus, powers and functions should be executed to the maximum with steady policies to ensure that tax laws and reforms are applied uniformly to all taxpayers.

Moreover, the primary data collected through questionnaires also indicated that participants showed that, generally the main objectives of tax reforms that were made in Namibian in 2015 to 2021includes: To expand the tax base and the enhancement of public internal revenue generation which is part of part 2 of the Namibia Revenue Agency Act which contains the Powers and functions of the Revenue Agency. However, addressing delayed payments of tax liabilities were not part of the objectives of tax reforms for that period as per the primary data collected although Namibia Revenue Agency has the power and function to levy penalties and interest on overdue accounts, collect unpaid taxes, and impose liens over properties, the financial statements indicate that penalties and interests are normally waived through amnesty program periods.

Furthermore, Namibia Revenue Agency Act in part 2 indicated that Namibia Revenue Agency has the power and function to improve service delivery to taxpayers and promote compliance with the revenue laws. Nonetheless, only a few participants in the primary data collected through questionnaires indicated that the objectives of tax reforms that were made in Namibian from 2015 to 2021 were to address non-compliance with tax obligations, of which the majority are not in agreement although the Namibia Revenue Agency has the power and function to improve service delivery to taxpayers and promote compliance with the revenue laws. Therefore, the study found that the power and function of NamRA were not fully utilised.

Part 3 of the Namibia Revenue Agency Act, expresses the Disclosure of interests of the members and commission of NamRA, through the declaration of assets and interests by staff of the Revenue Agency. The commissioner is required to submit a declaration of assets and interests to the Board while staff members are obligated to submit a declaration of Assets and interests to the Commissioner. The idea of disclosure of interest by the staff of the Revenue Agency is to avoid conflict of interest and corruption in the Agency which occurs when an employee, manager, or executive has an undisclosed economic or personal interest in a transaction that adversely affects the agency. However, the disclosure of interests appears not to curb corruption as it was intended to as different allegations of corruption in NamRA have been reported and cases of corruption have been opened. Amukeshe (2022) states that Namibian Revenue Agency (NamRA) has stumbled upon a tax fraud scam that has seen about N$15 million deposited into undeserving individuals' bank accounts.

4.5.9.2 Government gazette on the promulgation of the Income Tax Amendment Act

The Government Gazette of Namibia is the official publication of the Government of the Republic of Namibia in which all the new laws, reforms, and policies including tax reforms are communicated to the general public. Although not everyone reads and follows the official publication of the Government of the Republic of Namibia in which all the new laws, reforms, and policies including tax reforms are communicated to the general public the primary data collected through the questionnaire indicated that awareness of tax reforms from 2015 to 2021 was excellent. According to Kusi (2015), the tax reform process must be carefully coordinated, and as compared to isolated, piecemeal changes to the tax system, coordinated tax reforms have numerous advantages and provides more impact than uncoordinated tax reforms. For that reason, tax reform and structural adjustment measures should be carefully integrated to increase national revenue as the general public becomes aware of the updated laws and begins to adhere to the new policies rather than being unacquainted. Similarly, upon conducting a document review of four (4) Government Gazette of Namibia on Promulgation of Income Tax Amendment Act published from 2015-2021 as shown by (CRAN) it shows that all the tax reforms were published on time and in detail that reforms on Value Added Tax such as export processing zone companies and management companies exempted from paying VAT and customs and excise duties on 22 June 2020 (Government gazette, 2020). Reforms on corporate tax such as revising the definition of gross income for inclusion of restraint of trade payments and sales of petroleum license or rights on 30 December 2015 (Government gazette, 2015). Moreover, export processing zone companies and management companies are exempted from paying income tax (Government Gazette, 2020). Reforms on individual income tax such as amendment on the director's fees, and entertainment fees on 21 June 2016 (Government Gazette, 2016). In addition, granting a withholding tax rate on management fees, and consultancy as well as amending the royalty rate on 30 December 2015 (Government Gazette, 2015). Therefore, although local media and journalism did not play a major role in the publication of the tax reforms, the awareness was done on time and in detail through the Government Gazettes of Namibia.

4.5.9.3 Financial Report of the Ministry of Finance and Public Enterprises

Upon studying the financial statements of the Ministry of Finance and Public Enterprises it was discovered that the financial statements are not prepared in accordance with the International Financial Reporting Standards (IFRS) however prepared in terms of the Finance Act and The Treasury instructions which are not recognised as reporting standards. The financial statements are prepared mostly for the purpose of providing information to the Auditor General for auditing purposes and not merely to provide the financial position and performance of the Ministry. It was discovered that NamRA introduced an amnesty program of which as a result of that amnesty a total of over N$53 billion was written off out of the total tax owed to NamRA of over N$ 69 million which constitutes capital debts of N$15.2 billion, interests of N$11.4 billion and penalties of N$42.5 billion waived off. Although Namibia Revenue Agency has the power and function to levy penalties and interest on overdue accounts, collect unpaid taxes, and impose liens over properties, as per the Namibia Revenue Agency Act, the financial statements indicate that penalties and interests are normally waived through amnesty program periods. Therefore, the study found that the power and function of NamRA were not fully utilised and NamRA is powerless in terms of levying the interests and penalties.

4.6 Discussion

A study in Ghana by Kamasa, Nortey, Boateng, and Bonuedi (2022) has provided evidence that tax reforms significantly enhance tax revenue mobilisation in Ghana and clarifies that tax reform on individual income may make revenue levels more sustainable. Similarly, results from the current study indicated that the Individual Income Tax reforms, Corporations Income Tax reforms, and Value Added Tax reforms in Namibia from 2015 to 2021 have improved the revenue mobilisation capacity. This concurs with a study on tax reforms and revenue mobilisation which was conducted in Kenya and evidence suggests that reforms had a positive impact on the overall tax structure in Kenya and the individual tax handles (Nikus, 2021). Moreover, the findings of Udezo and Onuora (2021) concur with Nikus (2021) as discoveries in Nigeria show that, tax reforms had a positive and significant effect on the revenue structure of the State.

