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Original article

RELATIONSHIP BETWEEN TAX IDENTIFICATION AND SUCCESS OF SMALL-SCALE ENTREPRENEURS IN KAMWENGE TOWN COUNCIL, KAMWENGE DISTRICT, A DESCRIPTIVE CORRELATIONAL CROSS-SECTIONAL STUDY.

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Abstract

Background

It is on record that most SSEs in Uganda fail in the first two years, the majority employ less than five workers are not growing and contribute less than 20% to GDP (. Among the various entrepreneurial ventures that emerge in Kamwenge Town Council, few transform into medium enterprises, and few boast of expanded sales, profits, or opening up branches. The study examined the relationship between tax identification and the success of Small-Scale Enterprises in Kamwenge Town Council, Kamwenge District.

Methodology

The study used a questionnaire method to collect the data. The data was analyzed using descriptive and inferential statics with the help of SPSS version 25. The study used a descriptive correlational and cross-sectional survey design using a sample size of 113 out of a population of 160.

Results

Most of the respondents strongly agreed evidenced by a mean of 3.23 and standard deviation of 0.888 that they have been approached by URA about tax matters. Results from indicate that URA staff don't know about their business as seen by the mean of 3.58 and SD of 0.614, 32. There is a significant positive relationship between tax identification and the success of Small-Scale Enterprises (r=0.383, P=.000).

Conclusion

It is concluded that there is a significant positive relationship between Tax Payer Identification and the Success of SSEs in Kamwenge Town Council, Kamwenge District.

Recommendation

The study recommended that for SSEs to succeed, they should find a way of filing their business' performance early in the financial year to avoid inappropriate assessments by URA, which are high and demand for payment spontaneously.

Keywords: Small scale enterprises, Tax, Tax administration
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Background of the Study

Historical Perspective

Uganda's small-scale business history is traced back to the first Arab traders in 1844 when chiefs conducted business on behalf of the King of Buganda; individuals were curtailed from establishing ventures. After World War II, Ugandans demanded economic independence (Ojok, 2000) and freedom to gin and export cotton without foreigners' interference. After Independence, a few Ugandans in Kampala started small-scale enterprises (SSE) for profit (Musiime, 2007), leaving medium and large-scale enterprises to Asians, possibly because they lacked the skills to manage large ventures. The Independence Government empowered more Ugandans to start enterprises but the major question was; could the new ventures succeed to give Uganda the intended economic growth?

Although the Government encouraged nationals to initiate enterprises, little was done to orient them on how to manage and develop them and neither were there efforts to impart business management skills. Musiime (2007) noted that Ugandan small-scale entrepreneurs (SSEs) lacked skills in business know-how, bookkeeping, and raising capital, limiting their success. This became more vivid in 1972 when Asians were expelled, and local entrepreneurs who took or opened up shops in Kampala hardly maintained

Those for a year and the country were dragged into a business crisis (Musiime, 2007). When the National Resistance Movement (NRM) Government came to power in the early 1990's, more local entrepreneurs emerged due to peace that prevailed in the state. However, little effort was put into improving their performance and growth, by giving them fair taxes. However,

of recent the The government has encouraged entrepreneurial success by reducing; interest rates, taxes on imported capital goods, and allocation of gazetted areas for SSEs (Bbumba, 2009). However, tax administration management for SSEs has been given little attention.

The World Bank has influenced many countries in undertaking tax reform policies. In the case of developed countries, the tax base has remained significantly narrow

since independence, leading to inadequate tax revenue. By May 2004, the tax ratio of tax revenue to GDP was just 18-20%. The composition of tax revenue has been predominantly important. Small-scale businesses are taxed differently compared to corporations/businesses with an annual turnover of above 50 million shillings. Medical practices, legal practices, engineering services, accounting, and audit practices are taxpayers even when their turnover is less than 50 million shillings (Dawson, 2019). Michaelson (2018), there are three broad approaches to tax policies and these are; (1) Application of the standard tax provisions to all business activities (ii) Taxing various business activities differently to achieve economic business policy such as; an increase in private investment, exports/employment depending on the revenue needs, the second approval can result in a relatively high tax rates in some sectors and hence induce problems for compliance and adversely affect the general investment climate (iii) Developed countries have gone through several tax policy reforms, these include; gender, nationalization, and harmonization of tax rates and tariffs, abolition of wide ranging exemptions, new tax incentives and conditional exemptions.

