

**INVESTIGATION OF CHALLENGES AFFECTING LOCAL
AUTHORITIES IN COLLECTING PROPERTY TAX IN TANZANIA: A
CASE OF TABORA MUNICIPAL COUNCIL**

COSTA THADEO NTIRUNGIKA MUZANYE

**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT FOR THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION IN THE OPEN UNIVERSITY OF TANZANIA**

2013

CERTIFICATION

The undersigned certifies that has read and hereby recommends for the acceptance by the Open University of Tanzania a dissertation titled Investigation of Challenges Affecting Local Authorities in Collecting Property tax in Tanzania: A case of Tabora Municipal Council in partial fulfillment for the requirements for the Master in Business Administration of the Open University of Tanzania.

.....

Dr. Odass Bilame

(SUPERVISOR)

Date.....

COPYRIGHT

All rights reserved. This dissertation is copyright material protected under Berne Convention, the copyright Act (1999) and other international and national enactments, in that behalf, on intellectual property. It may not be reproduced by any means, in full or in part, except for short extracts in fair dealings; for research and other private study, critical scholarly review or disclosure with an acknowledgement, without written permission of the Directorate of Postgraduate Studies, on behalf of both the Author and the Open University of Tanzania

DECLARATION

I, Muzanye, Costa T.N. declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other university for similar or any other degree award.

Signature.....

Date.....

ACKNOWLEDGEMENT

It is not easy for a research work to be accomplished without the help of others. At this juncture I would like to express my heartfelt thanks to Dr Odass Bilame of Saint Augustine University for his tireless supervision, guidance, advice and criticism to shape this study and make it readable and presentable. Indeed the study has broadened my knowledge in the area of research. It is my hope that the findings will be beneficial to LGAs all over the country.

I am highly indebted to the staff of Tabora Municipal Council for the cooperation they extended to me during the data collection. Without their collaboration of according me an opportunity to interview and responding to the questionnaire I supplied to them my entire work would have been difficult to complete within the short period of time.

My sincere gratitude goes to District Executive Director of Urambo for the permission to suspend my duties for attending classes. I thank him for agreeing to sponsor my studies. All moral and material support extended to me for the whole period of my study is highly appreciated.

Last but not the least it is difficult to thank everyone individually who helped me in one way or another to shape this study, just suffice to say I recognise all efforts they provided to me to make the work more precious. Finally I would like to appeal to all readers of this report that any shortcomings found are solely mine and should not in any way be associated with any of the above acknowledged individuals or institutions.

DEDICATION

This work is dedicated to my wife Modesta, my last two sons Martine and Godfrey who missed my care and love during the whole period of my study.

ABSTRACT

The purpose of this study is to investigate challenges affecting the collection of property tax in LGAs. The study was conducted in Tabora Municipal Council. A sample of 50 respondents was chosen though only 43 respondents turned up. The study used descriptive statistics and inferential statistics. Frequencies and percentages were used in testing the collected data and arriving at the final conclusion. The results obtained are supported by the findings derived from qualitative interviews. The results indicate that human, institutional and technological challenges have an impact on the collection of property tax in LGAs. The observed human challenges that were found to affect the level of collection of property tax are commitment and motivation. Institutional challenges that were observed are the insufficiency of data concerning properties, the flat rate used to charge property tax, the ratio of service delivery which does not match with the demand to pay property tax, the political interference and the by law which is not enforceable. The technological challenges observed are the inapplicability of Information and communication technology in the collection of property tax attributed by absence of soft ware to prepare bills, manual valuation of properties and absence of database concerning buildings in Tabora Municipal Council. Basically the study urges that human, institutional and technological challenges have effect on collection of property tax. The researcher recommends that these challenges should be addressed by establishing motivation packages, train employees so that they become ICT users, adherence to policies, regulations and laws and that by laws should be revised and updated. The results of the study are of interest to policy makers, academicians and practitioners.

TABLE OF CONTENTS

CERTIFICATION	ii
COPYRIGHT	iii
DECLARATION	iv
ACKNOWLEDGEMENT	v
DEDICATION	vi
ABSTRACT	
.....	
vii	
TABLE OF CONTENTS	viii
LIST OF FIGURES	ix
ABBREVIATIONS	x
CHAPTER ONE	1
1.0 INTRODUCTION	1
1.1 Back Ground Information	1
1.2 Statement of Problem	4
1.3 General Objective Of The Study	5
1.3.1 Specific Objectives Of The Study.	5
1.4 General Research Question	6
1.4.1 Specific Research Questions	6
1.5 Significance Of The Study	6
1.6 Conceptual Frame Work.	7
1.7 Propositions	8

1.7.1 Proposition 1: Human Resource Challenges	8
1.7.3 Proposition 3: Technological Challenges	8
1.8 Operationalization of Variables	8
CHAPTER TWO	10
2.0 LITERATURE REVIEW	10
2.1. Theoretical Literature Review	10
2.1.1 Motivation Theory	10
2.1.2 Institution Theory	10
2.1.3 The Benefit View Theory	11
2.1.4 The Assessment Technique and the Equality Theory	11
2.1.5 Summary of Theories and their Implication on The Study	12
2.2 Empirical Literature Review	12
2.2.1 Lessons From Tanzania Context	12
2.2.2 Administration of Property Tax In West Africa	17
2.2.3 Property Tax Administration In European And USA Countries	19
2.3 Research Gap	21
CHAPTER THREE	23
3.0 RESEARCH METHODOLOGY	23
3.1 Research Design	23
3.2 Description of The Study Area	23
3.3 Data Requirements	25
3.4 Population and Sampling Technique	25

3.5 Data Collection Instruments	26
3.6 Data Collection Techniques	26
3.7 Data Analysis	27
CHAPTER FOUR	28
RESEARCH FINDINGS AND DISCUSSION	28
4.1 Introduction.	28
4.2 Research Findings	28
4.2.1 Characteristic of The Sample	28
4.2.1.2 Level of Education.	29
4.2.1.3 Position Held By Respondents.	29
4.2.2 Propostion Testing.	31
4.2.2.1 Proposition One.Human Challenges.	31
4.2.2.2 Proposition Two. Institution Challenges.	34
4.3 Discussion Of Findings	41
CHAPTER FIVE	47
5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION	47
5.1 Summary of Findings	47
5.2 Implication of The Results	49
5.3 Conclusion	51
5.4 Recommendations	51
5.4.1 Motivation Packages	52
5.4.2 Adherence to Policies, Regulations and Laws	52
5.4.3 Establishing Database and Bills Software	52

5.4.4 Revising Bylaw	53
5.5 Limitations of The Study	53
5.6 Areas for Further Study	53
REFERENCES.	55
APPENDICES	58

LIST OF TABLES

Table 1.1 Property Tax Budget Vs Actual.....	5
Table 4.1 Respondents Experience with LGAs.....	31
Table 4.2 Respondents Level of Education.....	29
Table 4.3 Position Held by Respondents.....	30
Table 4.4 Staff Commitment Affects Collection of Property Tax.....	31
Table 4.5 Comparison of Academic Qualification with Allocation of Duties..	32
Table 4.6 Lack of Motivation Affects Collection of Property Tax.....	33
Table 4.7 Employee's Monthly Salary Satisfaction.....	33
Table 4.8 Extra Duty Allowance Paid to Employees.....	34
Table 4.9 Unenforceability of Council By Law.....	34
Table 4.10 Data Availability Affects Collection of Property Tax.....	35
Table 4.11 Political Pressure Affects Collection of Property Tax.....	36
Table 4.12 Flat Charge Rates Affects Collection of Property Tax.....	36
Table 4.13 Ratio of Service Delivery Vs Property Tax.....	37
Table 4.14 Improvement of People's Attitude on Law and Order	38
Table 4.15 Lack of Working Tools Inhibits Performance of Collection of Property Tax.....	42
Table 4.16 Absence of Data Base Affects Collection of Property Tax.....	39
Table 4.17 Manual Valuation Affects Collection of Property Tax.....	39
Table 4.18 Knowledge of ICT Affects Collection of Property Tax.....	40
Table 4.19 Bills Soft Ware Affects Collection of Property Tax.....	40

LIST OF FIGURES

Figure 1: Conceptual frame work.....	7
Figure 2: Map of Tabora Municipal Council	25

ABBREVIATIONS

CAMA	Computer Assisted Mass Appraisal
CPT	Collection of Property Tax
GOT	Government of Tanzania
ICT	Information and Communication Technology
LGA	Local Government Authority
LGL	Local Government Laws
MEO	Mtaa Executive Officer
REPOA	Research for Poverty Alleviation
SPSS	Statistical Package for Social Sciences.
TMC	Tabora Municipal Council
UARA	Urban Authority Rating Act
URT	United republic of Tanzania
USA	United States of America
WEO	Ward Executive Office

CHAPTER ONE

1.0 INTRODUCTION

1.1 BACK GROUND INFORMATION

In 1982 the Local Governments were re introduced by the Local Government Act 1982 and started effective operation in 1984 in Tanzania Mainland. Article 145 and 146 of the constitution states that one of the objectives of the local government is to enhance the democratic process within its area of jurisdiction and apply the democracy for facilitating the rapid development of the people (URT, 1977).

In Tanzania, LGAs which are classified into two categories, urban authorities and rural authorities (LGL Revised edition 2000) are responsible for providing public services to various stakeholders in the area of their jurisdictions. They are required to provide a wide range of social services such as Education, Health, Infrastructure, Water. As such LGAs have to ensure social welfare of the people is attained and equitable delivery of quality services within their area of jurisdiction (URT, 2010).

One important prerequisite for sustainable local government is adequate financial resources. In addition to supplementing local resources through the new central–local transfer system, the Government has been evaluating various options to improve local own-source revenue mobilization. To date, the primary effort has been on implementing a local property tax reform that began in 1993. An important reform priority has been the rationalization of government to improve service delivery and provision of physical infrastructure. “The property tax reform initiative was structured to mobilize sufficient revenues to enable local government provide social services to its people.” Kelly and Musunu 2000.

The critique in property tax collection as per previous researched papers has been disclosed as a result of the narrowed tax base, poor property tax administration,

absence of tax rolls, informal occupations characterized by slums, poor valuation and weaknesses in law enforcement. Consequently LGAs fall short from providing social services to its people.

Kelly and Musunu (2000) show that the property tax base is basically charged on buildings structures or similar development. Land is not taxed under the property rating since all land belongs to the State and is therefore liable for land rent collected by the central government. In that case the tax base from which property tax could be collected becomes narrower. Moreover, there has been poor valuation of properties, sometimes valuation has been conducted by unqualified and incompetent staff without the support of technical equipments such as Computer Assisted Mass Appraisal (CAMA).