Although, Kamasa, Nortey, Boateng, and Bonuedi (2022) have provided evidence that tax reforms promote future fiscal independence from foreign aid and also improve economic growth and address issues of inequality through redistribution in Ghana. In the current study, only Value Added Tax reforms from 2015 to 2021 have promoted future independence from foreign aid due to the exemption of export processing zone companies and management companies from paying VAT and customs and excise duties. This concurs with a study by Chiripanhura and Chifamba (2015) which used a CGE model to evaluate the equity and distributional impacts of Namibia's tax policy reforms introduced in 2013, with the results showing that a decrease in the effective tax rate directly resulted in households benefiting from falling consumer prices. However, this study discovered that Individual Income Tax reforms and Corporations' Income Tax Reforms from 2015 to 2021 have not promoted future independence from foreign aid.

Tax reforms are intended to address not only non-compliance with tax obligations, non-registration in the tax system, and non-filing of tax declarations, but also delayed payments of tax liabilities and a lack of complete and accurate reporting of information in declarations (World Bank, 2020a, b as cited in Kamasa, Nortey, Boateng, & Bonuedi, 2022). Nonetheless, several tax reforms have always been designed to broaden the tax base, reduce the tax burden on taxpayers, restore taxpayer confidence in the tax system, and encourage voluntary compliance on the part of taxpayers, with the main goal of increasing public internal revenue generation (Udezo & Onuora, 2021). This is rational to the results of this study as it articulated that, the main objectives of Individual Income Tax reforms and Corporations Income Tax reforms from 2015 to 2021 in Namibia were to expand the tax base and enhancement public internal revenue generation by addressing non-compliance with tax obligations being third. While the main objectives of Value Added Tax Reforms from 2015 to 2021 were to boost the country's manufacturing capacity and to attract foreign investment to Namibia.

Findings from the study indicated the weakness of tax reforms from 2015 to 2021 in Namibia. The main weakness of Individual Income Tax reforms, Corporation's income Tax reforms, and Value Added Tax reforms from 2015 to 2021 was that the tax reforms were stronger in words than in action, had Political affiliation power, and had weak deterrence mechanisms to influence taxpayers such as legal penalties. However, none of the participants indicated a Lack of staff professionalism as the weakness of which is a windfall, since Uganda's tax contributions to the National Budget grew from 58.7% to 71.5% in the same period. This result was achieved after the Uganda Revenue Authorities were restructured by improving the agency's brand and achieving voluntary taxpayer compliance through improved service delivery and staff professionalism and increasing the salaries of UGA staff in an effort to improve staff welfare, discourage corruption, and reduce staff attrition (Magumba, 2019). Katusiimeh and Kangave (2015) claim that political power destabilised the Uganda Revenue Authority's ability to achieve significant results, as politically connected individuals could easily participate in tax negotiations and obtain exemptions, even after such exemptions had been abolished by tax reforms. Besides causing direct revenue loss, such irregularities render the tax system unfair, and needless to mention, it is difficult to elicit voluntary compliance from taxpayers who believe that tax regulations are not fairly or uniformly applied to all. On the other hand, In Georgia, even without semi-autonomous revenue authorities (SARA) being formed, success was achieved. Tax laws and regulations were equally applied to all citizens without political influence or favors. Similarly, Equitable Taxation (ET) concurs with Katusiimeh and Kangave (2015) as according to Tanzi (2014), Equitable Taxation (ET) is an approach initially based on the work of Simons (1938) which was part of a larger framework for economic policy in which liberty and equality were viewed as the fundamental social principles. The strategy advocated for comprehensive income taxes because they were believed to reduce political meddling in the market economy and fairly raise money.

Chetty, Mobarak, and Singhal (2014) indicated that there must be a strong deterrence mechanism instead of weak deterrence mechanisms in place to influence taxpayers to follow reforms effected, such as legal penalties and prosecution, to encourage taxpayers to consider paying individual income tax reforms, corporations’ profit tax reforms and Value Added Tax consistently. These mechanisms would raise the risk associated with the utility maximisation function and deter the taxpayer from choosing to evade taxes, which is the most logical choice.

Mitu and Mitu (2022) have highlighted seven principles that an ideal tax system should respect, although, not limited to these principles, that is to state that, before reforming tax policies, consider justice and equity. Tax policies should be stable, predictable, and legal in nature. There must be neutrality in promoting the economy, with no influence on economic operators' decisions. Tax policies should be adequate for performing public functions and services. Tax policies should be understandable, simple, and simple to implement. Policies should demonstrate certainty, i.e., clear and precise rules. It should be economically reasonable in terms of collection and system administration costs. This is incoherent with the finding of this study as it discovered that the Value added Tax reforms from 2015 to 2021 have involved the principles of Stable, predictability, and legality in nature, followed by Understandable, simple, and simple to implement together with the principles of Certainty, i.e., clear and precise. Although, the study indicated that the Individual Income Tax reforms and Corporate Tax reforms from 2015 to 2021 did not involve the principles of Understandable, simple, and simple to implement together with the principles of Certainty, i.e., clear and precise. The reforms were economically reasonable in terms of collection and system administration costs and involve Justice and equity.

According to Heiserman, Simpson, and Willer (2020), the economic fairness model indicated that tax fairness is only meaningful in the context of other non-taxes public and private institutions, and across individuals in society. Therefore, reforming tax policies in isolation and excluding other nontax public and private institutions, and across individuals in society may not yield any result. However, the model indicated that there is no pre-political, natural level of taxation that governments must strive to reach in reforming tax policies as countries vary in the relative sizes of their public and private sectors. The current study learned that there was no political commitment in assisting and enforcing the Individual Income Tax reforms, Corporations' Income Tax reforms, and Value-added tax reforms from 2015 to 2021, and only the judiciary and the police assisted. Nevertheless, a successful revenue collection requires strong political commitment from the highest levels of government. As tax reforms in Georgia involved joint action by the government as a whole such as the police, the judiciary, the parliament, and other government arms, which played a major role in the reforms which yielded positive results that resulted in higher increased National revenue compared to Uganda which was solely driven by the tax administration's leadership (OECD/ITC, 2015 as cited in Magumba, 2019). Moreover, Magumba (2019) indicated that in Uganda even though a semi-autonomous revenue authority (SARA) was formed and several other reforms were followed, the will to drive transformation in tax administration was stronger in words than in action. This is depicted by the government's apparent political interference in revenue administration amidst the reforms, and the lack of committed action by other government agencies to support the tax reforms.