In Africa, taxes have existed virtually as long as there have been organized governments. The first tax law legislation was introduced in 1919 and ever since then taxes have evolved through several reforms. The government in an attempt to widen the tax base and collect more revenue has had to levy several taxes, especially on business enterprises in Africa which constitute a large part of the formal sector. The taxes charged on business enterprises in Africa include; corporation tax, value-added tax, presumption tax, and exercise duty. In 1997 the Income Tax Act was passed. This was to give guidance in the assessment and computation of taxes (Charles, 2017). The African government has made some recommendable efforts to promote development through tax identification since the inception of the current tax administration laws for purposes of promoting development. The main objective of tax administration in Africa has always been to mobilize the resources needed to meet the aspirations of the government. This is because for any government to be effective, strong, competent, and capable of spearheading development, resources have to be readily available in its treasury to be in a position to provide goods and services to the people adequately.

In Uganda, tax administration is based on a system that existed in Britain as it was a British colony. This also applied to other colonies elsewhere and for East Africa, one tax system operated under British administration. This process began in 1900 with the hut tax regulation which imposed a standard charge for every hut/dwelling. During that period, tax administration was aimed at raising revenue for the administrative structure imposed by the colonial government but also as a means of encouraging monetary/economic activities. It was the Local Authority Ordinance of 1991 that governed the collection of taxes. In September 1991, after a period of review, the URA was established. All taxes including income tax came under the umbrella of the URA. Since 1992, URA has been organizing and strengthening the administrative procedures, and in 1993 this process was assisted by a grant from the British government of approximately US$ 10 million (Michelson, 2020).

Theoretical perspective

Several studies have been conducted on the problem of success among SSEs in Uganda. For example, Kyeyune (1996) looked at the entrepreneurial success of small and medium scale agricultural enterprises in Uganda, while Lubowa (1996) looked at the constraints of micro, small, and medium enterprises. While all these studies and many others were on the success of SSEs, none of them related it to the three forms of tax administration management, namely 1) tax identification; 2) tax assessment; and 3) tax sensitization, a gap this study intends to fill.

Several theories have been advanced to explain factors affecting the success of entrepreneurs; for example environmental and individual schools of thought (Revander & Racculla, 2001; Zuzana & Matej, 2007). The environmental school asserts that entrepreneurial performances that lead to success are affected by environmental factors, while the Individual School focuses on personality attributes or traits shared among successful entrepreneurs such as social skills, motivation, need for achievement, need for independence, responsibility, and power. In this study, the researcher proposes that these factors require a conducive tax environment and people with skills to manage them if they are to register significant success in achieving goals.

Conceptual perspective

This study conceptualized tax administration management (independent variable), as a payment that cannot be avoided without attracting a punishment and in return for which no gain/quid pro-quo is promised by the government to the taxpayer (Balunywa,2018). A tax is paid without a corresponding return in terms of goods or services from the government and hence it is referred to as a non-quid pro quo payment (Income Tax Act,1997). According to this study, a tax is a compulsory payment to the government by the owners of small and micro enterprises (SMEs). The success of SSEs (dependent variable), is conceptualized as internal or personal (measured by personal benefits like increased profits, sales, personal satisfaction, expansion, and improved life) and external (measured by increased jobs, output, improved quality, relations and trained. people), while long-term survival was taken to be both internal and external.

Contextual perspective

This study was conducted in Kamwenge Town Council (KTC) located in Kamwenge District, the abode of most SSEs, in fields like woodwork, welding, metal works, sole shops, schools, restaurants, and other professional firms. Most of these run their businesses informally through self-learning and apprenticeships, limited to small-scale production, so lack management skills to run their ventures successfully (Turyahebwa et al. 2013) Although Uganda has the highest entrepreneurial index in the world (Briggs & Biobele, 2010), mortality rate of the new and SSE is also very high (Kayaga, 2007), inciting a question why? Despite these challenges, few researchers such as Kibwika (2014) and Kizza (2005) have bothered to explore factors causing their failure. The study examined the relationship between tax identification and the success of Small-Scale Enterprises in Kamwenge Town Council, Kamwenge District.