Local Authorities are empowered to use by laws to enforce people to pay property taxes. Kelly and Musunu (2000) again points out that while the local level valuation department is responsible for the valuation roll and issuance of the tax demand notices, the actual revenue collection and enforcement activities are administered through the Town Treasurer's office. They continue arguing that billing is done manually creating problems of delay and transcription errors. The UARA (sect 47) provides for a 1 percent per month interest penalty on all outstanding amounts. However UARA was revised in 1999 to increase the level of fines and penalties to more appropriate levels in line with current economic conditions. The Law also provides for a warrant to be issued to seize the personal goods and chattels of defaulters up to the value of the outstanding rates. Despite the various legal

provisions to enforce payment, collection rates appear to be quite low (Less than 30%).

Informal occupation is another area which poses difficulty in collection of property tax. Smoka and Cesare (2006) discuss informal occupation as characterized by slums whereby there are no street lay outs, unknown land tenure, non compliance with urban norms and regulations. In such a situation it is not easy to plough back social services obtained through the payment of property tax therefore people turn reluctant to pay property taxes.

The beneficiaries of social services provided by LGAs are the people at large covering all corners of the URT. Failure in collection of property tax prone LGAs into failure to supply social services to the people which are the core objectives of forming Local Authorities. Indeed the employees of local authorities who depend on the collection of own source (property tax inclusive) for different payment rewards such as extra duty allowance, per diem allowances, medical care etc would be likely to be affected if there is no sufficient collection of property tax.

Councilors, on the other hand, are another group whom cannot run the committee meetings without sufficient collection of the property tax. Their sitting allowances, constituency allowance and other payments would be difficult if there is no enough effort put on the collection of property tax. Since property tax is considered the possible avenue source of income for Urban Councils it is worthy researching so that we can come up with best solutions on how to improve the collection.

1.2 STATEMENT OF PROBLEM

Property tax is the possible avenue source of revenue in urban councils and has the possibility of making LGAs attain their set objectives of providing social services (Water, Healthy, Education and passable Roads) to its people within their area of jurisdiction. These services need a balanced and steady collection of revenues which is over emphasized in this study that it is not observable in most LGAs. In Tabora Municipal Council property tax collection constitute a larger part of own source revenues. It ranks the third source of revenue which earns the council a larger part of collections. The other ones are land survey fees which rank the first and market fees which rank the second. Minutes of the meetings of Planning and Finance committee which is mandated to discuss financial matters show that councillors always lament on monthly low collection of revenues from property tax. Evidence collected from three consecutive annual financial report is shown in Table 1.1

The table shows that as time goes revenue earned from property tax keeps falling. There have been irregular periods of valuation of properties and time lags between valuation. The last valuation in Tabora Municipal Council took place in 2002 (equivalent to 11 years ago). Kelly and Musunu (2000) advocate that valuation of properties should be done consistently likewise the assessment criteria should be known to tax payers. Further the laws of Tanzania provides that valuation of properties should be done for periods not exceeding 5 years in order to capture correct market values and added values ,Kitillya (2011)

The survey of this study further reveals that there has been a considerable increase of new buildings built in every corner of the Municipal but it was difficult to find them in the Registers Maintained by MEOs and WEOs. Improvements and major

rehabilitation made on some buildings in many Wards of the Municipal were rarely found in the records of Property tax collectors. Consequently this leads to a major source of revenue leakage. Kitillya (2011) urges that in Tanzania new constructions and improvements on some buildings are missing in the existing valuation rolls thus resulting into some assessed properties paying low taxes in relation to their realistic amounts.

Table 1.1 Property Tax Budget Vs Actual

Source of Revenue	Year	Budget	Actual collection	%
Property tax	2009/2010	130,745,000.00	55,684,453.00	42%
Property tax	2010/2011	137,000,000.00	39,525,240.00	29%
Property tax	2011/2012	192,455,000.00	50,698,752.00	26%

Source.TMC Profile 2013.

This study therefore seeks to explore the reasons why the collection of property tax keeps dropping in Tabora Municipal Council despite various efforts put forward to rescue the situation.

1.3 General Objective of the Study

Generally the study investigated the challenges associated with collection of property tax in Urban Councils in Tanzania with a special focus on Tabora Municipal Council.

1.3.1 Specific Objectives of the Study.

The specific objectives of this study were:

- i. To examine technological challenges that influence ineffective collection of property tax.

- ii. To identify human challenges influencing ineffective collection of property tax.
- iii. To examine regulatory environment influencing ineffective collection of property tax.

1.4 General Research Question

The general research questions are what are the causes and effects of challenges of collection of property tax in urban councils?

1.4.1 Specific Research Questions

- i. Do the technological challenges have any impact on the efficiency collection of property tax?
- ii. Do the human challenges have any effect on property tax collection?
- iii. Does the regulatory environment in place inhibit the collection of property taxes in urban councils?

1.5 Significance of the Study

This study is being prepared for Towns, Municipals and Cities for the purposes of strengthening the contribution that Towns, Municipals and Cities in Tanzania make towards economic growth, social development and alleviation of poverty. The study therefore integrates various ideas grasped from research findings that have been gained from the field thus come up with substantial recommendation on the minimization of challenges which face the efficient collection of property tax in local authorities. From research findings policy makers would amend and formulate policies and laws enforcing property tax so as to be operationally effective. The

study provides a clear picture of what is really done in the field and remedies to be taken to attain the maximum collection of property tax in LGAs.

The findings also provide an insight to policy makers on the best approach property tax could be efficiently collected. The study contributes to a body of knowledge as to challenges associated with collection of property taxes in Urban Authorities in Tanzania. Also it is subjected to academicians criticism and gives a room for scholars to act as a base line for further research.

1.6 Conceptual Frame Work.

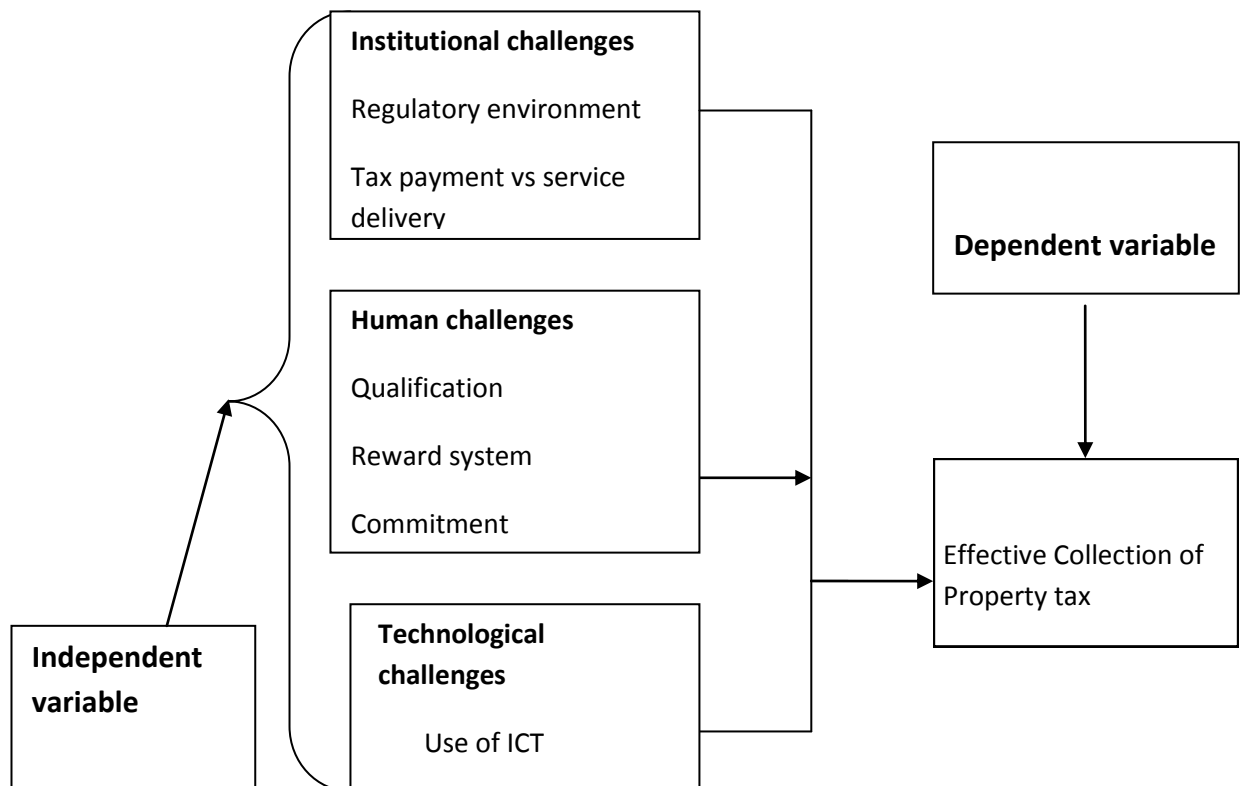


Figure 1: Conceptual Frame Work.

1.7 Propositions

Basing on the conceptual frame work, statement of the problem and the specific objective the researcher develops the following propositions.

1.7.1 Proposition 1: Human resource challenges

- i) Employee commitment has positive effect on the efficiency of collection of property tax.
- ii) Employees' qualification has a relation with effectiveness of collection of property tax.
- iii) Employee's motivation has effects on collection of property tax.

1.7.2 Proposition 2: Institutional challenges

Regulatory frame work affects the collection of property tax.

1.7.3 Proposition 3: Technological challenges

The usage of ICT is noteworthy to the collection of property tax.

1.8 Operationalization of Variables

Operationalization of variables that constitute a conceptual framework in this research is according to the indicators that are observable and measurable. These indicators are independent variables and the dependent variable in each objective as follows:

1.8.1 Human resource challenges

This variable measures the degree on how people's attitude influences the effectiveness of the collection of property tax. The focus here is people's commitment towards achieving organizational goals, capacity of people resulting

from academic qualification in executing assigned tasks, rewards system put in place, integrity and adequate number of employees required to perform certain tasks. In LGAs, human resource challenge is measured in terms of attainment of the set goals and number of complaints from inside and outside (society served) the organization.

1.8.2 Institutional challenges on the other hand arise from within the organization itself. The organizational structure and culture, formulation of policies, laws enforcement has a positive effect on the effectiveness of collection of property tax. Such challenges can be measured in terms of power exercising from those power is vested upon, the communication system, performance of employees and time keeping.

1.8.3 Technological challenges measure the degree to which effectiveness of property tax collection is affected by change in ICT. Do the LGAS use modernized way in valuation and survey process? Do the employees have enough knowledge on the usage of ICT, policies for adopting ICT, readiness of the LGAs as ICT users/ adapt.