The tax reform process must be well coordinated, comparing coordinated tax reform to isolated, piecemeal changes to the tax code, there are many benefits in terms of coordinated tax reforms (Kusi, 2015). Therefore, tax reform and structural adjustment measures should be strongly coordinated to enhance national revenue. The study indicated that all the tax reforms were published on time and in detail as reforms on Value Added Tax such as export processing zone companies and management companies exempted from paying VAT and customs and excise duties on 22 June 2020 (Government Gazette, 2020). Reforms on corporate tax such as revising the definition of gross income for inclusion of restraint of trade payments and sales of petroleum license or rights on 30 December 2015 (Government gazette, 2015). Moreover, export processing zone companies and management companies are exempted from paying income tax (Government Gazette, 2020). Reforms on individual income tax such as amendment on the director's fees, and entertainment fees on 21 June 2016 (Government Gazette, 2016). In addition, granting a withholding tax rate on management fees, and consultancy as well as amending the royalty rate on 30 December 2015 (Government Gazette, 2015). Therefore, although local media and journalism did not play a major role in the publication of the tax reforms, the awareness was done on time and in detail through the Government Gazettes of Namibia. The next chapter concludes the study and provides recommendations.

4.7.1 Themes Emerged

1. Underutilisation of power and functions

2. Good coordination

3. Substandard financial statements

4.7.1.1 Underutilisation of Powers and Functions

Katusiimeh and Kangave (2015) claim that underutilisation of Power and Functions may cause a gap for political power to destabilise Revenue Authority's ability to achieve significant results, as politically connected individuals could easily participate in tax negotiations and obtain exemptions, even after such exemptions had been abolished by tax reforms. Thus, powers and functions should be executed to the maximum with steady policies to ensure that tax laws and reforms are applied uniformly to all taxpayers. The study revealed that tax reforms were stronger in words than in action, although NamRA has the power to enforce those laws so that they can be followed and action be taken, rather than just in words than in action. The Namibia Revenue Agency Act in part 2 indicated that Namibia Revenue Agency has the power and function to levy penalties and interest on overdue accounts, collect unpaid taxes, and impose liens over properties, as provided by revenue laws. Addressing delayed payments of tax liabilities was not part of the objectives of tax reforms for that period as per the primary data collected, although the Namibia Revenue Agency has the power and function to levy penalties and interest on overdue accounts, collect unpaid taxes, and impose liens over properties this indication shows that there is a loophole of negotiations of penalties and interest on overdue accounts as per the claims of Katusiimeh and Kangave (2015).

The financial statements indicate that penalties and interests are normally waived through amnesty program periods. It was discovered that NamRA introduced an amnesty program of which as a result of that amnesty a total of over N$53 billion was written off out of the total tax owed to NamRA of over N$ 69 million which constitutes capital debts of N$15.2 billion, interests of N$11.4 billion and penalties of N$42.5 billion waived off. Furthermore, Namibia Revenue Agency Act in part 2 indicated that Namibia Revenue Agency has the power and function to improve service delivery to taxpayers and promote compliance with the revenue laws. Nonetheless, only a few participants in the primary data collected through questionnaires indicated that the objectives of tax reforms that were made in Namibian from 2015 to 2021 were to address non-compliance with tax obligations, of which the majority are not in agreement although the Namibia Revenue Agency has the power and function to improve service delivery to taxpayers and promote compliance with the revenue laws.

4.7.1.2 Good coordination

Kusi (2015) indicated that tax reform process must be well coordinated, and comparing coordinated tax reform to isolated, piecemeal changes to the tax code, there are many benefits in terms of coordinated tax reforms. Therefore, tax reform and structural adjustment measures should be tightly coordinated to enhance national revenue as the general public becomes aware of the amended laws and may adhere to the new policies rather than being unformed. Data collected through the questionnaire indicated that awareness of tax reforms from 2015 to 2021 was excellent. Similarly, upon conducting a document review of four (4) Government Gazette of Namibia on Promulgation of Income Tax Amendment Act published from 2015-2021 as presented by (CRAN) shows that all the tax reforms were published on time and in detail, that reforms on Value Added Tax such as export processing zone companies and management companies exempted from paying VAT and customs and excise duties on 22 June 2020 (Government gazette, 2020). Reforms on corporate tax such as revising the definition of gross income for inclusion of restraint of trade payments and sales of petroleum license or rights on 30 December 2015 (Government gazette, 2015). Moreover, export processing zone companies and management companies are exempted from paying income tax (Government Gazette, 2020). Reforms on individual income tax such as amendment on the director's fees, and entertainment fees on 21 June 2016 (Government Gazette, 2016). In addition, granting a withholding tax rate on management fees, and consultancy as well as amending the royalty rate on 30 December 2015 (Government Gazette, 2015).

4.7.1.3 Substandard financial statements

It was discovered that the financial statements of the Ministry of Finance and Public Enterprises is not prepared in accordance with the International Financial Reporting Standards (IFRS) however prepared in terms of the Finance Act and The Treasury instructions which are not recognised as reporting standards. The financial statements are prepared mostly for the purpose of providing information to the Auditor General for auditing purposes and not merely to provide the financial position and performance of the Ministry.

4.8 Chapter Summary

This chapter presented the analysis and discussion of information drawn from both the qualitative and the quantitative data. The qualitative data reviewed have indicated that the power and function of NamRA were not fully utilised, while the quantitative data have indicated that there are numerous principles involved in tax reforms and several unconsidered important aspects in the tax reforms. The results further gave an indication that different non-taxation institutions assisted in enforcing tax reforms. The following chapter presents the findings, concludes the study, and provides recommendations.

