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Effectiveness of Tax Revenue Collection Strategies to the Performance of Local Government Case Study Musanze District (2016 – 2018)

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Abstract

The study explores the effectiveness of tax revenue collection strategies to the performance of local government case study Musanze District. Musanze District embarked on extensive implementation of various tax revenue collection strategies in its operations. Implementation of tax revenue collection strategies was supposed to improve its organization structures, supporting vulnerable groups, offering needed services, developing teamwork among management and staff new approaches to reward management and adaptation of total quality management. The influence of various tax revenue collection strategies on tax revenue collection has not been investigated. The purpose if this study is to establish the effectiveness of tax revenue collection strategies to the performance of local government case study Musanze District. The descriptive research design was adopted with focus on qualitative and quantitative characteristics of tax revenue collection strategies in Musanze District with regard to enhancements of tax revenue collection. The target population was the staff of Musanze District. Although there are 453 employees with simple size of 82 employees. In this research, data was collected using a questionnaire which was distributed to the respondents from the departments related to the tax revenue collection, this it is to say District executive secretary, administration, finance, planning and sector department. Data analysis was done using a regression analysis. First, data was collected, cleaned, sorted and collated. All the data was matched and coded to maintain the temporary employee's confidentiality. Then, it was entered in a computer, after which analysis was done. Descriptive statistic in the form of pie charts, contingency tables, and bar graphs was used to describe the data. The study concludes that recruitment of taxpayer had 56(73%), filing and payment of tax 53(69%), improving of compliance 61(79%), managing of tax arrears 53(69%), enforcement of non-filers and non-payers 54(70%), de-registration of taxpayers 62(81%) and access tax laws and publication fell to 55(71%) led to increase the effectiveness of tax revenue collection strategies in Musanze District and they contributed in the efficiency delivery of public services. Finally the study revealed that there was relationship between tax revenue collection strategies and the performance of local government, especially Musanze District.

Keywords: Effectiveness, Tax revenue, Strategies, Performance and Local government.

INTRODUCTION

1.1 Background of the study

Currently, many local governments in developing countries face the near-impossible task of funding the infrastructure and services required to meet the basic needs of growing urban populations, while forward-looking capital investments are not possible for financial reasons. Local financial management frequently suffers from lacking technological infrastructure and capacity, and opportunities for revenue generation are often restricted by inadequate regulatory frameworks or disadvantageous political structures. Lagging public-sector spending takes a toll on urban efficiency and local economic activity, creating a vicious cycle of budgetary shortfalls, choking urban conditions, and economic stagnation (UN-Habitat, 2015a).

However, strategic governance and financing systems can provide hope for struggling local governments. There are opportunities for matching local needs with institutional frameworks and revenue-generation tools. Appropriate financial management can tap into strategies that improve efficiency of revenue collection, win public support, capitalize on urban and regional economies of scale, curb land speculation and sprawl, incentivize economic activity, and improve urban affordability for the poor. The resulting budgetary improvements can allow municipalities to make strategic investments in their cities, stimulating a virtuous cycle of growth, revenue generation, and prosperity (UN-Habitat, 2015b).

In Rwanda The Fiscal and Financial Decentralization Policy (FFDP) was adopted as a mechanism to achieve the general objective to provide local administrations with adequate resources and the necessary resource mobilization powers to implement their decentralized functions such as to develop an efficient and sustainable resource mobilization base for local communities, provide the resources for a balanced and equitable local development process, strengthen transparent planning and management capacity of the local level using a participative approach; match funding to responsibilities to allow for adequate levels of resources to LGs to carry out devolved functions, provide incentives for good performance and enforcement of conditionalities for LGs to increase and enhance performance in the provision of local service delivery and to entrench participative and accountable approaches in the decision-making processes (MINECOFIN, 2011a).

The Government of Rwanda is committed to accelerate economic development, by becoming a middle income country by 2020, and reduce external economic dependency through attracting foreign direct investments and improving internal capability. Local governments also must take the strategies to achieve their objectives. To realize that the tax revenue collection strategies were needed to arrive to their performance which is purpose of this study through to the judgment of respondents in Rwanda (MINECOFIN, 2011b).