1.8.4 Effectiveness of collection of property tax

Is a dependent variable, was measured in terms of time taken to collect property tax, valuation criteria, update of tax rates and the actual property tax collected compared to budget.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1. Theoretical Literature Review

2.1.1 Motivation Theory

Motivation is psychological process that cause the arousal, direction, and persistence of voluntary actions that are goal oriented .It is said that the best business have the best motivated workers. This is so important because well motivated employees are usually characterized by high productivity, better quality work with less wastage and a greater sense of urgency. Frederick Taylor developed his theory of scientific management as he worked his way up from a laborer to a works manager in US steelworks. He made three assumptions.

First man is a rational economic animal concerned with maximizing his economic gain, secondly, people respond as individuals not as groups and thirdly people can be treated in a standardized fashion like machines. From this theory we learn that if workers of LGAs are treated in a certain way which encompasses dignity, recognition and reward they can produce more.

2.1.2 Institution Theory

Scott (2004), states that Institutional theory focuses on the deeper and more resilient aspects of social structure. It considers the processes by which structures, including rules, norms, and routines, become established as authoritative guidelines for social behavior. Scott further clarifies Institutions as social structures that have attained a high degree of resilience. They are composed of cultural-cognitive, normative, and regulative elements that, together with associated activities and resources, provide

stability and meaning to social life. LGAs are one form of institutions which have structures and mechanisms of social order and cooperation governing the behavior of a set of individuals within a given human collectivity. They are identified with a social purpose and permanence, embraces individual human lives and intentions, and with the making and enforcing of rules governing cooperative human behavior. Every LGA operate within laid down regulations, rules, policies and orders which are established as authoritative guideline for social behavior. The success or failure of the LGAs as institution is therefore subject to whether such guidelines are followed properly.

2:1:3 The Benefit View Theory

Benefit theory is one of the three theories which has been proposed to explain the economic effect of property tax. Under this theory, (Cameron David L, 1999) views the property tax as not a tax at all rather as an efficient user charge for local public services consumed by the user. It is argued that by virtue of owning a property there is a benefit the owner is gaining and therefore should pay for a tax known as property tax. Again Cameron (1999) demonstrated that, in heterogeneous communities, the differentials between benefits received through public services and taxes paid will be capitalized into the price of the property. Thus the benefit view theory has been extended to the taxation of commercial and industrial property.

2.1.4 The Assessment Technique and the Equality Theory

In many states assessment techniques have improved greatly. Computer Assisted Mass Appraisal (CAMA) combines computer technology, statistical methods and value theory to make possible reasonably accurate property assessment. Robert Whaples (2010) discusses the increased pressure for statewide uniformity in

assessment of property tax. According to Whaples Some states in US now use elaborate statistical procedures to measure the quality and equality of assessment from place to place in the state. The assessed tax on a particular property may depend on who owns it and what it is used for .To compute the tax the administrator may have to know the income, age and medical condition of the tax payer.

2.1.5 Summary of Theories and Their Implication on the Study

The reviewed theories indicate the link to collection of property tax. The four theories which are motivation theory by Frederick Taylor, institutional theory by Scott, the benefit view theory by Cameron and the assessment and equality theory by Whaples lay the foundation for smooth collection of property tax in LGAs. The challenges identified in collection of property tax are Institutional, Human and Technology. The theoretical reviews provide the foundation from which the conceptual framework for the study has been developed.

2.2 Empirical Literature Review

2.2.1 Lessons from Tanzania Context

In Tanzania the introduction of property tax has its background to the colonial period where taxes were levied on hut and houses. Powers to collect taxes are provided in the local government Finance Act of 1982 and the Urban Authorities Rating Act of 1983. The problems experienced in the collection of property tax is said to be inconsistency in valuation /assessment of properties, time lags between Valuation, lack of effective statutory rates , and overall inadequate property tax administration. (kelly & Musunu, 2000).

Some other literatures view the challenges of efficient collection of property tax as the inability to collect fully the property tax due to them as a result of poor

administrative capacity to enforce the property tax, the intentional property tax evasion and resistance from tax payers, corruption including embezzlement of revenues and political pressure on the local tax administration to relax on revenue collection (REPOA 2009).

The tax laws in Tanzania requires that properties should be revalued in a period of five years to capture the correct market value as well as added value due to various improvements made on such properties (Kitillya, 2011) .However according to Kitillya this is not the case as constructions and improvements are missing in the existing valuation rolls thus resulting into some assessed properties paying low taxes in relation to their realistic amounts. Long time lag taken between valuation periods does not only cause inequity in charging property tax but is equally a big source of revenue leakage which adversely affects the revenue collected from the source.

Properties such as property personally occupied by the President; properties used for public utilities or public worship, public libraries and museums, cemeteries and crematoria, civil and military aerodromes, sporting facilities, railway properties and any such property as the Minister responsible for Local Authorities shall prescribe (UARA Section 7) are exempted from property tax base. In principle, UARA Section 7(2) provides the option for the responsible Minister to authorize the government to pay a compensation equivalent to the exemption made.

In practice, however, the Central Government has never paid this property tax equivalent. Property tax has some attractions as a local revenue base since it is imposed on immobile assets and therefore is difficult to avoid- at least in principle. However, it also has some obvious weaknesses which need to be taken into

consideration before heavy reliance is placed on it. For instance, problems of valuation and tax enforcement often occur due to political interventions and administrative weaknesses. Furthermore, harsh enforcement mechanisms may result in intervention from politicians facing complaints from their constituents. Hence, experience advocates cautiousness when extending property tax to district councils, (REPOA)¹

Smoka and Cesare (2006) discusses the problems arising from collection of property taxes in cities and municipalities with informal buildings and much slums hence leading to un known tenure rights. Some of the structures takes longer time and sometimes may never be finished. They argue that the critical features of informal housing seem to violate many of the premises on which the administration of a property tax system is grounded. Hence it becomes difficult to identify taxable property and corresponding taxpayers, difficult to describe the property's physical characteristics as well as determination of property values on a reasonable market basis and according to predictable measure.

Further argument on low yields in property tax collection is culminated from failures in the administration of tax .A large proportion of properties are missing from the tax rolls, properties on the tax rolls are in accurately valued and collection efficiency is extremely poor. (Dillingler1995).

Dillingler (1995) discloses the political liabilities inherent character by politicians which protect taxpayers from paying the assessed rates. On the other hand the

¹ REPOA Retrieved September 11, 2012, from repoa website: www.repoa.or.tz

central government also exercises veto power over property tax policy and frequently are responsible for its administration hence become reluctant to seeing it exploited effectively. The exemptions and favorable treatments for particular types of property also remove significant contributions from the property tax base. Indeed the problems of tax collection is characterized by the narrowed tax base and the exemptions given to potential buildings which otherwise could have attracted good collection of property tax (Musunu, 2000). Other factors which affect collection of property tax are pointed out as valuation criteria, assessment and collection enforcement.

Rosengard, J.K (2012) argues that property tax is often the main source of local government discretionary revenue. It is thus an essential component of fiscal decentralization that supports local autonomy and complements intergovernmental fiscal transfers. Nevertheless Rosengard, J.K (2012) discloses some pros and cons of charging property tax as follows:

While the high number of tax payers create a large tax base, it can be a political and administrative night mare in practice; While computer-assisted mass appraisal (CAMA) and other applications of appropriate technology increase administrative efficiency and effectiveness, property valuation nevertheless still has a contentious subjective component.

According to Rosengard ,J.K (2012) there is no direct relationship between tax liability and ability to pay ;while the tax supports local government autonomy, it can also worsen regional disparities in wealth as the rich gets more richer and the poor gets more poorer. It is again stated that Tanzania has a colonial history with a tax

system introduced by and based on a rating system of early 20th century applied in England, Australia and South Africa. Riël C.D. Franzsen (2002). It then moved to Zimbabwe (South Rhodesia), Zambia (Northern Rhodesia) Malawi (Nyassa) and Tanzania (Tanganyika) as an important source of local government revenue in all of the above-mentioned countries.

Riël C.D. Franzsen (2002) touches on some common problems facing all the above countries (Tanzania inclusive) in collecting property tax as follows:

The coverage ratio within jurisdictions (e.g. in informal settlements and pre-urban development) that do assess properties and levy rates are often suspect; The shortage of qualified and skilled professionals to survey land, record and maintain an accurate deeds register (proper cadastral information), to assess properties and prepare proper valuation rolls; Putting the legal principles of valuation and rating legislation into practice in an equitable and sustainable manner is difficult - with political interference reported in some instances.

Other weaknesses highlighted by Riël C.D. Franzsen (2002) are the retention of properly qualified valuers within the civil service which is said to be a serious problem; Statutory valuation cycles are not adhered to. In many instances valuation rolls are hopelessly outdated; Often there is only limited technical and logistical support (such as computer hardware, software and vehicles) .Riël C.D. Franzsen (2002) adds that taxpayer education is mentioned as an area that has to be addressed to improve public knowledge and perceptions regarding assessment, rating and the

provision of local government services.

2.2.2 Administration of Property Tax in West Africa

The importance of collecting Property tax is not only found in LGAs in Tanzania but can well be traced in other African countries. In Ghana for example property tax is said to help much the Government to increase the scope of provision of social services to its people. Dr. Daniel Kwabena Twerefou (2009) a Senior Lecturer at the Department of Economics, University of Ghana, Legon, points out the potentiality the property tax has in gathering in enough revenues to help government increase its social spending in a more efficient way. However Dr. Twerefou adds that despite the accessed benefits of property tax in expanding the revenue base of the government its collection is still ineffective due to weak monitoring and collection mechanism that existed in the bodies mandated to collect the revenue. He said high tax rates and weak enforcement of the law were incentives for tax defaulters to carry out the illegality.

Local government in Ghana are tasked to supply a range of services from those display mainly private goods to those that reveal public goods characteristics, Kuusaana,E.D (2010). Managing these tasks requires huge public expenditure and needs to be financed by citizens who demand these needs. In most parts of the World this is done through property taxation together with central government subvention. Accordingly Kuusaana,E.D (2010) points out a number of reasons why Ghana has proved failure in collecting property tax. Some of the reasons are central government interference, budget deficit, legislative challenges, and limited human resources, low map reading skills, logistical constraint and poor records system.

Consequently he comes with a number of remedies to those challenges as decoupling political interference, introduction of ICT, active involvement of all land agencies, legislative review, community revenue mobilization approach, continuous public education, adjust the tax burden for the poor and increasing the number of valuers and capacity of field assistants.

In Nigeria Matthew Asabor (2012) claims that Property taxation is always very complex to administer, enforce and collect. Property owners, both individuals and businesses, can easily avoid paying taxes because it is not well enforced. However there are stern measures taken to those who fail to pay their liabilities in due time.

Oserogho and Associates (2012) state that in Nigeria there are stiff penalties for failure to pay a property land use charge within the period stipulated in Demand Notice. In addition to fines, a defaulting tax payer can have his property brought under receivership, advertised and sold to defray all outstanding taxes, penalties and administrative charges resulting from the default to pay this property tax.