CHAPTER 5: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

The preceding chapter concentrated on the presentation, interpretation, and discussion of the study findings. This chapter draws conclusions on the study and suggests recommendations to alleviate the weakness and negative impact of tax reforms. The chapter further points out future research on the study to fill the gap in knowledge not addressed by the current study.

5.2 Summary of Findings

The overall aim of this study was to assess the impact of tax reforms on the Namibian tax system by assessing the impact of individual income tax reforms on the Namibian tax system, determining the impact of corporations' income tax reforms on the Namibian tax system, and ascertaining the impact of Value Added Tax reforms on the Namibian tax system. Several tax reforms were made, these include reforms on Value Added Tax such as Export Processing Zone companies and management companies exempted from paying VAT and customs and excise duties on 22 June 2020 (Government Gazette, 2020). Reforms on corporate tax such as revising the definition of gross income for inclusion of restraint of trade payments and sales of petroleum license or rights on 30 December 2015 (Government gazette, 2015). Moreover, export processing zone companies and management companies were exempted from paying income tax (Government Gazette, 2020). Reforms on individual income tax such as amendment on the director's fees, and entertainment fees on 21 June 2016 (Government Gazette, 2016). In addition, granting a withholding tax rate on management fees, and consultancy as well as amending the royalty rate on 30 December 2015 (Government Gazette, 2015).

The study reviewed literature from different scholars who argued and discussed their findings and different principles in correlation with the theories on the phenomena being studied. Literature indicates that tax reform is an essential component of any comprehensive strategy for organisational alteration, recommencement of enhancements, and growth and reforms can be measured through enhancement in revenue collection. It is also recommended that ideal tax reform be reformed in respect of the seven highlighted principles. In different jurisdictions, the literature indicated that tax reforms impacted differently on different amendment outcomes and not always in a positive way across all outcomes. In Kenya and Nigeria, tax reforms had a positive impact on the overall tax structure and a positive and significant effect on the revenue structure of the states. Similarly, in Uruguay tax reforms tend to strengthen the reduction of poverty in the country. However, in Indonesia tax reforms impacted negatively as literature argued that tax reforms hampered economic growth and led to an increase in income inequality in Indonesia. While in Iran tax reforms impacted differently as Iranian government revenue was increased while household well-being and GDP deteriorated due to the implementation of VAT. Several tax reforms were done in Namibia including amendments on the Director's fees, entertainment fees, Export Processing Zone companies, and management companies exempted from paying VAT and customs and excise duties on 22 June 2020 but the impacts they have on revenue need to be studied.

The methodology used was suitable and effective for this study, pragmatism was incorporated as a mixed methods research approach was employed, by applying a sequential exploratory design as qualitative first and then followed by quantitative. Non-probability sampling was employed for qualitative data by applying purposive sampling. The sample size of this study was one hundred and fifteen (115) participants consisting of one hundred and eight (108) staff members from the NamRA Domestic tax department and seven (7) staff members from the NamRA Legal Department. Document review was conducted of which the study targeted four (4) Government Gazette of Namibia on Promulgation of Income Tax Amendment Act published from 2015-2021 as shown by (CRAN) and seven (7) annual reports of the Ministry of Finance and Public Enterprises for the financial year 2015/16-2021/22. The study administered a structured questionnaire to collect primary data. The questionnaire contained a section on "Impact of the tax reforms".

The quantitative data collected through the questionnaire was tabulated, and frequencies and percentages were calculated by means of Microsoft Excel. The data was also analysed with inferential analysis, by using Logits. While qualitative data was obtained through studying the Government gazette on the promulgation of the Income Tax Amendment Act, Namibia Revenue Agency Act, 2017, policies, the annual financial report of the Ministry of Finance and Public Enterprises, and literature review were analysed by applying thematic analysis, to comprehend the commonalities and discrepancies between the two data.

The study was undergirded by the Theories of Distributive Justice and Limitations on Taxation and it guided the study in formulating the structured questionnaire. The theory also directed the study on areas to evaluate tax reforms on the overall system of property rights that they contribute to, including other state and non-state institutions in Namibia as the theory states that the fairness and impact of the tax reform cannot be measured in isolation from all other public and non-public institutions.

The study also found that the Value Added Tax Reforms in Namibia were not only designed as per the findings by other scholars in different countries but also aimed to boost the country's manufacturing capacity and attract foreign investment to Namibia. In addition, this study found that tax reforms in Namibia have improved the revenue mobilisation capacity, expanded the tax base, and enhanced public internal revenue generation. This is in concurrence with a study in Ghana by Kamasa, Nortey, Boateng, and Bonuedi (2022) which provided evidence that tax reforms significantly enhance tax revenue mobilisation in Ghana and clarified that tax reform may make revenue levels more sustainable in the country. Besides that, the study findings indicated that Individual Income Tax reforms in Namibia tend to be positively correlated with revenue with a 2.92 correlation coefficient and p-value= 0.075 while Corporation Income Tax reforms are statistically insignificant and reforms on Value Added Tax are positively correlated with Value-Added Tax Revenue with a 2.85 correlated coefficient and p-value= 0.034.