Methodology

Research design

This study followed a descriptive correlational cross-sectional survey design and adopted a quantitative approach. The study was descriptive in that the researcher intended to describe the level of tax identification among SSEs and the level of their success in terms of internal and external. The correlational design was used to establish whether there is a significant relationship between the level of tax identification and success among the SSEs in Kamwenge town council. The survey design was used since the study investigated the levels of tax identification and success of a big sample of SSEs (Fanning, 2005). It was also cross-sectional since data was collected from Kamwenge town council SSEs at once and for a short period. It was quantitative in that variables were measured and analyzed using numbers, had pre-determined hypotheses, population, procedure, instrument, and data analysis techniques.

Study population

The target population of this study comprised all the owners of SSEs in Kamwenge town council. According to the Uganda business register, there are 160 SSEs in Kamwenge town council (Ministry of Finance, Planning and Economic Development, 2020). This population is comprised of Professional services firms like schools, health, law firms, consultancy firms, and non-professional firms like retail and wholesale shops.

Sample size

Given a total population of 160 small-scale enterprises in Kamwengye town council, a sample size of 113 respondents was selected using the Krejcie and Morgan (1970) table for determining sample size for research activities, for any given population. (Refer to Appendix B attached). In this table, given the population of 160, the corresponding sample size is 113 comprising SSEs in professional and nonprofessional categories (Uganda Business Register 2020 data)

Sampling design and procedures

Stratified random and purposive sampling methods were used to select owners of professional and nonprofessional firms, using Kamwengye district and town council records. For purposive sampling techniques, the researcher used the following criteria for selecting respondents; a) For the professional owners, the selected enterprise owner had either a primary or secondary school or a health services-related business.

b) For the non-professional firms, the entrepreneur selected owned either retail or a wholesale shop or a restaurant. After the above stratification according to field of operation, quota, purposive, and convenient methods of sampling was used to select respondents.

Data Collection Methods

The researcher obtained the data from mainly primary data sources, directly from the field using questionnaires.

Questionnaires

These are interrelated questions designed by the researcher and given to the respondents to fill in data and after answering returned to the researcher. Here questionnaires employed contained both open-ended and close-ended questions. These questionnaires were self-administered and collected after a time interval of two weeks.

Instrument of the data collection

The researcher collected primary data using closed-ended questionnaires that were directly distributed to the respondents and allowed respondents to fill in the questionnaires for two weeks before collecting them personally for analysis of the data obtained.

Validity and Reliability of the instruments

Validity of the instruments

Validity is the extent to which a study is free from interference and contamination and control or variable manipulation. To ensure validity, the questionnaires were piloted on a small group of respondents before distribution to the main sample. The pilot study tested whether the questions were clear and understood by different respondents and led to improvements in the precision of the questions and how they capture content. Saunders, Lewis & Thornhill (2007) argue that the quality of instruments used in any research is important because

the information obtained through them is used to make conclusions. The data collection method was used in this study (questionnaires) was proved to reality. The pre-test revealed that the questionnaire did not take more than ten minutes to complete. Confidentiality was guaranteed as questionnaires were returned anonymously. The formula that was used to test the validity index is shown below:

$$\text{CVI} = \frac{\text{Number of items declared valid}}{\text{(Total number of items)}}$$

Table 1: Validity of the questionnaire

Experts	No. of items rated as relevant	Total no. of items	CVI
1	43	46	0.919
2	44	46	0.956
3	42	46	0.892
			2.767/3 = 0.922

Source: *Primary data*

According to Amin, (2005), if CVI is more than 0.7 then the instrument was valid and since the instrument was more than 0.7% (**0.922**).

Reliability of the instrument

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials (Saunders, Lewis & Thornhill, 2007). Qualitatively, the reliability of the instruments was determined through a pilot test of the instruments to ensure consistency and dependability and its ability to cover data collected. The results were subjected to a reliability analysis. Quantitatively, reliability was determined using the Cronbach's Alpha Reliability Coefficient test. After performing the test, the value was 0.771 which was more than 0.7 the recommendable value. Additionally, the researcher consulted other researchers, supervisors and research assistants to review the instrument and adjustments were made where necessary.