It is also argued that many developing countries especially since the 1990s have decided to embark on programmes that are more democratic decentralized aiming at building local self-governing systems that are democratic, relatively autonomous and effective in delivering services, Dele Olowu (2002). Dele Olowu (2002) adds that looking for independent sources of financing for these emerging and locally based organs of governance has been one of the central challenges that confront these efforts in most developing countries.

Experience shows that in most developing countries sources of independent local government revenue are very few. This leads to highly dependence on

intergovernmental transfers from national to local governments which becomes more serious when the central governments are engulfed in a completely financial crisis and are greatly exploring strategies for reducing their expenditure commitments. Consequently revenue transfers become irregular and minimal leading to serious fiscal gaps at the local level to meet set objectives.

2.2.3 Property Tax Administration In European And USA Countries

In Brazil the property tax is collected from land and buildings structures and the tax base is derived from the market prices and standardized throughout the local authorities. Valuations on buildings and land are required to be done on sale prices of the properties. At times where valuation has not been done adjustments are taken to accommodate inflation. (De Cesare&Claudia M, 1999).

Cesare &Claudia (1999) reveal challenges which are encountered in property tax collection as follows:

Time lags between valuations cause the valuers to adjust the rates by using inflation rates thus contributing to reduction in tax base.

Effective versus statutory rates of property tax; this method also showed some weaknesses due to progressive nature of rate applied to residential buildings. The effective rate results from the actual amount raised from property taxation without regard to tax evasion as opposed to statutory rate which results from the expected tax that could be fetched had the tax been built on the basis of sale price. Improper assessment practices on the other hand is said to affect the distribution of the tax burden, not only because assessed values do not bear a consistent relationship to sale

prices but also because many properties are classified incorrectly.

Lastly poor administration of the property tax and its inefficient use as a revenue source is attributed to transfers of revenue from the central government and private estates to municipalities which complement the revenue raised at the local government level. Accordingly, local authorities were not interested in collecting their own taxes, and taxpayers were used to paying insignificant property tax bills. The achievement of good performance in terms of valuation and an acceptable degree of assessment equity were secondary issues.

In English speaking countries property tax is the most important tax revenue source for local government. Malme & Youngman (2001) states that in Central and Eastern Europe property tax system has paved a way as a means not only of revenue instrument but also as avenue towards decentralization and privatization. Property tax is charged on buildings, lands, agricultural activities and forest ownership. (Malme & Youngman, 2001) further claims that challenges have been encountered on policy issues on the types of property tax to be included in the tax base, the level of assessment, and the tax rate. Administration on the other hand becomes a problem in the way it handles valuation exercises, record keeping and collection of the property tax.

In USA the property tax is the primary local tax providing the major portion of independent local government revenue in forty-eight of the fifty states. Accordingly it is said in 1990 property tax provided more than 50 percent of total local tax revenue in all states. (Joan Youngman, March/April 1994).

Nevertheless Youngman discloses some of the problems associated with property tax collection. A recurrent asset tax can encounter resistance when it requires payment from an owner who has realized no increase in net wealth, either through property appreciation or income. Joan young man continues by saying property appreciation itself can present other problems. In times of rising market values, taxpayers' assessments may increase without any corresponding change in the income from which they pay the tax. Furthermore the assessors do not show any specialized academic background qualification in property valuation and tax administration to their positions. This problem is now revolutionalized by the use of computers programs known as Computer Assisted Mass Appraisal (CAMA) which calculates the market values of the assessed properties.

2.3 Research Gap

Previous studies have clearly shown ingredients which constitute to the effective collection of property tax. Such elements are identified as tax base (buildings, land), special tax rates, formal occupations, tax rolls and timely valuation assessment. It is stated that if buildings are clearly identified (whether residential or commercial) and special rates set for charging property tax are clearly known then property tax is likely to be collected smoothly. Further the studies disclose that LGAs must maintain registers of all deserved properties from which property tax can be instituted as well as the necessity of good plan of Cities and Towns.

In Tabora municipal Council there has been an endless outcry of low collection of property tax. The monthly and Annual financial reports have continuously indicating that budgets in the collection of property tax has never been attained despite various

efforts put forward to improve the source. This challenge has never been addressed by any study and this proposed seeks to fill in that gap.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Research Design

A research design is the conceptual structure within which research is conducted; it constitutes a blue print for the collection measurement and analysis of data. It is an outline of what the researcher will do. The research design includes specification of information required, designing the instruments, selecting the samples and analyzing the data. It is an action plan of how the research will be conducted.(Myula 2011).The research design of this study involved a cross sectional survey that involved employees who are in Operational scale, Middle cadres and Head of Departments working with Tabora Municipal Council where the study was carried out. Methods of data collection which were used mostly are questionnaire and in some instances interview was used too.

3.2 Description of the Study Area

Tabora Municipality is found in western part of Tanzania, it bears the Regional administrative centre of Tabora Region. It is located between latitudes 4° 52' and 5° 09' South and longitudes 32° 39 and 33° 00' East. Also it is located about 800kms west of Dar es salaam and about 320 kms east of Kigoma on the shore of lake Tanganyika. It is surrounded by Uyui District in the Western, Northern and Eastern parties and Sikonge District in the South. The town is linked by roads and rails to the other districts and other regions. The Town is accessible by roads as follows:-

- i. Tabora – Nzega – Shinyanga – Mwanza road
- ii. Tabora – Manyoni – Dodoma – Dar es salaam road
- iii. Tabora – Urambo – Kigoma road

- iv. Tabora – Sikonge – Rukwa road
- v. Tabora – Sikonge – Mbeya road
- vi. Tabora – Ulyankulu road
- vii. Tabora – Mambali – Bukene – Kahama road

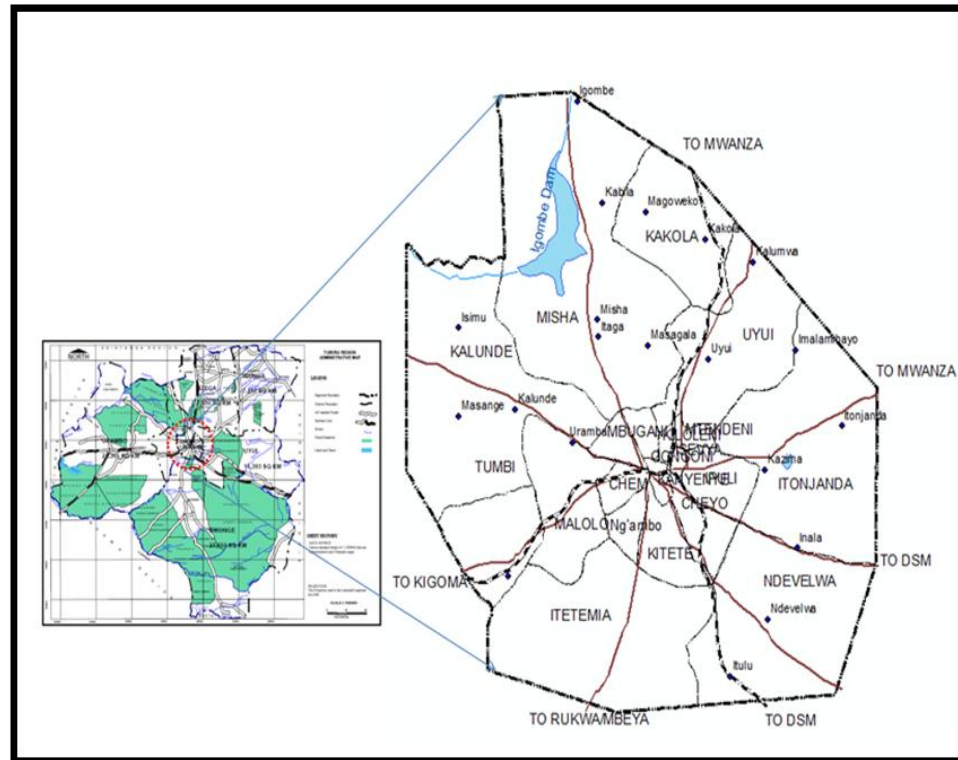


Figure 2. Map of Tabora Municipal Council

Source: TMC Profile

The town is also accessible by rail through Dar es salaam - Kigoma and Dar es salaam - Mwanza railway via Tabora. Moreover the Town is accessible by air through Tabora Air port. The inhabitants of the Tabora Municipal council are farmers and workers and petty business men. The Farmers cultivate staple crops such as maize and beans. The small group especially those who leave outside the town centre cultivates Tobacco, Sunflower and groundnuts as their cash crops. TMC

like many other LGAs was established with the intention of providing social services to its people whereby adequacy collection of revenues is essential to meet that purpose. According to financial reports read before the Finance Committee and Full Council the collection of property tax as the main source of the council has always been below the estimates despite the efforts put forward to improve the collection. That is why this study has selected TMC as the pilot council to find out the reasons behind this poor collection.

3.3 Data Requirements

Data requirements refer to the type of data that are needed during the collection of data to suit the enquiry. Primary data are those which are collected afresh and for the first time hence happen to be original in character. This study used both primary and secondary data. In primary data some of the employees were provided with structured questionnaires which covered the objectives of this study (i.e the challenges which are associated with effective collection of property tax) Secondary data on the other hand are the data which have already been collected by someone and being passed through the statistical process. Examples of this data are the ones we read in journals, books and files. For that purpose secondary data which was employed included various reports such as council financial reports, budgets, property tax valuation assessment, council bylaws and employees' qualification.

3.4 Population and Sampling Technique

Sampling is defined as process of obtaining information about an entire population by examining only a part of it while the population refers to the total of items about which information is desired. When dealing with samples the researcher normally

selects few items among many to suffice his study. (Kothari, Second Edition 2005). LGAs are comprised of two distinct groups of people i.e The employees with different professionals who are many in number and the councilors. This is the finite population from which a sample was drawn from. The study isolated 40 employees from different departments and 10 councilors who were chosen on random basis. This type of sampling is said to be the best because all elements in the population have an equal chance of being included in a sample (Fisher, Third Edition 2010)

3.5 Data Collection Instruments

In conducting research there are many collection instruments such as questionnaire, interview, focused group, observation etc. The issue is which one should be appropriate to answer one's research questions. This study based mostly on questionnaire and in some instances some of the staff members were interviewed on how the process of collection of property tax is normally administered in TMC. Some of the time was spent too by making observations on employees' attitude and morale of work.

3.6 Data Collection Techniques

This study based on structured questionnaire and interview as a means of collecting primary data. The research was centered on the challenges associated with collection of property tax. So the questionnaires were administered to three categories of people. The first category involved those who take part in management decisions. (Heads of Departments) The second category involved those who take the subordinates role in LGAs; this group included lower carder managers such as heads of sections (i.e. Revenue section, land valuation section, cartography section,

registry officers and office supervisor).The third group which was served with questionnaires was the councilors; these are the ones who are responsible for overseeing the management to ensure that the goals of LGAs are achieved. Goals of the LGAs will never be achieved if sufficient revenues are collected, efficiently and economically spent to meet development and recurrent expenditure. This is the core function of the councilors to act as foreseers.