5.3 Conclusion

The current study sought to assess and determine the impact of tax reforms on the Namibian tax system. According to Udezo and Onuora (2021), tax reforms are continuous actions by the government and its agencies to alter the existing tax laws and policies to positively impact the tax administration for efficient revenue generation in the country. Kusi (2015) indicated that tax reform is an essential component of any comprehensive strategy for any government, organisation, or agency on alteration, recommencement of enhancements, and socio-economic development. More tax reforms were undertaken from 2015 to 2021 in Namibia however it was not definite on the impact they had on revenue generation in Namibia. The current study aimed to assess the impact of individual income tax reform on the Namibian tax system, to determine the impact of corporations' income tax reforms on the Namibian tax system, and to ascertain the impact of Value Added Tax reform on the Namibian tax system. The study found that tax reforms in Namibia have improved the revenue mobilisation capacity, expanded the tax base, and enhanced public internal revenue generation. This is in concurrence with studies conducted in Ghana, Kenya, and Nigeria which found significant effects of tax reforms on revenue (Kamasa, Nortey, Boateng & Bonuedi, 2022; Nikus, 2021; Udezo & Onuora, 2021). However, this study also found out that the Value Added Tax Reforms in Namibia were not only designed as per the indication of other scholars but also aimed to enhance the country's manufacturing capacity and attract foreign investment to Namibia. Although, Magumba (2019), discovered set of numerous tax reforms that Uganda considered to increase the national revenue, which calls for delivering equal treatment for all taxpayers and improving the efficiency of tax administration processes, which entailed introducing electronic tax systems for taxpayer registration, filing, payment, and risk-based audits. This study's findings were contrary to the above findings by Magumba (2019) in Uganda, as this study found that tax reforms from 2015 to 2021 in Namibia did not improve the efficiency of tax administration processes and delivering equal treatment for all taxpayers and only reflected reducing tax rates. Despite all three tax reforms heads, Individual Income Tax reforms, Corporation Income Tax reforms, and Value Added Tax reforms improved the revenue mobilisation capacity, expanded the tax base, and enhanced public internal revenue generation. The Multinomial Logistic regression analyses indicated that Individual Income Tax reforms tend to be positively correlated with revenue with a 2.92 correlation coefficient and p-value= 0.075. This led to the hypothesis *Ho1: Reforms on individual income tax have a significant impact on the Namibian tax system* being accepted. Corporation Income Tax reforms appear to be correlated with a 1.46 correlated coefficient and p-value= 0.098 which is statistically insignificant and this led to the hypothesis *Ho2: Reforms on corporations' income tax has a significant impact on the Namibian tax system,* being refuted. Reforms on Value Added Tax are positively correlated with revenue with a 2.85 correlated coefficient and p-value= 0.034 this led to the hypothesis *Ho3: Reform on Value Added Tax have a significant impact on the Namibian tax system* being accepted. Following is the conclusion on research objective 1.

5.3.1 Research Objective 1: To assess the impact of individual income tax reforms on the efficiency of the tax system and national revenue in Namibia

The study concludes that individual income tax reforms has impacted positively on the Namibian tax system as the participants indicated in correspondence with the literature, that the Individual Income Tax reforms from 2015 to 2021 have improved the revenue mobilisation capacity and the primary objective of Individual Income Tax reforms from 2015 to 2021 was to expand the tax base and enhance public internal revenue generation. This concurs with a study in Ghana by Kamasa, Nortey, Boateng, and Bonuedi (2022) which provided evidence that Individual Income Tax Reforms significantly enhance tax revenue mobilisation in Ghana and clarifies that tax reform on individual income could make revenue levels more sustainable. The study also found that the Individual Income Tax reforms from 2015 to 2021 have not promoted future fiscal independence from foreign aid which may lead to less economic growth in Namibia and more national borrowing. In the contrary, a study in Indonesia by Amir, Asafu-Adjaye, and Ducpham (2014) indicated that the policy reforms on Individual Income Tax led to a small reduction in the incidence of poverty in the country as individuals were left with higher disposable incomes which enabled households to sustain themselves easily in Indonesia than relying on foreign Aid. In addition, the study has also found that non-taxation institutions have assisted in enforcing Individual Income Tax reforms such as the judiciary and the police, this is similar to the findings of a study in Georgia as tax reforms in Georgia involved joint action by the government as a whole such as the police, the judiciary, the parliament, and other government arms, which played a major role in the reforms which yielded positive results that resulted that led to higher increased National revenue compared to Uganda which was solely driven by the tax administration's leadership (OECD/ITC, 2015 as cited in Magumba, 2019). Furthermore, the Individual Income Tax reforms from 2015 to 2021 were stable, predictable, legal, and, economically reasonable in terms of collection and system administration costs. Even though the Namibia Revenue Agency has the authority to enforce tax regulations under Part 2 of the Namibia Revenue Agency Act, the study found that individual income tax reforms were stronger in words than in action. Equally important, the study found out that the principles of understandable, simple, and simple for implementation together with the principles of certainty, i.e., clear and precise are not encompassed in the individual income tax reform on the Namibian tax system. However, Mitu and Mitu (2022) have indicated principles that an ideal tax system and Individual Income Tax Reforms should respect, that is to say before reforming tax policies, there should be a consideration of justice and equity. Tax policies should be stable, predictable, and legal in nature. In addition, Tax policies should be understandable, simple, and simple to implement. Policies should demonstrate certainty, i.e., clear and precise rules. Moreover, it should be economically reasonable in terms of collection and system administration costs. The overall findings of the individual income tax reform on the Namibian tax system was confirmed by the Multinomial Logistic regression analyses which indicated that Individual Income Tax reforms tend to be positively correlated with revenue with a 2.92 correlation coefficient and p-value= 0.075. This led to the hypothesis *Ho1: Reforms on individual income tax has a significant impact on the Namibian tax system* being accepted. The following element presents a conclusion on research objective 2.

5.3.2 Research Objective 2: To determine the impact of corporations' income tax reform on the efficiency of the tax system and national revenue in Namibia.