Table 2: Reliability results of the questionnaire

Items	**Number of items**	**Cronbach's Alpha Value**
Tax payer identification	8	0.743
SMEs success	23	0.712
Average Cronbach's Alpha value		**3.084/4=0.771**

Source: Primary Data

Data Analysis

Data was collected, processed and analyzed using Statistical Package for Social Scientists (SPSS) version 25. Frequency counts were used to present data on profile characteristics of respondents. Means and standard deviations were used to determine the extent of the study variables. The Pearson's linear correlation coefficient and linear regression were used to establish the relationship between the study variables.

Ethical Considerations

Effort was made to confine the conduct of the study to the realms of academic research ethics. In general, ethics pertaining to identification, disclosure, understanding, informed consent, voluntary participation, confidentiality, right to privacy and anonymity (secrecy) was taken care of by the study. The rights of individuals were respected. The researcher first sought consent of all the respondents, who were assured of confidentiality of their responses. Furthermore, confidentiality of data to be provided by individuals or identifiable participants was maintained. Interaction with respondents was done politely and consciously. The participant ensured voluntary participation of the respondents and the right to withdraw partially or completely from the process.

Presentation, description and interpretation of the Findings

Response rate

The study administered the following instruments for the collection of the data**.**

Table 3 demonstrated the respondents' distribution according to the instruments used by the researcher that, 94.3% of the targeted respondents participated by answering the questionnaires. The outcome shows that the level of participation was absolutely effective.

Profile of respondents

Gender of respondents

Table 4 reflects that out of a sample of 107 respondents, only 44.9% were female and the biggest percentage of 55.1 was for male.

Age of Respondents

Table 5 reflects that out of a sample of 107 respondents, biggest proportion were in the age group 25-34 years, followed by age group 35 - 44 Years then age group of 18-24 years and 45 and above.

Level of Education

Table 6 indicates that the biggest proportion of respondents were Undergraduates and the lowest portion of respondents were master's holders, then tertiary with 36 respondents and lastly respondents at secondary level are 10. Table 7 indicates that the biggest proportion of respondents in area of education were in Business and the lowest portion of respondents were in others.

Table 3: Showing the Response Rate of the Respondents

Targeted No	No of respondents	Percentage (%)
113	107	94.3

Source: Primary data, 2023

Table 4: Gender of respondents

Gender		Frequency	Percent
	Male	59	55.1
	Female	48	44.9
	Total	107	100

Source: Primary data, 2023

Table 5: Age of Respondents

Age		*Frequency*	*Percent*
	18 - 24 Years	14	13.1
	25 - 34 Years	53	49.7
	35 - 44 Years	34	32.0
	45 Years and Above	6	5.1
	Total	107	100.0

Source: Primary data, 2023

Table 6 Education level of Respondents

Level of education		*Frequency*	*Percent*
	Primary	2	1.7
	Secondary	10	9.7
	Tertiary	36	33.7
	Undergraduate	57	53.7
	Masters	1	1.1
	Total	107	100.0

Table 7: Level of Education

Area of Education		*Frequency*	*Percent*
	Business	60	56.1
	Education	26	24.0
	Medical	9	8.0
	Statistics and Engineering	10	9.1
	Others like community trainings	2	1.7
	Total	107	100.0

Source: Primary data, 2023

Table 8: Business **Structure**

Nature of business		*Frequency*	*Percent*
	Limited Company	11	10.3
	Partnership	15	14.3
	Sole Proprietorship	66	61.7
	Family-owned Business	15	13.7
	Total	107	100.0

Source: Primary data, 2023

Table 9: Business duration

Business duration		*Frequency*	*Percent*
	Less than a year	43	40.0
	2 - 4 Years	45	41.7
	5 years and above	19	18.3
	Total	107	100.0

Source: Primary data, 2023

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Table 10: Descriptive Statistics Showing the Level of Tax Identification in Kamwenge Town Council, Kamwenge District