3.7 Data Analysis

Data analysis is the process of evaluating data using analytical and logical reasoning to examine each component of the data provided. This form of analysis is just one of the many steps that must be completed when conducting a research experiment. In this study data scrutiny techniques were employed from collected questionnaires to detect errors before coding and data entry. After detection of errors data were coded and inputted in the SPSS program to provide output that was presented in format of tables, graphs and charts. SPSS gave output in terms of frequencies and percentages. The results of the study were presented using descriptive and inferential statistics.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction.

This chapter presents the research findings and analysis as well as interpretations of the analysis. The findings of the study are explained based on the collected, analyzed and interpreted data. The findings are illustrated in detail and explain how the study answers the research questions as well as the achievement of the objectives of the study.

4.2 Research Findings

4.2.1 Characteristic of The Sample

4.2.1.1 Experience with LGAs

Table 4.1 Respondents Experience with LGAs

		Frequency	Percent
Valid	BELOW ONE YEAR	3	7.0
	1-4 YEAR	6	14.0
	5-10 YEAR	14	32.6
	10 YEARS ABOVE	20	46.5
	Total	43	100.0

Source: Field data 2013.

Experience is an important factor in assessing the challenges facing local authorities in collection of property tax. Respondents who have worked with LGAS below one year amounted to 7% 1-4 years amounted to 14%.those that worked between 5-10 years accounted for 32.6% and those with experience more than 10 years accounted

for 46.5%. Therefore there is evidence that majority of the respondents had worked for a long time enough to be able to perform in the exercise of collecting property tax.

4.2.1.2 Level Of Education.

The level of education varies from one staff to another. According to the findings 2.3% is a primary level education, 16.3% is secondary level, 34.9% first degree and 7% are masters degree holders. The respondents' level of education brings assurance that the respondents were in position to understand and discuss issues relating to challenges facing local authorities in collecting property tax.

Table 4.2 Respondents Level of Education

		Frequency	Percent
Valid	1	1	2.3
	2	7	16.3
	3	12	27.9
	4	5	11.6
	5	15	34.9
	6	3	7.0
	Total	43	100.0

Source: Field data 2013.

4.2.1.3 Position Held by Respondents.

Respondents held various positions in TMC. The respondents were almost from each department in the council mostly those engaging directly in the exercise of collection of property tax. The Mtaa Executive officers constitute a large part of staff who collects property tax .

According to findings this group counts to 20.9% of the total respondents, Councilors were 6 (14%), Accountants were 4 (9.3%), Internal Auditors were 3 (7%), Community development officers were 5 (11.6%) and Ward Executive Officers were 5 (11.6%). Other respondents were equivalent to 2.3% came from Legal, Education, Agriculture and Municipal Planning Office departments. Respondents from other departments (Cartography section, Municipal Engineer's department, Water Engineer's department) were 7 constituting to 16.3%.

The WEO and MEO are the solely groups which have been given the task of collecting property tax each officer being assigned a fixed amount to collect and submit at every end of month. Table 4.3 shows the summary of findings on the position held by respondents.

Table 4.3 Position Held by Respondents.

		Frequency	Percent
Valid	Councilor	6	14.0
	Agriculture Officer	1	2.3
	Legal Officer	1	2.3
	Education Officer	1	2.3
	Town Planner	1	2.3
	Ward Executive Officer	5	11.6
	Others	7	16.3
	Mtaa Executive Officer	9	20.9
	Accountant	4	9.3
	Internal Auditor	3	7.0
	Community Dev Officer	5	11.6
	Total	43	100.0

Source: Field data 2013.

4.2.2 Propostion Testing.

In this section the data collected from the field were tested to find out the significance of propositions from the observations. The respondents were required to respond by filling in the questionnaire numbers as follows:1. Strongly Disagree 2.Disagree 3.Neither Agree/Disagree 4.Agree 5.Strongly Agree.

4.2.2.1 Proposition One. Human Challenges.

i. Employees Commitment has Positive Effect on the Efficiency of Collection of Property Tax.

Under this proposition the study aimed to uncover respondent's perception on the impact of employees who are not committed on the work of collection of property tax. The statement was set as follows; The municipal Council Staff responsible for collection of property tax are not committed enough to excel their duties efficiently. The results of findings show that among 43 respondents 6 people (14%) strongly Disagreed, another 6 people disagreed (14%), 8 respondents (18.6%) Neither agreed /Disagreed,15 respondents (34.9%) Agreed and 8 respondents (18.6%) strongly agreed. Table 4.5 below summarizes the information.

Table 4.4 Staff Commitment Affects Collection of Property Tax

		Frequency	Percent
Valid	1	6	14.0
	2	6	14.0
	3	8	18.6
	4	15	34.9
	5	8	18.6
	Total	43	100.0

Source: Field data 2013.

ii. Employees Academic Qualification has a Relation with Effectiveness of Collection of Property Tax.

In questionnaire respondents were required to fill in their level of education and the findings were presented in table 4.6. Among 43 respondents one respondent (2.3%) had attained a primary education level and those that had attained secondary level were 7 (16.3%), Certificate level were 12 (27.9%), First degree/Advanced Diploma were 15 (34.9%) Diploma level were 5 (11.6) and respondents with Master degree were 3 (7.0%). The leading education level is first degree/Advanced Diploma which means the municipal council has potential manpower to run efficiently the collection exercise of property tax.

Table 4.5 Comparison of Academic Qualification with Allocation of Duties.

		Frequency	Percent
Valid	Primary Level	1	2.3
	Secondary level	7	16.3
	Certificate	12	27.9
	Diploma	5	11.6
	First Degree	15	34.9
	Master Degree	3	7.0
	Total	43	100.0

Source: Field data, 2013.

Since it is proved that the TMC has potential staff with high qualification in different disciplines there is no reason why it should perform poorly in the collection of property tax.

iii. Employees Motivation has Effects on Collection of Property Tax.

The statement in the questionnaire which led the respondents to give their views on the motivation aspect stated as follows; Ineffective collection of property tax is

caused by absence of motivation scheme .The summary of respondents opinions to the above statement are as follows.(9.3%) strongly disagreed,(16.3%) disagreed,(9.3%) neither agreed/disagreed,(53.5%) agreed and (11.6%)strongly agreed.

Table 4.6 Lack of Motivation Affects Collection of Property Tax

		Frequency	Percent
Valid	1	4	9.3
	2	7	16.3
	3	4	9.3
	4	23	53.5
	5	5	11.6
	Total	43	100.0

Source: Field data 2013

The monthly salary is the one which adds value and recognition to an employee to work efficiently. Table 4.8 shows the number of days an employee of TMC stay with the monthly salary.

Table 4.7 Employee's Monthly Salary Satisfaction

		Frequency	Percent
Valid	5-10 Days	9	20.9
	11- 15 Days	14	32.6
	16-20 Days	10	23.3
	21- 30 Days	4	9.3
	Not Applicable	6	14.0
	Total	43	100.0

Source: Field data 2013

The summary of the table shows that 20.9% of respondents stay with their monthly pay for the first 5-10 days of the month,32.6% for the first 11-15 days,23.3% for the

first 16-20 days of the month and only 9.3% can stay with their salary for the remaining days i.e 21 to 30 days of the month. Another motivation stimuli which was tested is extra duty allowance. The study wanted to collect evidence on whether the payment of extra duty allowance could cause employees to be more efficient in their work. The results are summarized in table 4.8

Table 4.8 Extra Duty Allowance Paid to Employees

		Frequency	Percent
Valid	Seldomly	7	16.3
	I Am Not Paid	17	39.5
	Sometimes Iam Paid Sometimes Not	13	30.2
	Not Applicable	6	14.0
	Total	43	100.0

Source: Field data 2013

4.2.2.2 Proposition Two. Institution Challenges.

The proposition intended to test the regulatory frame work in place if at all affects the collection of property tax.

Table 4.9 Unenforceability of Council Bylaw

		Frequency	Percent
Valid	1	3	7.0
	2	4	9.3
	3	1	2.3
	4	26	60.5
	5	9	20.9
	Total	43	100.0

Source: Field data 2013

The first question on regulatory frame work stated that by law is not enforceable enough to make people pay property tax. The respondents opinions are summarized in table 4.9 where 7% strongly disagreed, 9.3% disagreed, 2.3% Neither agreed/Disagreed, 60.5% agreed and 20.9% Strongly agreed. The table summary shows that 60.5% of the total respondents agreed that the enforceability of the bylaw affect the level of collection of property tax.

Under institutional challenge the study wanted again to collect respondents view on the question of availability of data concerning buildings whether have any effect on the collection of property tax. The question was addressed as follows. Lack of tax rolls affect collection of property tax. The results are summarized in table 4.10

Table 4.10 Data Availability Affects Collection of Property Tax

		Frequency	Percent
Valid	1	3	7.0
	2	2	4.7
	3	6	14.0
	4	18	41.9
	5	14	32.6
	Total	43	100.0

Source: Field data 2013

From the summary of the table 4.10 respondents who agreed and strongly agree that data has a relative value on the collection of property tax constitute 74.5%. Question four was about the effects of political interference on the collection of property tax. Respondents were required to give their opinions on whether the political situation affects collection of property tax. The results are shown in summary form in table 4.11

Table 4.11 Political Pressure Affects Collection of Property Tax

		Frequency	Percent
Valid	1	1	2.3
	3	4	9.3
	4	25	58.1
	5	13	30.2
	Total	43	100.0

Source: Field data 2013

Table 4.11 shows that 2.3% strongly disagree, 9.3% disagree, 58.1 agree and 30.2% strongly disagree of the total respondents agreed that political interference does affect the collection of property tax.

Question six on the institutional challenges stated that application of tax rates based on flat rates reduces amount of property tax to be collected. The respondents were required to fill in their opinions in relation to the statement.

The results are summarized in table 4.12

Table 4.12 Flat Charge Rates Affects Collection of Property Tax

		Frequency	Percent
Valid	1	1	2.3
	2	5	11.6
	3	6	14.0
	4	22	51.2
	5	9	20.9
	Total	43	100.0

Source: Field data 2013

The summary of the table shows that 51.2% of the respondents agree that the flat charge rate has an effect on property tax collection.

Question ten on the institutional challenges required the respondents to give their views on whether willingness to pay tax depends on the ratio of public service delivery by the TMC.

Table 4.13 shows the comparison of the ratio of social services to property tax. 14.0% of the respondents strongly disagreed, 9.3% disagreed, 18.6% neither agreed/disagreed, 48.8% agreed and 9.3 strongly agreed. This means that most of the respondents (i.e 48.8%) almost half supports that the property tax payers can increase paying taxes if at all the TMC could increase the provision of social services to the inhabitants.

