

**EFFECTS OF KENYA REVENUE AUTHORITY TAX STRATEGIES ON
COMPLIANCE OF SMALL ENTERPRISES IN EASTLEIGH AREA NAIROBI
COUNTY**

MSABAA EGHWA JULIE


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DECLARATION

This thesis is my original work and has not been presented for examination in any institution or university.

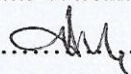
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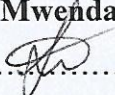
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Name: Dr. Anita Wachira

Signature:  Date: 21/4/2016

Name: Dr. Lilian Mwenda

Signature:  Date: 21/4/2016

ABSTRACT

This study sought to evaluate the effects of KRA tax strategies on compliance of small enterprises specifically the study assessed the effect of tax administration measures, enforcement measures, tax payers' attitudes and procedural justice on compliance of small enterprises in Nairobi County. Data was collected using a structured questionnaire. The target population constituted of 12,890 taxpayers in small enterprises within Eastleigh area in Nairobi County. Stratified sampling was used to come up with a sample size 387 taxpayers'; a response rate of 51% was achieved. The data was tested for reliability, analyzed using SPSS and results presented based on the study objectives. The research results showed that all the independent variables that were investigated in this study had positive influence on tax compliance (dependent variable). Tax enforcement was found out to be the most important component of tax compliance in Eastleigh Area in Nairobi County followed by tax administration, taxpayer attitude and procedural justice in that order. This implies that when one variable is improved it leads to improvement of the other. Recommendation made among others was that to enhance compliance, there is need for the tax Authority to emphasize on training of taxpayers on matters regarding the procedure of tax payment and involve the community in changes made in the tax system. The study further recommends that since there was a positive relationship between tax administration, procedural justice, tax payers' attitude, tax enforcement of the tax and tax compliance, the tax authority needs to consider tax incentives such as exemptions, more taxpayers education among others, if they are to realize increased levels of revenue through tax compliance. This study contributes to exploring factors that make people pay taxes and discuss methods of increasing voluntary compliance.