Questionnaire Items	SA		A		D		SD		Mean	Std Dev
	F	%	F	%	F	%	F	%		
I have been approached by URA about tax matters	49	46.0	42	38.9	8	7.6	8	7.6	3.23	0.888
The URA staff don't know about my business	68	63.1	35	32.3	4	3.5	1	1.0	3.58	0.614
I have a Tax Identification Number	46	42.9	51	47.5	5	5.1	5	4.5	3.29	0.763
I have registered with URA for Tax purposes	71	66.7	30	28.3	4	4.0	1	1.0	3.61	0.618
Tax administration begins with clea identification of a tax payer	34	31.8	59	55.6	12	11.6	1	1.0	3.18	0.666
TIN helps to accelerate the processing of information of taxpayers and also fosters enforcement	45	41.4	41	38.4	17	15.7	4	3.5	3.2	0.829
Taxpayer identification number (TIN aids taxpayer registration	61	56.6	34	31.8	11	10.1	2	1.5	3.43	0.736
TIN has the capacity to improve revenue generation	58	54.0	36	33.8	12	11.1	1	1.0	3.41	0.726

Source: Primary data 2023

Business Structure

Table 8 indicates that the biggest proportion of respondents in nature of Business were in sole proprietorship (61.7) and the lowest portion of respondents were in limited company (10.3%).

Business duration

Table 9 indicates that the biggest proportion of respondents had been in Business duration for 2-4 years (41.7%) and the lowest portion of respondents were in 5 years and above (18.3%).

Tax Identification and Success of Small-Scale Entrepreneurs in Kamwenge Town Council, Kamwenge District

The first study objective was to establish the relationship between tax identification and success of small-scale entrepreneurs in Kamwenge Town Council, Kamwenge District;. The findings were presented, analyzed and interpreted using a number of indicators as shown below. The table comprises of questions posed to respondents with answers obtained in terms of response rates and frequencies and are categorized on how the respondents strongly agree, (SA), agree (A), disagree (D) and strongly disagree (SD). F stands for frequency.

Findings show that, most of the respondents strongly agreed evidenced by a mean of 3.23 and standard deviation of 0.888 that they have been approached by URA about tax matters. Results from indicate that URA staff don't know about their business as seen by the mean of 3.58 and SD of 0.614, 32.

The mean of 3.29 and standard deviation of 0.763 signified that majority of the respondents had a Tax Identification Number. This justifies the reason to why majority of the respondents. This implies that the result of all these are a good tax administration system and so entrepreneurial success results, because they care about the consideration for taxation. Results also indicate that majority of the respondents strongly agreed and that they

have registered with URA for Tax purposes as evidenced by the mean of 3.61 and SD of 0.618. Results from the table also indicated that most of the respondents agreed that Tax administration begins with clear identification of a tax payer. Results from the table indicate that, TIN helps to accelerate the processing of information of taxpayers and also fosters enforcement as evidenced by the mean of 3.2 and standard deviation of 0.829. Findings from table above it was reveal that the mean of 3.43 and SD of 0.736 indicated agreed that Taxpayer identification number (TIN) aids taxpayer registration. Results also indicate that majority agreed that TIN has the capacity to improve revenue generation as evidenced by the mean of 3.41 and SD of 0.726.

Correlational analysis between Tax Identification and Success of Small-Scale Entrepreneurs in Kamwenge Town Council, Kamwenge District

A Pearson correlation test was carried out to determine the significance of tax identification and success of small-scale entrepreneurs in Kamwenge Town Council, Kamwenge District, and they were tested at 95% confidence with two-tailed test of significance and on the scale of 0.1 – 0.49 as weak, 0.5- 0.69 as moderate, 0.7-0.89 strong and 0.9-0.99 either positive or negative. There was a positive relationship exists between Tax Identification and Success of SSEs in Kamwenge Town Council, Kamwenge District (r=0.383, p=0.000) (Table 11)

The co-efficient value for achievement was 0.383 meaning that all things being equal, when the other independent variables (tax sensitization and tax payer assessment) are held constant, efficiency would increase by 0.383 units. This was statistically significant (0.000<0.05) i.e. the variable (Tax Identification) is making a significant unique contribution to the prediction of the dependent variable (Success of SSEs).