Table 4.13 Ratio of Service Delivery Vs Property Tax

		Frequency	Percent
Valid	1	6	14.0
	2	4	9.3
	3	8	18.6
	4	21	48.8
	5	4	9.3
	Total	43	100.0

Source: Field data 2013

Another question on institutional challenges was on whether improvement in people's perception and mindset on law and order can increase collection of property tax. The results of findings show that 2.3% of the respondents strongly disagree, 2.3% disagree, 9.3% Neither agree/Disagree, 53.5% agree and 32.6% strongly agree.

There was a question on working tools which the WEOS and MEOS as key staff in the collection of property tax use in their day to day follow-ups. The question was

set as follows; LGAS are lacking modern working tools as a result work becomes difficult and targets are not attained. The results of findings are shown in table 4.15

Table 4.14 Improvement of People's Attitude on Law and Order

		Frequency	Percent
Valid	Strongly Disagree	1	2.3
	Disagree	1	2.3
	Neither Agree/Disagree	4	9.3
	Agree	23	53.5
	Strongly Agree	14	32.6
	Total	43	100.0

Source: Field data 2013

Table 4.15 Lack of Working Tools

		Frequency	Percent
Valid	Strongly Disagree	2	4.7
	Disagree	1	2.3
	Neither Agree/Disagree	4	9.3
	Agree	22	51.2
	Strongly Agree	14	32.6
	Total	43	100.0

Source: Field data 2013

The summary indicate that 2 respondents 4.7% strongly disagree, 2.3% disagree, 9.3% Neither agree nor disagree, 51.2% agree and 32.6% strongly agree.

4.2.2.3 Proposition Three: Technological Challenges

This proposition intends to assess whether the usages of ICT impact the effectiveness of collection of property tax. In assessing the proposition five

questions were asked. For the purpose of analysis the researcher discusses four significant questions.

The first question intended to gather information on whether there is any impact for the council which has no database of properties as far as collection of property tax is concerned. Responding to the asked question 2.3% respondents strongly disagreed, 9.3% disagreed, 4.7% Neither agreed/disagreed. 41.9% agreed. 41.9% strongly agreed. Table 4: 16 shows the results.

Table 4.16 Absence of Data Base Affects Collection of Property Tax

		Frequency	Percent
Valid	1	1	2.3
	2	4	9.3
	3	2	4.7
	4	18	41.9
	5	18	41.9
	Total	43	100.0

Source: Field data 2013

The second question was concerned with valuation. The respondents were required to give their comments on whether valuation which is done manually has any effect on the collection of property tax.

Table 4.17 Manual Valuation Affects Collection of Property Tax

		Frequency	Percent
Valid	1	2	4.7
	3	3	7.0
	4	26	60.5
	5	12	27.9
	Total	43	100.0

Source: Field data 2013

In general, 4.7% of respondents strongly disagreed. 7.0% neither agreed /disagreed 60.5% agreed and 27.9% strongly agreed. Table 17 summarizes the results.

The third question was on the use of ICT. The question was set as follows. Knowledge of ICT can increase efficiency in collection of property tax. Among the 43 respondents 2.3% strongly disagreed, 20.9% disagreed, 46.5% agreed and 30.2% strongly agreed.

Table 4.18 Knowledge of ICT Affects Collection of Property Tax

		Frequency	Percent
Valid	2	1	2.3
	3	9	20.9
	4	20	46.5
	5	13	30.2
	Total	43	100.0

Source: Field data 2013

The last question intended to know whether TMC has a special soft ware which facilitates the production of bills/demand notes. The question was set as follows; the availability of software to produce bills/demand notes facilitates the collection of property tax to be done in time. Table 4.19 summarizes the findings.

Table 4.19 Bills Soft Ware Affects Collection of Property Tax

		Frequency	Percent
Valid	1	2	4.7
	2	1	2.3
	3	2	4.7
	4	14	32.6
	5	24	55.8
	Total	43	100.0

Source: Field data 2013

From the findings 4.7% strongly disagreed 2.3% disagreed, 4.7% neither agreed /disagreed. 32.6% agreed and 55.8% Strongly Agree.

4.3 Discussion of Findings

The purpose of this section is to discuss findings and show the rationale on whether the results of the findings match with the objectives of the study. The results in tables in previous sections with exception of two elements in the characteristic of the sample supports the specific objectives of the study which were aiming to find out whether human, institutional and technological challenges have any significance effect in the collection of property tax.

In the characteristic of the sample the study found that education background and experience are not the challenges at all in Tabora Municipal council. This is because most of the respondents who gave out their views have an experience of more than ten years (46.5%). This is enough experience which could make the collection exercise of property tax basing on experience to be worthwhile. The issue of education also is not a problem since most of the workers in the Municipal are holders of first degree/ advanced diploma and Master degree (41%).

Under human challenges the study examined basically staff commitment and reward system in place. The results showed that employees are not committed enough in discharging their duties. (53.5% of the respondents fell in the category of those who agreed and strongly agreed). Findings also showed that the question of reward system in place is not promising. Two motivating factors were tested ie monthly salary satisfaction and the payment of overtime. On the question of salary

satisfaction the cumulative percentage of respondents whose monthly salary satisfies for the first 20 days of the month reached 76.7%. This means for the rest of the days workers are busy scrambling on how to subsidize their meager pay. A finding on the payment of overtime is again worse. The cumulative percentage of respondents who are paid seldom and those who are not paid at all reached 55.8%. Some of the property tax collectors argued that if part of the collections were returned to them in form of overtime or honoraria they could work day and night to boost the collections.

Findings on institutional challenges show that all seven areas surveyed by the study supports the objective that the regulatory environment in place influences ineffective collection of property tax. The first variable tested was the role of bylaw in enforcing property tax payment. The table showed that 60.5% of the respondents agree that by law is not properly instituted to make people pay property taxes. When the respondents were interviewed on what actions the defaulters of property tax are taken they responded that since the inception of TMC only once the defaulters were taken to court of law and the collection boost up. Since then due to laxity to let the law take its course the collection has continued dropping tremendously.

The question of importance of data which forms tax base was seen also to have significant impact on the collection of property tax. 74.5 % of the respondents were in the category of those who supports the proposition that data is essential in collection of property tax. When interviewed some of the respondents argued that the property tax registers do not capture all buildings deserved for the payment of property tax. Further they added that the Municipal does not have a systematic and

regular strategy of registering additional buildings which were originally not in registers.

The question of Political pressure was also identified as an area which affects collection of property tax. Findings show that some of the councilors who are vested with powers as overseers of the council and as decision makers influence some of the decisions to be done in accordance with their discretion and not in accordance with the law. This is proved by 58.1% of the total respondents who agreed that political interference does affect the collection of property tax.

The study also revealed that the issue of flat charge rates has a relation with low collection of property tax. The research went further by interrogating the council Legal officer on whether the clause of flat rate in the by law has any impact on the collection of property tax. He positively replied that the rates are outdated and they need to be revised. However responding to the question of whether there is any effect on flat rate charges on properties 51.2% of the respondents agreed.

Findings from the enquiry on the ratio of service delivery against the property tax collection show that 48.8% almost half supports the property tax payers can increase paying taxes if at all the TMC could increase the provision of social services to the inhabitants in a proportion to the amount of property tax they are paying. Some of the respondents say that the principle of 'Quid pro quo' should apply.

Improvement in people's perception and mindset on law and order can increase collection of property tax. The results of findings show that 53.5% of the respondents agree that if people are consistently sensitized on the necessity to obey law and order there can be a progress on the collection of property tax. Councils are responsible in formulating policies, regulations, and orders which act as authoritative guidelines to bring social discipline and meaning to the people's daily life. Therefore people should consistently be reminded to obey orders and laws. The study has also revealed that lack of working tools influence in effective collection of property tax. 51.2% above half of the respondents agree that the working tools such as transport facilities and computers for property tax collectors are lacking there by affecting the whole exercise of administering collection of property tax. When interviewed the property tax collectors say follow-ups are normally done by personal bicycles and those having no such tools have to work on foot all way along. Moreover working tools such as computers could have simplified their work there by improving their recording as well as reporting.

On the other hand findings on Technological Challenges depict that the application of ICT impacts the effectiveness of collection of property tax where by the use increases efficiency and in applicability brings in efficiency in the collection of property tax. On the question of absence of data base 83.8% of the respondents agree and strongly agree that absence of data base have a significant impact on the collection of property tax. Furthermore the study collected the respondents view through interview question on the number of times the municipal has been updating data concerning property tax payers. The common answer was that the council has

no collective exercise of identifying the new buildings. In course of executing the duties if the collector happens to know the new finished building he/she can just add the new building in the register.

From the second question which was concerned with manual valuation 60.5% of the respondents agree that valuation which is done manually cannot give correct values of the buildings from which property tax collection could be instituted. The study collected also respondents' views on whether the municipal has made any valuation of property tax in recent years. The council valuer responded that according to office documents last valuation was done in 2002. Of course since 2002 to date it is a long duration in which a lot of buildings might have been built and finished and the council has no its values. This must affect the level of collection of property tax.

Knowledge of ICT was another area which drew attention of the study. Findings show that three quarters of the respondents (76.7%) agree and strongly agree that literacy in computer technology can add value in the collection of property tax. Through interview the study wanted to know whether the employees of TMC especially those who are engaged in the collection of property tax are computer literate. Most of the interviewees if not all replied to be computer illiterate. It is therefore obvious that employees who are directly related to the collection of property tax are lacking knowledge of ICT .This entails that most of the work is manually done hence affect the efficiency in collection of property tax.

Bills soft ware was studied too. The study found that Bills soft ware can increase the collection of property tax. The findings show that 55.8% of the respondents strongly agree that if there could be a soft ware to facilitate the production of bills and demand notes then collection of property tax could be enhanced. During the research period the researcher observed some of the demand notes being filled manually by one of the property tax collector.

Through interview the study also explored interviewees' opinion on how long does take for a person to prepare demand notes and dispatch to the payers. The interviewees re iterated that it is a time consuming exercise of which need to be done carefully so as to deliver correct bills. This therefore means if there could be a bills soft ware the work of preparing bills and dispatch time could take lesser time.

CHAPTER FIVE

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Summary of Findings

The purpose of this study was to investigate challenges that affect the collection of property tax. In order to achieve the objectives, qualitative research was undertaken to explain the purpose. Findings from the research reveal that staff commitment, motivation and misallocation of human resource are human challenges that affect the collection of property tax. Monitoring human challenges is crucial because it helps to understand the indicators of human factors which may result into weak collection of property tax. Human challenges can affect the collection of property tax either positively or negatively. Take for example if employees are committed the results will be attaining the organizational goals there by maximizing the collection to meet the budget. Contrary if the employees are not committed LGAs would not collect much to meet day to day expenditure.