The study deduced that corporation income tax reforms had impacted positively on the Namibian tax system as the participants stipulated in correspondence with the literature, that the Corporations' Income Tax reforms from 2015 to 2021 have enhanced the revenue mobilisation capacity and the primary ambition of Corporations' Income Tax reforms from 2015 to 2021 was to enlarge the tax base and enhance public internal revenue generation. Although, Corporations Income Tax reforms are intended not only to expand the tax base and the enhancement of public internal revenue generation, but also to address non-compliance with tax obligations, non-registration in the tax system, and non-filing of tax declarations (World Bank, 2020a, b as cited in Kamasa, Nortey, Boateng, & Bonuedi, 2022), Corporations' Income Tax reforms from 2015 to 2021 in Namibia corresponds although not completely with the findings of Kamasa, Nortey, Boateng, & Bonuedi, (2022) as tax reforms in Namibia have enhanced the revenue mobilisation capacity and the primary ambition of Corporations' Income Tax reforms from 2015 to 2021 in Namibia was to enlarge the tax base and enhance public internal revenue generation. Nonetheless, several tax reforms have always been designed to broaden the tax base, reduce the tax burden on taxpayers, restore taxpayer confidence in the tax system, and encourage voluntary compliance on the part of taxpayers, with the main goal of increasing public internal revenue generation in Nigeria (Udezo & Onuora, 2021), which is confirmed in findings of this study. In addition, the study found that though not many non-taxation institutions have aided in enforcing Corporation Income Tax reforms as only the judiciary and the police the tax reforms tend to impact positively. However, the literature indicated that a successful revenue collection requires strong political commitment from the highest levels of government. Tax reforms in Georgia involved joint action by the government such as the police, the judiciary, the parliament, and other government arms, which played a major role in the reforms which yielded positive results that resulted in higher increased national revenue compared to Uganda which was solely driven by the tax administration's leadership (OECD/ITC, 2015 as cited in Magumba, 2019). Furthermore, the Corporation Income Tax reforms from 2015 to 2021 were stable, predictable, legal, and, economically reasonable in terms of collection and system administration costs this is in conjunction with the study by Mitu and Mitu (2022) which outlined some of the principles that an ideal tax system and Individual Income Tax Reforms should respect. Before reforming tax policies, consideration of justice and equity is key. Tax policies should be stable, predictable, and legal in nature. Tax policies should be understandable, simple, and simple to implement. Policies should demonstrate certainty, i.e., clear and precise rules. It should be economically reasonable in terms of collection and system administration costs. Moreover, the awareness of Corporations' Income Tax reforms from 2015 to 2021 was outstanding. Although the Namibia Revenue Agency has the power to enforce tax laws as per part 2 of the Namibia Revenue Agency Act, the study revealed that the corporation's income tax reforms were stronger in words than in action. Also, the study found that the principles of understandable, simple, and simple for implementation together with the principles of certainty, i.e., clear and precise are not encompassed in the corporations' income tax reform on the Namibian tax system. Multinomial Logistic regression analyses indicated that although Corporation Income Tax reforms appear to be positively correlated with a 1.46 correlated coefficient and impacted revenue by enhancing the revenue mobilization capacity. The p-value= 0.098 tend to be higher than the pre-specified alpha (level of significance) of 0.077 which made it statistically insignificant and this led to the hypothesis *Ho2: Reforms on corporations' income tax has a significant impact on the Namibian tax system*, being refuted. Following is the conclusion on research objective 3.

5.3.3 Research Objective 3: To ascertain the impact of Value Added Tax reform on the efficiency of the tax system and national revenue in Namibia.S

The literature reviewed influenced the third research objective, and it had thus been demonstrated by the participants that Value Added Tax reforms had impacted revenue in Namibia positively as Value Added Tax reforms from 2015 to 2021 had improved the revenue mobilisation capacity. Similarly, a study conducted in Nigeria by Udezo and Onuora (2021) confirmed that reforms in Value Added Tax (VAT), have a significant positive effect on revenue performance in Nigeria. A study on tax reforms and revenue mobilisation was conducted in Kenya and evidence suggests that reforms had a positive impact on the overall tax structure in Kenya and the individual tax handles (Nikus, 2021). In the same way, the findings of this study concur with Udezo and Onuora (2021) and Nikus (2021) as discoveries in Nigeria indicated that, tax reforms had a positive and improved the revenue mobilisation capacity. In addition, Value Added Tax reforms from 2015 to 2021 promoted future fiscal independence from foreign aid which means that enough revenue would be generated that would abolish reliance on foreign aid, this is in agreement with the study findings by Kamasa, Nortey, Boateng, and Bonuedi (2022) which provided evidence that tax reforms promote future fiscal independence from foreign aid and, enhance economic growth and address issues of inequality through redistribution in Ghana. Furthermore, Udezo and Onuora (2021) indicated that several tax reforms have been designed to broaden the tax base, reduce the tax burden on taxpayers, restore taxpayer confidence in the tax system, and encourage voluntary compliance on the part of taxpayers, with the main goal of increasing public internal revenue generation. However, this study went further and discovered that the Value Added Tax Reforms in Namibia were not only designed as per the indication of other scholars but also aimed to enhance the country's manufacturing capacity and attract foreign investment to Namibia. Moreover, the study found that though not many non-taxation institutions have aided in enforcing Value-Added Tax reforms as only the judiciary and the police the tax reforms tend to impact positively. However, the literature indicated that a successful revenue collection requires strong political commitment from the highest levels of government. Tax reforms in Georgia involved joint action by the government such as the police, the judiciary, the parliament, and other government arms, which played a major role in the reforms which yielded positive results that resulted in higher increased national revenue compared to Uganda which was solely driven by the tax administration's leadership (OECD/ITC, 2015 as cited in Magumba, 2019). According to Part 2 of the Namibia Revenue Agency Act, the Namibia Revenue Agency is authorised to enforce tax rules; nonetheless, the study found that Value Added Tax reforms were more effective in rhetoric than in actual implementation. The overall finding of the Reforms on Value

Added Tax was also confirmed by Multinomial Logistic regression analyses of this study which indicated that Reforms on Value Added Tax were positively correlated with revenue with a 2.85 correlated coefficient and lowest p-value= 0.034 this led to the hypothesis *Ho3: Reform on Value Added Tax has a significant impact on the Namibian tax system* being accepted. The following element presents the comparisons of Individual Income, Corporation income, and Value Added Tax reforms results.