Hypothesis: there is a positive and significant relationship between Tax Identification and Success of Small-Scale Entrepreneurs in Kamwenge Town Council, Kamwenge District.

Findings on the level of Success of SSEs in Kamwenge Town Council, Kamwenge District

In the level of Success of SSEs in Kamwenge Town Council, Kamwenge District, respondents were introduced different items

Table 11: Correlational analysis between Tax Identification and Success of Small-Scale Entrepreneurs in Kamwenge Town Council, Kamwenge District.

Correlations

		Tax Identification	Success of SSEs
Tax Identification	Pearson Correlation	1	.383**
	Sig. (2-tailed)		.000
	N	107	107
Success of SSEs	Pearson Correlation	.383**	1
	Sig. (2-tailed)	.000	
	N	107	107

**. Correlation is significant at the 0.05 level (2-tailed).

Source: Primary data 2023

Table 12: Regression analysis between Tax Identification and Success of Small-Scale Entrepreneurs in Kamwenge Town Council, Kamwenge District

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.732	.210		8.235	.000
Tax Identification		.359	.062	.383	5.813	.000

a. Dependent Variable: Success of SSEs

Source: Primary data 2018

Table 13: Responses on the level of Success of SSEs in Kamwenge Town Council, Kamwenge District

Questionnaire Items	**SA**		**A**		**D**		**SD**		**Mean**	**Std Dev**
	F	**%**	**F**	**%**	**F**	**%**	**F**	**%**		
There is an increase in the General Profits	65	61.1	37	34.3	4	4.0	1	0.5	3.56	0.599
There is an increase in the Total Sales Volume	35	32.2	65	61.1	7	6.1	1	0.5	3.25	0.585
There is an increase in the Number of customers served	27	25.3	64	60.1	15	13.6	2	1.0	3.1	0.65
There is an increase in the Number of branches opened	24	22.7	64	59.6	17	6.2	3	1.5	3.04	0.671
There is an increase in the Number of assets acquired	22	20.2	56	52.5	25	23.2	4	2.0	2.89	0.766
There was an increase in the Access to assets at home	19	18.2	23	38.9	19	33.3	5	9.6	2.66	0.886
There was an increase in the Self satisfaction	23	21.7	63	59.1	18	16.7	3	2.5	3	0.698
There was an increase in Full time workers	29	26.9	69	64.5	9	8.1	1	1.0	3.18	0.584
There was an increase in Trained workers	24	22.2	65	60.6	17	16.2	1	1.0	3.04	0.652

There was an increase in Quantity produced	27	25.3	61	56.6	17	15.7	3	2.5	3.05	0.715
There was an increase in Services you deliver	50	46.5	44	41.1	12	11.1	1	1.0	3.33	0.712
There was an increase in Your stock in store	31	28.8	65	61.1	9	8.1	2	2.0	3.17	0.651
There was an increase in Trust from customers	26	24.7	33	30.8	41	38.4	6	6.1	2.74	0.901
Your products are now more liked by customers	23	21.7	56	52.5	23	21.7	4	4.0	2.92	0.77
The quality of your products has now improved	29	26.8	63	58.6	11	10.6	4	4.0	3.08	0.729
There has been an increase in your assets generally	23	21.7	52	49.0	26	24.2	5	5.1	2.87	0.806
There has been an increase in your working capital	22	20.7	57	53.0	24	22.2	4	4.0	2.9	0.765
There has been an increase in your premises, offices or buildings	22	20.7	36	33.8	43	39.9	6	5.6	2.7	0.86
There has been an increase in your vehicles or other equipment for carrying goods	17	15.7	39	36.4	45	42.4	6	5.6	2.62	0.814
There has been an increase in your computers or any other device to make work easy	21	19.7	25	23.7	42	39.4	18	17.2	2.46	0.995
There has been an increase in your machines or equipment used in production e.g. chairs, etc.	14	13.1	24	22.2	51	48.0	18	17.2	2.32	0.901
There has been an increase in your business savings (available cash)	22	20.7	62	58.1	16	14.6	7	6.6	2.93	0.784

Primary data, (2023)

It was revealed that the majority of the respondents strongly agreed that there was an increase in the general profits of their businesses as seen from the mean of 3.56 and SD of 0.599.