Another challenge is on policies, regulations and laws that enforce the organization to carry its' routinely duties in orderly manner. In other words these are guidelines which help the organization to excel in its obligations. They must therefore be enforced to make sure that things keep on going. Matters in which LGAs fail are to carry its operations out of its policies, regulations and laws. By laws for instance are the guidelines which could have helped LGAs to maximize its revenue collections had it been put in practice. It is common to see defaulters of the bylaw being left out without being dealt with. If this habit continues LGAs will never be self reliant and the level of dependency to the central government will accelerate.

The political interference which is the order of the day in most LGAs does not pave way to sufficient collection of property taxes. Policy makers should be keen enough in whatever they decide on since irrational decisions costs much the survival of LGAs. The long period taken to update some clauses in the bylaws which sometimes are outdated? Example TMC is still using flat rates to charge for various property tax payers. In that way values of property taxes are understated hence affect the level of collection of property tax.

Property tax payers would on other hand expect to see the impact of paying property tax. They would for example expect to see the council extending community social services such as roads improvements, sewerage system, and water supply in their areas of living. Failure to supply such services tantamount to property tax payers boycott to pay their dues.

Last but not the least is technological challenges. The study findings have revealed that employees who perform the function of property tax collection are not ICT users. Hitherto LGAs like many other organizations have no way than encouraging every employee to be ICT user. The question of computer literacy should no longer be the issue of will but a must. There must be a policy in the council which requires every employee to be an ICT user.

A lot still need to be done in establishing data base for all property tax in the council as this has its advantages of making every data required to be readily available whenever needed. Notwithstanding the importance of establishing software for producing bills/demand notes as this too speeds up the information of indebtedness

of property tax payers and acts as a base for property tax collection. The issue of manual valuation cannot be left out to continue as it is an old method which should be replaced by Computer Assisted Mass Appraisal. CAMA is the method that does not require qualified staff to run but a matter of knowledge of computer application. Even a person with moderate qualification can apply it and arrive to accurate values of buildings.

5.2 Implication of the Results

Challenges in property tax collection have a significant implication since their existence retards sufficient collection of revenues accruing from it. In Human challenges the study discloses two human factors which hinder collection of property tax. The reward system in place does not convince property tax collectors to work harder to improve the collection thus affect the level of collection of property tax. Lack of motivation leads to another problem of lack of commitment to the property tax collectors. If employees are not committed in their work one would not find a good collection of property tax.

In institutional challenges the study depicts five factors that contribute much in retrogressive the property tax collection. These are absence of data, By law which is not enforceable, political interference, Ratio of service delivery vs property tax, flat charge rates and un availability of working tools. The results of findings show that the Tabora Municipal council does not have any reliable data on which the property tax could be collected from. Bylaw on the other hand is seen to have no enough power to force people pay taxes. The political pressure from the councilors in

interrupting management when trying to enforce the laws cannot bring sufficient collection of property tax.

The demand of proportionality of public service delivery against the property tax paid also is an obstacle to the collection of property tax. Property tax payers have in mind that the size of taxes paid by them should equal the amount of public service paid by the Municipal council otherwise they don't pay. In this perception no significant collection of property tax could be expected. The results of findings have again shown rates used to charge property tax is that basing on lat rates. This causes buildings having greater values to pay lesser amount thus affect the intensity of property tax collected. The results again show that staffs engaged in the collection of property tax have no working tools such as transport tools and computers. The absence of such tools create hardship in the working environment of property tax collectors thus affect the magnitude of collection.

The absence of bills software, database, manual valuation and low knowledge of ICT is purely indicative on how property tax collection cannot reach its targets. This is because some of the properties would be likely to be undervalued thus leading to low collection of property tax. In applicability of bills software and absence of data base altogether would create difficulties in arriving to proper and correct billings to be computed and delivered timely. Application of computer knowledge adds value to the council daily work. Therefore employees with computer myopia are burden to the council and would likely to be much ineffective and affect collection of property tax.

5.3 Conclusion

The aim of forming Local Government Authorities was to empower people to make decisions relating to their development in their areas of living through democratic process. In order LGAs to stand there must be a steady flow of income which would make planned activities take its course and make LGAs attain its objectives. The findings presented give light on number of interesting issues and lend empirical support to the propositions that were developed for this study. The objectives of the study were to identify and examine human, institution and technological challenges which affect collection of property tax. Previous studies identify a number of factors which had been causing low collection of property tax as narrowed tax base, embezzlement, poor administration, lack of administrative tax rates just to mention few.

This study has added that other factors which affect collection of property tax are narrated as inadequate of data, absence of software to prepare bills, valuation which is done manually, lack of staff commitment, and poor reward system in place again just to name few. Therefore the study has added a body of knowledge on the existing literature as to what other challenges are hampering the effective collection of property tax. The study urges that efforts must be established to combat these challenges so as to make LGAs collect much from this potential source and attain its set objectives.

5.4 Recommendations

The recommendations below are based on findings obtained in chapter four and situation that exist in LGAs. The following are some of the recommendations which

should be considered by LGAs in Tanzania.

5.4.1 Motivation Packages

LGAs must find ways of motivating staffs particularly those in lower carders so that they find themselves committed to work and accountable.. It has been noted that reward system between heads of departments and subordinates differs to a great extent thus discouraging subordinates to discharge their duties accordingly. LGAs employees especially those in lower carders should be given package which includes hardship allowances because they are working in difficult environments, risky environments and are the ones who have direct contact with the people/ community.

5.4.2 Adherence To Policies, Regulations And Laws

There are none adherence to laid down regulations, policies and laws. The bylaws, for example, provide a clause which requires property tax defaulters to be charged in court of law but it is very rare to find the defaulters face court charges. Further the bylaw requires property tax payers who fail to pay their dues in time to face penalty charges. Again it is not common to find those penalty charges being collected. LGAs should enforce the laid down policies, regulations and laws for the booming of the council.

5.4.3 Establishing Database and Bills Software

LGAs should now plan to work in a more scientific way to increase efficiency in its operations. The question of establishing data base where all the data concerning properties should be accessed is inevitable. Demand notes on the other hand cannot continue be produced manually because it is time consuming. The councils should

device systems to smoothen and speed up operations. This is the millennium for sciences and technologies let them be given room to operate.

5.4.4 Revising Bylaw

Bylaw is a working tool which guides the council lawfully in the collection exercise. It has some clauses which are outdated such as the charge rate which is based on flat rates and the penalties for defaulters which do not exceed ten thousand. There must be added some clauses which are a bit threatening to create fear to the defaulters.

5.5 Limitations of the Study

Financial resources were a major limitation of the study due to large operational area TMC covers. Some of the wards are 20 kms from the Municipal centre. Due to lack of funds it could not be possible to consider expanding my population sample to incorporate respondents who are far from the head office. Another area where the study faced obstacles was the voluntary release of data requested for. Some of the respondents were not ready to give some of the information required. Lastly among the 50 questionnaire supplied to different respondents only 43 questionnaire were returned ,7 questionnaire were not returned thus affected the scope of my sample from which data was expected to be collected.

5.6 Areas for Further Study

The study has shown challenges that affect LGAs effectiveness in collection of property tax. LGAs should attain desirable collections of its own revenues so as to reduce a degree of dependency of funds from the central government to run its operations. Therefore areas which should be researched for are the reasons why

councils are still dependent on central government despite the range provided to them to collect their own revenues.

Another researchable area could be on whether outsourcing can work out positively. Since LGAs incur a lot of costs in terms of resources (time and funds) in collecting revenues the issues of outsourcing the property tax collection could be researched to see as to whether it could be beneficial to the Council. Human resources manpower can be left with other important office matters to deal with.

REFERENCES.

- Asabor, Matthew .(2012). Property tax law complex to administer in Nigeria.
Accessed on www.tribute.com.ng/1503
- Cameron, D. L. (1999). Property Tax. Willamette University.College of law.Accessed on encyclo.findlaw.com
- De Cesare,Claudia M. (1999,volume 11 number 5). Challenges to property tax Administration in Porto Alge ,Brazil.Article number 5 volume 11 published On september 1999.
- Dele Olowu (2012) Property taxation and democratic decentralization in developing countries. Institute of social studies, the Hague, Netherlands.
- Dillingler, W. (1995). Urban Property tax Reform Guidelines and ecommendations. Urban Management and Municipal finance .The international Bank for reconstruction and development/The world Bank 1818 H Street,N.W Washington D.C.20433 USA PG 4&6
- Dr.Twerefou, Kwabena (2010) Property tax will sustain government's social Programmes. Accessed on www.ghanabusinessnews.com
- Fisher, C. (2010). Researching and writing a dissertation.An essential guide for business students. Third Edition.Prentice Hall.pg 208.
- Jay.K.Rosengard.(2012) The Tax Everyone Loves to Hate: Principles of Property Tax Reform.Harvard Kennedy School.
- Joan Youngman. (March/April 1994). Property taxation as a field of study. Introduction to legal issues in Property Valuation and Taxation , 3.

Kelly, R., & Musunu, Z. (2000). Implementing Property Tax Reform in tanzania.
Lincoln Institute of Land Policy.

Kitillya, H. M. (2011). Real Property TAX and Inequality.

Kothari, C. R. (2005). Research Methodology. Jaipur India: New Age International
(P) LIMITED .

Kothari, C. R. (Second Edition 2005). Research Methodology . New Age
International (P) Limited,Publishers.pg 152&153.

KUUSAANA,E.D (2010) Property Rating in Ghana: Procedures, Practices,
Challenges prospects in frame work of good governance –case of Wa
Municipality, Upper West Region-Ghana.

Malme, J. H., & Youngman, M. J. (2001). The Development of Property Taxation in
Economies in Transition. Lincoln institute of land Policy.

Musunu, R. K. (2000). Implementing Property Tax Reform in Tanzania. Lincoln
Institute of Land Policy.

Myula, G. (2011). Assessment of factors affecting internal control sysytem in LGAs.
Unpublished dissertation for Master in Business Administration University
of Dar-es- Salaam,2011.

Oserogho and Associates (2012) Property tax in Nigeria

REPOA (2009) May be we should pay tax after all.

REPOAFormative Process Research on the local Government Reform in
Tanzania.Project Brief no 2. chr.Michelsen Institute.(Retrieved on 25 th Sept
2012 from website <http://www.repoa.or.tz>).

Riël C.D. Franzsen (2002) Property Assessment for Rating Purposes in Southern and

East Africa: Present Status and Future Prospects. University of South Africa.

Robert Whaples 2010. (2010). History of property tax in the US.

Smolka, M. O.& Cesare, C. M. (2006). property tax.

W.Richard Scott. (2004). Contributing to a theoretical Research Program.Stanford University.