5.4 Individual Income, Corporation Income, and Value-Added Tax Reforms Results Comparisons

According to this study's Multinomial Logistic regression analyses, Value Added Tax reforms produced the greatest results with the lowest p-value. The reforms on Value-Added Tax tend to be positively correlated with Value-Added Tax Revenue with the 2.85 correlated coefficient and lowest p-value= 0.034. On top of that, the Value Added Tax Reforms in Namibia were not only designed as per the indication of other scholars but also aimed to enhance the country's manufacturing capacity and attract foreign investment to Namibia. After Value Added Tax reforms is the Individual Income Tax reforms with the reforms on Individual Income Tax being positively correlated with Individual Income Tax Revenue with a 2.92 correlation coefficient and p-value=0.075. Moreover, the study also found that the Individual Income Tax reforms from 2015 to 2021 have not promoted future fiscal independence from foreign aid which might lead to poor economic growth in Namibia and more national borrowing which is contrary to a study in Indonesia by Amir, Asafu-Adjaye, and Ducpham (2014). The tax head with the least results is the Corporation Income Tax with the highest p-value among the others which tends to be correlated with

Corporation Income Tax Revenue with the 2.672 correlated coefficient, and a highest p-value= 0.098. The study also found that the principles of understandable, simple, and simple for implementation together with the principles of certainty, i.e., clear and precise are not encompassed in the corporations' income tax reform on the Namibian tax system.

This study contributed theoretically to the body of knowledge by acknowledging the impact of tax reforms on the Namibian tax system in the unification of other scholars in different countries such as Uganda, Nigeria, Kenya, Uruguay, Indonesia, and South Africa. The study might also contribute practically improve future tax reforms in Namibia by policymakers and strengthen revenue enhancement. The study might also improve the efficiency of tax administration in NamRA through the recommendation provided.

5.5 Recommendations

In order to sustain the positive impact of individuals, corporations, and Value Added Tax reforms on the Namibian tax system and obtain greater results the study recommends the following strategies:

- The study recommends for the board of directors of NamRA to ensure that the agency exercises its duties and power to the full capacity. This can be achieved by implementing internal control measures to ensure that: individuals, corporations, and Value Added Tax reforms on the Namibian tax system are not stronger in words than in action, Political power and affiliation do not exist, and weak deterrence mechanisms to influence taxpayers such as legal penalties are in place all the time for individuals, corporations, and Value Added Tax reform on revenue to impact comprehensively in Namibia.

- The study also recommends that there is a need for all NamRA personnel to undergo training or workshops on ethical principles in business to improve the efficiency of tax administration which could lead to individuals, corporations, and Value Added Tax reform on the Namibian tax system being executed effectively and with high moral to impact revenue.
- The study further recommends NamRA legal Departments to advise lawmakers for future individuals, and corporations' tax reforms on the Namibian tax system to encompass the principles of Understandable, simple, and simple for implementation together with the principles of Certainty, i.e., clear and precise.
- Moreover, the study recommends that, the management of NamRA consider introducing a two-stage dispute resolution mechanism comprised of an internal committee and an external board to which taxpayers who were dissatisfied could appeal for reconsideration.

5.6 Recommendations for further research

The current study focused on assessing the impact of tax reforms on the efficiency of the tax system and national revenue in Namibia. Nonetheless, it would be advisable for future studies to focus on assessing the strengths and weaknesses of individuals, corporations, and Value Added Tax reform on the Namibian tax system to mitigate the weakness attached to the tax reforms as Magumba, (2019) indicated that mitigating the weakness of tax reforms plays a role in revenue collection.

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APPENDIX A: RESEARCH ETHICAL CLEARANCE CERTIFICATE

UNAM
UNIVERSITY OF NAMIBIA

ETHICAL CLEARANCE CERTIFICATE

Ethical Clearance Reference Number: DEC FOC/22/22 **Date: 24/10/2022**

This Ethical Clearance Certificate is issued by the University of Namibia Ethics Committee (REC) in accordance with the University of Namibia's Research Ethics Policy and Guidelines. Ethical approval is given in respect of undertakings contained in the Research Project outlined below. This Certificate is issued on the recommendations of the ethical evaluation done by the ethics committee.

Title of Project: *ASSESSMENT ON IMPACT OF TAX REFORM ON THE NAMIBIAN TAX SYSTEM.*

Student: JOHANNES EKANDJO SHAPUMBA

Student Number: 201501853

Supervisor(s): *DR EUKERIA WEALTH*

Centre for Research Services

Take note of the following:

1. Any significant changes in the conditions or undertakings outlined in the approved Proposal must be communicated to the ethics committee. An application to make amendments may be necessary.
2. Any breaches of ethical undertakings or practices that have an impact on ethical conduct of the research must be reported to the ethics committee
3. The Principal Researcher must report issues of ethical compliance to the ethics committee (through the Chairperson) at the end of the Project or as may be requested by the ethics committee
4. The ethics committee retains the right to:

i) Withdraw or amend this Ethical Clearance if any unethical practices (as outlined in the Research Ethics Policy) have been detected or suspected,

ii) Request for an ethical compliance report at any point during the course of the research.

The ethics committee wishes you the best in your research.

Precious Mushendami (Chairperson Ethics Committee)

Prof. Davis Mumbengegwi (Head, Multidisciplinary Research)

APPINDEX B: NAMRA PERMISSION LETTER

Namibia Revenue Agency
PO Box 569
Windhoek, Namibia

NamRA
Namibia Revenue Agency

Enquiries: Fanuel Uugwanga
Email: fanuel.uugwanga@namra.org.na
Telephone:061 209 2196

17 March 2023

Mr. Johannes Ekandjo
P. O. Box 93
Outapi

Dear Mr. Ekandjo,

REQUEST FOR PERMISSION TO CONDUCT RESEARCH

The subject matter refers,

This letter serves to confirm receipt of your letter, wherein you requested for consent to conduct research on the following topic ***"Assessment on the impact of tax reforms on revenue in Namibia".***

We wish to inform you that your request has been approved, on condition that the survey results will strictly be used for academic purposes, shared with NamRA, and should not be disclosed or shared with the public without expressed written consent by NamRA.

The focal person will be our Manager: Tax Systems and Customer Service; Ms. Sirkka Masilo (sirkka.masilo@namra.org.na)

Trust that the above is in order and good luck with your research and studies.