1.2 Problem statement
Local revenue of Musanze District from various sources such as trading license, rental income tax, property tax, fines, penalties, market fees, parking fees, and others in order to carry out service delivery for its residents, expenditure on service delivery for its local population both at district and lower local government remains very low. In the two fiscal years, the Musanze District had not achieved the target: in the fiscal year of 2015-2016, the achievement was 1,277,072,888 Rwf instead of 1,548, 238,660 Rwf tax revenue targeted and 1,397,134,681 Rwf of collection instead of 1,548,238,660 Rwf of tax revenue targeted for the fiscal year 2016-2017. Thus, in the first year the realization was 82% and 90% for the second year. The failure of these realization are related to the different reasons, among them were subject of this study (MUSANZE DISTRICT, 2019).

The problem relates to the tax collected does not rely with potentiality of tax bases in Musanze District but with the tax revenue collection strategies used in dairy activities of local revenue collection. The problem was "How can achieve the target of tax revenue collection and the objectives assigned by Musanze District?". The tax revenue collection strategies which set can contribute effectively and efficiently to the achievement of target in all sectors of activities in local government like economic infrastructures and social infrastructures. To achieve the goals assigned to the Musanze District and have a good performance, the tax revenue collection strategies must be set. The recruitment of taxpayer, filing and payment of tax, management of tax arrears, de-registration and accessibility and applying the tax laws and publications are the strategies which lead to correct more taxes in order to finance Musanze District budget. Thus this has instigated this research to find out the tax revenue collection strategies are effective to affect the performance of local government especially Musanze District.

1.3 Research objectives
In this study, the research objectives were general and specific objectives:

1.3.1 General objective
General objective is to establish the effectiveness of tax revenue collection strategies to the performance of local government in Rwanda, especially in Musanze District.

1.3.2 Specific objectives
To assess the tax revenue collection strategies in Musanze District from 2016 to 2018;
To identify the indicators of performance of local government in Musanze District from 2016 to 2018;
To analyze the relationship between tax revenue collection strategies and performance of local government in Musanze District from 2016 to 2018.

1.4 Research questions
What are the tax revenue collection strategies were used in Musanze District from 2016 to 2018?
What are the indicators of performance of local government were used in Musanze District from 2016 to 2018?

What are the relationship between tax revenue collection strategies and performance of local government in Musanze District from 2016 to 2018?

1.5 Research hypotheses

Registration of taxpayers, training of taxpayers and staff in charge of collection, filing and payment of taxes, management of tax arrears, reducing of expenses are the tax revenue collection strategies in Musanze District.

The indicators of performance of local government used in Musanze District are increase of tax revenue collection, development of infrastructure, accountability, efficiency of resources, satisfaction of employees, goals attainable.

There is a positive relationship between tax revenue collection strategies and performance of local government in Musanze District.

1.6 Choice of the study

This study was invaluable to a number of stakeholders. Moreover, tax revenue collection strategies and performance of local government were debatable variables in the taxation literature but also it helps the future researchers' knowledge. It helped the researcher to know tax revenue collection strategies, the nature and the indicators of performance of local government.

The study reveals how the level of the tax revenue collection strategies among local governments affects performance of decentralized authority's decision. Tax revenue collection strategies are essential as it minimizes the local government costs, and ensures reliable revenue collection to finance local government expenditures. The tax local authorities formed the basis of assessing, the efficiency in collection of taxes, based on the how it promotes tax revenue collection strategies. The local authorities were understood that knowledge on tax matters was essential for them as it helped them to maximize tax revenues as well as smooth running of their responsibilities to serve the citizens.

Finally, this study was adding knowledge on how tax revenue collection strategies relates to the performance of local government and it was also helped the researcher to partially fulfill academic requirements for the award of a Master's degree in Science of Taxation.

The choice of the research was very advantage, because the researcher finds out that the intention of exploring the rationale of tax revenue collection strategies influencing performance of local government in Rwanda.