Results from the table indicated that the majority of the respondents agreed as evidenced by the mean of 3.25 and SD 0.585, that there is an increase in the total sales volume of their businesses.

From Table 4.16, the majority agreed that there is an increase in the number of customers served as evidenced by the mean of 3.1 and standard deviation of 0.65. It was indicated that the majority of the respondents agreed that there was an increase in the number of branches opened, as evidenced by the mean score of 3.04. However, the responses varied as shown by the standard deviation of 0.671.

The mean of 2.89 and standard Deviation of 0.766 imply that there is an increase in the number of assets acquired because the majority of the respondents agreed that there is an increase in the number of assets acquired. It was also revealed that most of the respondents agreed and 33.3% disagreed that there was an increase in the access to assets at home. This had a mean score of 2.66. The standard deviation of 0.886 explains the responses that vary between those who strongly agreed and disagreed.

Findings in the table indicate that the majority 59.1% and 21.7% agreed and strongly agreed respectively that there was an increase in self-satisfaction. This was evidenced by the mean of 3.0 and SD of 0.698. The mean of 3.18 and

SD of 0.584 indicated that the majority 64.5% agreed and 26.9% strongly agreed that there was an increase in self-satisfaction. Results from the table indicate that 22.2% agreed, and 60.6% agreed that there was an increase in full-time workers as seen by the mean of 3.04 and standard deviation of 0.652. Findings from the table above indicate the majority of 56.6% agreed, 25.3% strongly agreed that there was an increase in trained workers and 15.7% disagreed, as seen from the mean of 3.05 and SD of 0.715.

Findings from the study indicate that the majority of the respondents 46.5% strongly agreed while the minority 1.0% strongly disagreed that there was an increase in the quantity produced as seen from the mean of 3.33 and SD of 0.712. It was also indicated that there was an increase in the services they delivered. This was supported by the mean of 3.17 and SD of 0.651. The study findings, it was indicated that the majority 38.4% of the respondents disagreed that there was an increase in their stock in stores as seen from the mean of 2.74 and standard deviation of 0.901. The findings also revealed that the majority of the respondents 52.5% agreed that there was an increase in trust from customers although minority 4.0 strongly disagreed. As revealed from the table above, the mean score of 3.08 and standard deviation of 0.729 explains the varying responses between respondents who strongly agreed and those who agreed that your products are now more liked by customers as seen from 58.6% who agreed and 26.8% who strongly agreed. This implies that it is important for the organization to be efficient in terms of responsiveness, timeliness, reliability, and openness; value for money, where the level of expenditure at which the service is delivered, is acceptable.

About the study findings, the majority 49.0% of the respondents agreed that the quality of your products has now improved, those were followed by 24.2% who disagreed. This is because the mean value of 2.87 revealed that most of the respondents agreed. However, a standard deviation of 0.806 reveals that there were varied responses from the respondents of which some disagreed that the quality of your products has now improved. From the findings of the study, it was shown that 53.0% of the respondents agreed and 22.2% disagreed that there has been an increase in your assets generally. The mean score of 2.9 and standard deviation of 0.765 explain the varying responses between respondents who agreed and those who disagreed. It was indicated that the majority 39.9% of the respondents disagreed that there has been an increase in your working capital, as seen from a mean of 2.7. However, a significant standard deviation of 0.86 is a clear manifestation of varied responses from respondents.

More to the above, the findings showed that 42.4% of the respondents disagreed that there has been an increase in your premises, offices, or buildings which had a mean score of 2.62 and the standard deviation of 0.814 explains the responses that vary between those who agreed and disagreed. According to the study findings, it was indicated that the majority 39.4% of the respondents disagreed that there has been an increase in your vehicles or other equipment for carrying goods, 23.7% agreed whereas the other 19.7% strongly agreed, and the minority 17.2% strongly disagreed. This is indicated by a mean of 2.46 and a mean of 0.995. About the study findings, it was presented that the majority 48.0% of the respondents disagreed that there has been an increase in your computers or any other device to make work easy evidenced by the mean score of 2.32. However, the responses varied as shown by the standard deviation of 0.901. About the study findings, it was presented that the majority 58.1% of the respondents agreed that there has been an increase in your machines or equipment used in production e.g. chairs, etc., those were followed by 20.7% strongly agreed. This is because the mean value of 2.93 revealed that most of the respondents agreed. However, a standard deviation of 0.784 reveals that there were varied responses from the respondents of which some disagreed. From the findings of the study, it was shown that 39.9% of the respondents disagreed that there has been an increase in your business savings (available cash)and 28.8% agreed. The mean score of 2.51 and standard deviation of 0.938 explain the varying responses between respondents who agreed and those who disagreed.