Webster dictionary www.personal.psu.edu/users/w/x/wxh139/paradigm.htm

retrieved on 02.oct .2012

APPENDICES

1:RESEARCH QUESTIONNAIRE (ENGLISH VERSION)

SECTION A: PERSONAL DETAILS.

Respondents personal Details. Please tick in appropriate box.

1.Age in years

20-30		30-40		40 above	
-------	--	-------	--	----------	--

2.Sex

Male		Female	
------	--	--------	--

3. Please indicate the highest level of education (tick the appropriate box)

Primary education		Secondary education		Certificate	
Diploma		Undergraduate/Advanced diploma		Phd/Masters degree	

4 Please indicate your designation in the council (Tick appropriate box)

Accountant		Treasurer		Agricultural Officer	
Land officer		Human Resource officer		Office Clerk	
Town planner		Municipal Economist		Procurement Officer	
Legal officer		Internal auditor		Others(please specify)	

5. Experience with Local government authorities (tick)

Less than 1 year		Within 1 to 4 years		Within 4 to 10 years	
More than 10 years					

SECTION B. Challenges in Collecting Property Taxes.

Human Challenges

6. When did you undergo on job training

1-2 years ago	
3-5 years ago	
6-7 years ago	
None of the above	

7. When you work on extra hours are you paid overtime

I am always paid	
Not paid	
Seldomly	

8. How many days does your monthly salary last in a month.

5-10 days	
10 -15 days	
15-30 days	

9. On the scale 1 to 5 show how you agree with each of the statement below by filling the number of your choice in a position chamber.

1= Strongly Disagree 2= Disagree 3= Neither Agree/Disagree 4= Agree 5= Strongly Agree

No	Description	position
1	In effective collection of property tax in LGAs is due to lack of motivation	
2	Most of the employees in LGAs lacks commitment and trust consequently low collection of property tax	
3	Some of the collections of property tax are not reported to the council due to malpractices.	
4	LGAs employee do observe organization ethics value	
5	High income disparity between top management (heads of department) and their subordinate discourages subordinate to execute their work effectively.	
6	Employees in LGAs have no sense of accountability in what they are doing	
7	Employees in LGAs work according to action plan	
8	LGAs employees are very punctual at work.	

Institutional Challenges

1	LGAs are lacking working tools to facilitate operations	
2	LGAs regulatory environment is not effective enough to make people pay property tax.	
3	The Bylaws for property tax are not enforceable to make people pay their dues.	
4	Political interference reduces willingness to pay taxes.	
5	Lack of tax rolls affect collection of property tax	
6	Application of tax rates based on flat rates reduces amount of property tax to be collected.	
7	Manual method used to produce bills makes the work to be cumbersome hence causes collection of property tax to delay.	
8	Social services become difficult to be ploughed back in areas characterized by slums thus people are reluctant to pay property tax.	
9	Flat rates for property taxes reduces amount of property tax to be collected.	
10	Willingness to pay tax depends upon the degree of public service delivery	
11	Improvement in people's perception of law and order can increase collection of property tax.	

Technological challenges.

1	Manual valuation impacts the real value of properties consequently affects the amount of property tax collected.	
2	Absence of data base for properties affect collection of property tax.	
3	Knowledge of ICT and its applications increases efficiency in collection of property tax.	
4	Software for preparing demand notes/bills can facilitate collection of property tax.	
5	Computer Assisted Mass Appraisal is not used in many LGAs consequently valuation of properties is not properly done leading to low collection of property tax.	

2.RESEARCH QUESTIONNAIRE (SWAHILI VERSION) DODOSO.

Sehemu ya kwanza

Taarifa binafsi za mdodoswaji.

Tafadhali weka vema katika chumba kulingana na jibu lako.

1. Umri wako (miaka)

20-30		30-40		40 na kuendelea	
-------	--	-------	--	-----------------	--

3.Jinsi

Mke		Mme	
-----	--	-----	--

4.Elimu yako

Elimu ya Msingi		Elimu ya sekondari		Cheti	
Diploma		Shahada ya kwanza/Stashahada ya juu		PhD/Masters Degree	

5.Cheo Chako.

Mh Diwani		Afisa Maendeleo		Afisa kilimo		Afisa elimu	
Afisa Ardhi		Afisa Utumishi		Karani		Afisa Mipango Miji	
Mwanasheria		Mkaguzi wa Nndani		Mgavi		Mthamini	
Mhasibu		Afisa Mtendaji Kata		Afisa Mtendaji wa Mtaa		Kazi nyingine (Itaje)	

6.Uzoefu wako wa kazi.

Chini ya mwaka Mmoja		Mwaka 1 mpaka 4		Miaka 4 hadi 10	
Zaidi ya miaka 10					

Sehemu ya Pili

Changamoto za kiutumishi. (Human challenges)

7.Ni lini ulipelekwa mafunzo ya kuongeza ujuzi wa taaluma yako?

Mwaka 1-2 iliyopita	
Miaka 3-5 iliyopita	
Miaka 6-7 iliyopita	
Sijahudhuria mafunzo ya kuongeza ujuzi	

8.Ukifanya kazi nje ya muda wa kazi unalipwa posho ya masaa ya ziada?

Nalipwa mara zote	
Nalipwa Mara chache	
Silipwi Kabisa	
Kuna wakati nalipwa kuna wakati silipwi	

9.Mshahara wako wa mwezi unakutosheleza kwa siku ngapi katika mwezi?

Siku 5-10 za mwezi	
Siku 10-15 za mwezi	
Siku 15-20 za mwezi	
Siku 20-30 za mwezi	

10.Kwa kipimo namba 1 hadi 5 hapa chini onyesha ni kwa kiasi gani unachokubaliana na maoni yaliyoorodheshwa kwa kuweka jibu lako la namba unayoona ni sahihi katika chumba.

1=Sikubaliani kabisa 2=sikubalini 3=sikubali /sikatai 4=Nakubali 5=Nakubali sana.

No	Maelezo	Kipimo
1	Ukusanyaji hafifu wa kodi ya majengo unasababishwa na watumishi kutokupewa motisha.	
2	Watumishi wanaohusika na ukusanyaji wa kodi za majengo hawawajibiki vya kutosha.	
3	Mwingiliano wa majukumu kwa watumishi wanaohusika na ukusanyaji kodi za majengo kunaathiri kasi ya ufuatiliaji na kusababisha makusanyo kuwa madogo.	
4	Wakusanyaji wa kodi za majengo ni waadilifu katika kazi yao kiasi cha kutumainiwa na Halmashauri.	
5	Tofauti ya kipato kati ya viongozi wa juu na watumishi wa kawaida katika Halmashauri kunakatisha tamaa watumishi wa kawaida kutofanya kazi zao vizuri.	

Changamoto za kitaasisi.(Institutional challenges)

1	Mfumo wa kisheria hauna nguvu za kutosha kuwafanya wamiliki wa majengo kulipa kodi za majengo	
2	Sheria ndogo ya Halmashauri inayoelekeza majengo ya makazi kulipiwa kodi kwa kiwango sawa (flat rate) ni tatizo linalopelekea kodi za majengo kukusanywa kwa kiasi kidogo.	
3	Mwingiliano wa kisiasa kwenye utendaji kunapunguza uhiari wa watu kulipa kodi za majengo	
4	Halmashauri ya Manispaa ya Tabora haina takwimu halisi za majengo yote ya makazi na biashara yanayotakiwa kulipiwa kodi za majengo hii huathiri kiasi cha kodi za majengo kinachopaswa kukusanywa.	
5	Juhudi ya usambazaji wa huduma za jamii ndani ya manispaa (mfano,huduma za maji,barabara, mitaro n.k) haishawishi watu kulipa kodi za majengo.	
6	Vifaa vya kufanyia kazi (mf.usafiri,compyuta) kwa wakusanyaji wa kodi za majengo havitoshelezi na hivyo huathiri ukusanyaji wa kodi za majengo.	
7	Uboreshaji wa mtizamo wa watu kuhusu manufaa ya kulipa kodi za majengo kwa hiari unaweza kurahisisha ukusanyaji wa kodi za majengo.	

Changamoto za kiteknolojia.

1	Kukosekana kwa hazina ya takwimu (data base) inayohusu majengo ya makazi na biashara kunakwamisha utoaji wa bills na kiwango kinachotakiwa kukusanywa kwa kila mwaka.	
2	Uthaminishaji wa majengo wa njia ya kawaida (manually) hautoi thamani sahihi ya majengo ya makazi na biashara .	
3	Ujuzi katika teknolojia ya habari na mawasiliano unaweza kuongeza ufanisi katika ukusanyaji wa kodi za majengo.	
4	Ukosefu wa vifaa vya kisasa vya kufanyia tathmini ya majengo na kufanyia usolovea (surveying tools) kunaathiri thamani halisi ya majengo na kupunguza kiasi cha kodi za majengo kinachokusanywa.	
5	Kukosekana kwa sera ya matumizi ya teknolojia ya habari na mawasiliano katika mamlaka za Halmashauri kunaathiri kasi ya utendaji kazi mbalimbali kwa watumishi.	

3.INTERVIEW GUIDE

1. Who are involved in the collection of property tax?
2. Do they have enough knowledge on property tax issues?
3. Does poor collection of property tax a result of lack of motivation to property tax collectors?
4. If property tax payers do not pay their dues what action does the municipal take?
5. For how many times have the property tax defaulters taken to court?
6. Do the flat rates applied in the property tax payment have any impact on collection of property tax?
7. Are the employees of TMC especially those who directly related in the collection of property tax have knowledge of computer applications?
8. How long does it take to prepare demand notes /bills?
9. When did the last valuation of properties take place?
10. Do all deserved buildings for property tax collection recorded in the tax rolls/registers?
11. How many times in a year does the update of data concerning properties done to accommodate the most recent finished buildings?
12. Are the property tax registers inspected to check the accuracy of recording hence minimizing collusion?

13. What is your opinion on the staff commitment in executing their duties as far as collection of property tax is concerned?
14. Do you think there could be any change in the collection of property tax if people are mobilized on the necessity to obey law and order?
15. Does the employer provide you working tools such as transport, computers etc

4.INTRODUCTION LETTER.**Questionnaire covering letter.**

Dear respondent,

RE: REQUEST TO RESPOND TO THE QUESTIONNAIRE.

Refer the heading above.

I am mr Muzanye Costa T.N, MBA student of the open University of Tanzania currently undertaking research as a partial fulfillment for the award of Master Degree in Business Administration. I kindly request you to fill in the questionnaire attached with this letter.

My research topic is to Investigate Challenges Affecting Local Authorities in collecting Property Taxes in Tanzania the case of Tabora Municipal Council.

The study is for academic purposes only and I assure you that, all information you provide will be treated confidential and shall not be used in any other way not intended.

Thank you for offering your time in filling the questionnaire.

Yours obediently,

Muzanye, Costa. T.N

Student