



AFRICA IN MOVIMENTO / AFRICA ON THE MOVE

MACERATA 17 -20/09/2014

TITLE: TAX PAYERS' ATTITUDE AND COMPLIANCE BEHAVIOUR IN ETHIOPIA

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ABSTRACT:

Many developed economies invested considerably in legislative tax reforms, taxpayers' education programs, tax enforcement strategies, and sophisticated systems of administration. Compared to developed economies, however, policy makers and revenue authorities in developing economies like Ethiopia face quite different challenges and constraints, which require careful consideration in designing appropriate and effective tax systems.

A method to increase tax revenue collection is the use of the Self Assessment System (SAS) for both personal and corporate businesses. Since SAS emphasizes both taxpayers' responsibility to report income and determine own tax liability, for the time being Ethiopia is using the approach only for small business or "Type C" taxpayers. Hence, increasing the efficiency of tax collection in the tax authority, which remains the central issue, requires the development of public awareness of laws and the improvement of voluntary compliance.

This paper examines how different facilitating factors interact with the development of SAS in Ethiopia, in particular in Dire Dawa city, focusing on the determinants of compliance behavior.

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