Table 14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.810[a]	.655	.650	.273

a. Predictors: (Constant), Tax identification, Tax assessment, and Tax sensitization

Source: Primary data 2023

Table 15: ANOVA

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.433	3	9.144	122.939	.000[a]
	Residual	14.430	104	.074		
	Total	41.864	106			

a. Predictors: (Constant), tax identification. Dependent Variable: Success of SSEs

Source: Primary data 2023

Table 16: coefficients for the regression equation Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.777	0.146	221	5.323	0.000
	tax identification	0.151	0.048	0.161	3.160	0.002

a. Dependent Variable: Success of SSEs

Source: Primary data 2023

Multiple Regression Analysis

The value of R being equal to 0.810 and the coefficient of determination (R squared) is equal to 0.655. Adjusted R^2 linear value of (0.655) meant that tax identification contribute to the Success of SSEs in Kamwenge Town Council, Kamwenge District by .655(65.5%). This means that tax administration in terms of tax identification have a positive effect on Success of SSEs in Kamwenge Town Council, Kamwenge District.

The ANOVA findings in table 19 shows that there is significant relationship between the Predictors variable (tax identification) and dependent variable (Success of SSEs) since P value -estimation of 0.00 is under 0.05. The ANOVA comes about demonstrate that the autonomous factors altogether (F=122.939, p=0.00). The table 4.19 shows the determination of the coefficients for the regression equation.

According to Table 16, the p-value is <0.05 hence there is evidence to accept that the variables of tax identification significantly contribute to the success of SSEs. This is

evidenced by the β coefficients as seen in table 16. This implies that if a unit increases in any of the independent variables other factors constantly increase the level of Success of SSEs.

The established multiple linear regression equation becomes:

$$Y = 0.777 + 0.161\beta1 + 0.619\beta2 + 0.749\beta3$$

Where

Constant = 0.777, shows that if tax identification was rated as zero; the Success of SSEs rating would be 0.221.

A regression was done to ascertain the effect of tax identification on the Success of SSEs taking into consideration the standardized beta coefficient obtained as 0.161. This means that one unit change in tax identification, results in a 0.161 unit increase in the Success of SSEs. The standardized beta coefficient shows that tax identification has a positive contribution toward the Success of SSEs.

Discussion of the findings

Tax Payer Identification and Success of SSEs in Kamwenge Town Council, Kamwenge District

The study revealed that there is a relationship between Tax Payer Identification and the Success of SSEs in Kamwenge Town Council, Kamwenge District (R-value =0.383, P value = 0.00). Akinleye, et al. (2019) agreed that TIN helps to accelerate the processing of information for taxpayers and also fosters enforcement, awareness, and increased revenue generation among SSEs.

Conclusions

It is concluded that there is a significant positive relationship between Tax Payer Identification and the Success of SSEs in Kamwenge Town Council, Kamwenge District.

Recommendations

For SSEs to succeed, they should find a way of filing their business' performance early in the financial year to avoid inappropriate assessments by URA, which are high and demand for payment spontaneously.

Areas for further study

Several key issues were identified during the study but they were not sufficiently investigated or discussed. These issues require further investigation:

- The factors influencing tax administration in organizations
- The impact of tax administration on the financial performance of SSEs
- There is a need for further studies to examine the association between the same variables to find out whether they still have a positive relationship in the same environment after some time.

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Abbreviations

DV: Dependent Variable

ITA: Income Tax Act

IV: Independent Variable

SMEs: Small and Micro Enterprises

SMT: Small and medium tax payers

TIN: Tax Identification Number

URA: Uganda Revenue Authority

VAT: Value Added Tax

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