Yours Sincerely,

P.P

FANUEL UUGWANGA
CHIEF: HUMAN CAPITAL & STRATEGY

NAMIBIA REVENUE AGENCY
Chief: Human Capital
NamRA
Serving with Passion
REPUBLIC OF NAMIBIA

cc: Sirkka Masilo

APPENDIX C: RESEARCH QUESTIONNAIRE

HREC-NH Annex 5G: Questionnaire

QUESTIONNAIRE

UNAM
UNIVERSITY OF NAMIBIA

Dear Participant

1. My name is Johannes Ekandjo, student number 201501853. I am studying towards a master degree at the University of Namibia (UNAM), and I am conducting a survey about the impact of tax reforms on the Namibian tax system.
2. I have selected you to participate in my study, because you belong to the group of people I want to include for my research. I would therefore like to invite you to complete this questionnaire.
3. The research I am conducting has been approved by the UNAM Research Ethics Committee. I would appreciate it very much if you would complete this questionnaire, and I would like to assure you of the following:
    a. You do not have to fill in this questionnaire if you do not want to.
    b. You can stop filling in the questionnaire and stop participating at any time if you want to, and there will be no negative consequences for you.
    c. Your participation is completely anonymous. This means that, even if I ask information that might identify you or if I know you, I am not allowed to make your identity known to anyone. When I report on my questionnaires' data and results, I will not mention any personal information about participants that might identify them.
    d. All completed questionnaires and data will be stored in a safe and secure place, and only authorized University officials, my supervisor and I will have access to it. After five years, all the questionnaires and data will be destroyed in an environmentally friendly way.
4. If you have any questions about this questionnaire, or if you do not understand anything, please feel free to ask me, and I will be happy to explain it to you.
5. If you want to know more about the research I am doing, please feel free to ask me, and I will be happy to tell you more.
6. It should take about 15 minutes for you to complete the questionnaire.
7. You can reach me on my cell phone at 081 4981391, or send an e-mail to johannesshapumba@gmail.com
8. If you want to contact the UNAM Centre for Research Services for more information or because you have a comment or complaint about this research or about me, please call (+ 264 61) 206 4673, or write an e-mail to research@unam.na. Please provide specific information.
9. Thank you very much for your willingness to participate in this research!

SECTION 1 (Impacts of tax reforms)

Please answer the following question by filling in the appropriate box with a cross (X) and kindly specify where necessary.

1.1 The tax reforms from 2015 to 2021 have improved the revenue mobilization capacity.

	VAT reforms	Corporations' income tax reform	Individual income tax reforms
1. Strongly disagree	☐	☐	☐
2. Disagree	☐	☐	☐
3. Neutral	☐	☐	☐
4. Agree	☐	☐	☐
5. Strongly agree	☐	☐	☐

1.2 The tax reforms from 2015 to 2021 have promoted future independence from foreign aid.

	VAT reforms	Corporations' income tax reform	Individual income tax reforms
1. Strongly disagree	☐	☐	☐
2. Disagree	☐	☐	☐
3. Neutral	☐	☐	☐
4. Agree	☐	☐	☐
5. Strongly agree	☐	☐	☐

1.3 What were the objectives of tax reforms that were made in Namibian from 2015 to 2021? **You may tick more than one option on each type of tax reform.**

	VAT tax reforms	Corporations' income tax reform	Individual income tax reforms
To expand the tax base	☐	☐	☐
Encourage voluntary compliance on the part of the taxpayer	☐	☐	☐
The enhancement of public internal revenue generation	☐	☐	☐
To address non-compliance with tax obligations	☐	☐	☐
To address delayed payments of tax liabilities	☐	☐	☐
Others (specify) ………………………………….	☐	☐	☐

1.4 What are the weaknesses of tax reforms from 2015 -2021 in Namibia? **You may tick more than one option on each type of tax reform.**

	VAT reforms	Corporations' income tax reform	Individual income tax reforms
Lack of staff professionalism	☐	☐	☐
Political affiliation power	☐	☐	☐
Tax reforms stronger in words than in action	☐	☐	☐
Weak deterrence mechanisms to influence taxpayers such as legal penalties	☐	☐	☐

Others (specify) …………………………………………	☐	☐	☐

1.5 Which important aspects of tax reforms would you say were not considered enough in the 2015-2021 tax reforms? **You may tick more than one option in each kind of tax reform.**

	VAT tax reforms	Corporations' income tax reform	Individual income tax reforms
Simplification of tax procedures	☐	☐	☐
Reducing tax rates	☐	☐	☐
Delivering equal treatment for all taxpayers	☐	☐	☐
Improving the efficiency of tax administration processes	☐	☐	☐
Simplification the tax code and widening the tax base	☐	☐	☐
Introducing an increment of penalties for noncompliance	☐	☐	☐
Others (specify) ………………………………	☐	☐	☐

1.6 Which of the following principles is part and parcel of tax reforms from 2015 to 2021 in Namibia? **You may tick more than one option on each type of tax reform.**

	VAT reforms	Corporations' income tax reform	Individual income tax reforms
Justice and equity	☐	☐	☐
Stable, predictable, and legal in nature.	☐	☐	☐
Understandable, simple, and simple to implement	☐	☐	☐
Economically reasonable in terms of collection and system administration costs.	☐	☐	☐
Certainty, i.e., clear and precise	☐	☐	☐

Others (specify) ………………………………………………………	☐	☐	☐

1.7 Which of the following non-taxation institutions have assisted in enforcing the reformed tax policies in Namibia from 2015 to 2021? **You may tick more than one option on each type of tax reform.**

	VAT reforms	Corporations' income tax reform	Individual income tax reforms
Police	☐	☐	☐
Judiciary	☐	☐	☐
Political commitment	☐	☐	☐
Social activists	☐	☐	☐
Others (specify) ………………………………..	☐	☐	☐
………………………………	☐	☐	☐

1.8 How was the awareness of tax reforms from 2015 – 2021 in Namibia?

	VAT reforms	Corporations' income tax reform	Individual income tax reforms
Excellent	☐	☐	☐
Average	☐	☐	☐
Poor	☐	☐	☐

1.9 According to you, have the tax reforms from 2015 -2021 directly impacted the tax system?

	VAT reforms	Corporations' income tax reforms	Individual income tax reforms
Yes	☐	☐	☐

No		☐		☐		☐

THANK YOU VERY MUCH FOR PARTICIPATING.