

## FACTORS AFFECTING TURNOVER TAX COLLECTION PERFORMANCE: A CASE OF WEST SHOA SELECTED WOREDAS

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### **Abstract:**

The purpose of this study was to determine the factors affecting turnover tax collection performance in West Shoa Zone selected woredas. In 2017/18 the targeted revenue was 9041224 birr with the actual revenue being 7888536 birr (equivalent to 87.25% or a difference of 1152688) was existence of turnover tax collection gap. This study was using mixed research approach. Sampling technique used by Systematic random and purposive sampling. Sample sizes of 373 respondents were selected and distributed questionnaires and interview. Data analyze by SPSS software 20 and factor analysis. Findings revealed that; employee qualification and manpower, taxpayer registrations, technology and information system, management commitment level and tax knowledge affects revenue performance of turnover tax positively. It was also revealed that the perpetuation of tax fairness affects negatively whereas compliance cost has a negative statistically insignificant. They concluded that there are problems facing the revenue administration office while collecting turnover tax revenue. Based on the study it is recommended that revenue authority need to develop their strategic management commitment , recruit sufficient number of employees and continues training on qualification, maintaining tax fairness and equity, improve taxpayer identification and registration, should increase the number of users of Electronic Tax Register, conducting extensive tax knowledge (awareness) creation programs to update

and maximize frequency tax audit effective on field compromising should be a priority task. Culture is a multi-dimensional construct composed of power distance, individualism versus collectivism, femininity versus masculinity, uncertainty avoidance and long-term versus short-term (Hofstede, 1980).

According to the results extracted from the exploratory factor analysis, only the last four dimensions are retained while the first one is rejected because it displays a Cronbach's alpha that is at the low end of the normally acceptable range for the exploratory research (Román, 2006). Consequently, the regression analysis will concern all the culture's dimensions with the exception of power distance for the Tunisian context.

### **Biography:**

Dejene Debebe Kibret has completed his first degree program in the Department of Financial Management Technology, Federal University of Technology, Owerri, Imo State, Nigeria and is currently undergoing his Masters degree (M.Sc) program in Banking and Finance Department, Michael Okpara University of Agriculture, Umudike, Umuahia, Abia State, Nigeria. He has many journals to his credit both published and yet-to-be published. He is currently an Independent Researcher.