1.7 Concept framework model

The conceptual framework concerned both independent and dependent variables that show the empirical relationship between tax revenue collection strategies and performance of local government in Rwanda.
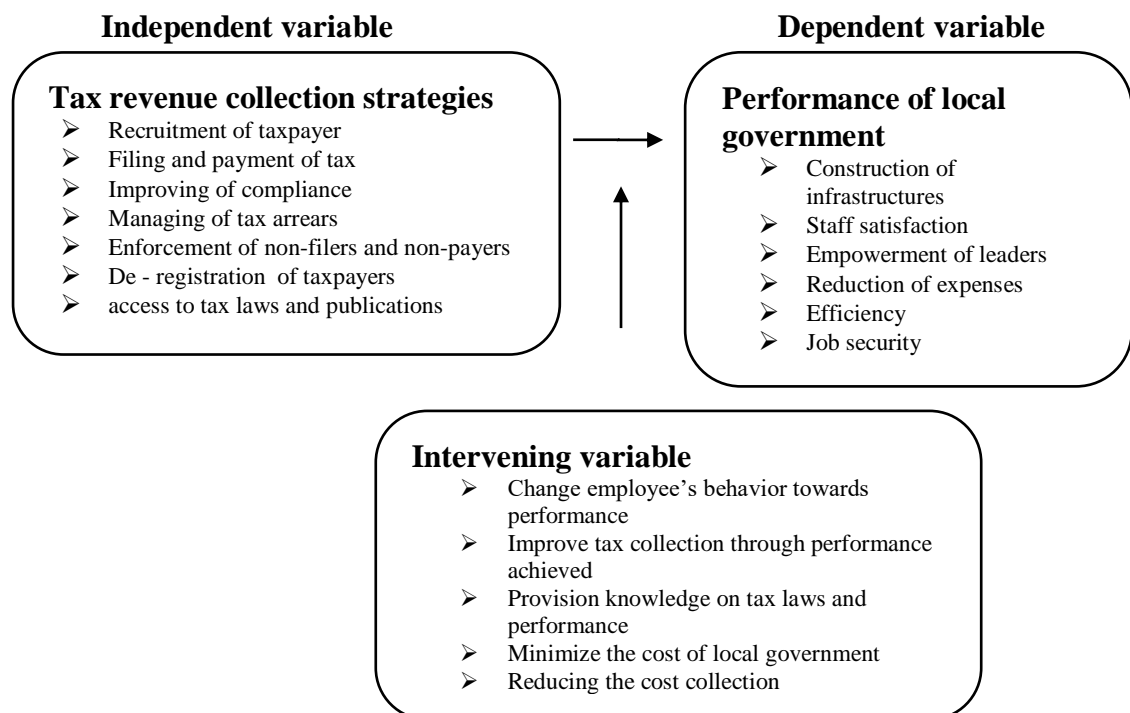
Independent variable

Dependent variable

Tax revenue collection strategies
➢ Recruitment of taxpayer
➢ Filing and payment of tax
➢ Improving of compliance
➢ Managing of tax arrears
➢ Enforcement of non-filers and non-payers
➢ De - registration of taxpayers
➢ access to tax laws and publications

Performance of local government
➢ Construction of infrastructures
➢ Staff satisfaction
➢ Empowerment of leaders
➢ Reduction of expenses
➢ Efficiency
➢ Job security

Intervening variable
➢ Change employee's behavior towards performance
➢ Improve tax collection through performance achieved
➢ Provision knowledge on tax laws and performance
➢ Minimize the cost of local government
➢ Reducing the cost collection

Figure 1: Concept Framework model

This concept framework model is a diagrammatical representation showing two variables are related. This figure shows the conceptual framework to this research indicating the independent" tax revenue collection strategies", dependent "performance of local government" and intervening variables. However, the relationship between these variables is moderated by the external variables or intervening variables.

1.8 Organization of the study

The research work is divided into five chapters:

Chapter one is the general introduction which covers the background of the study, problem statement, objectives of the study, research questions, research hypotheses, justification of the study, study delimitation, significance of the study, research methodology, conceptual framework and the organization of the study.

Chapter two concerned with literature review which focused on the definition of concept, theoretical framework, it concerns what authors had written related deeply review the research study. Chapter three is focus on area of the study and the methodology to use research design, sampling and techniques of data collection and weaknesses encountered.

Chapter four reported the results and discussed about the findings. Chapter five provided the conclusion and recommendations.

2. LITERATURE REVIEW

2.1 Effectiveness

Effectiveness, refers to the maximum extent production functions are able to fulfil and meet the demands and requirements of the customer. Efficiency, on the other hand, is assessing and evaluating how the resources of an organization are economically utilized through the accomplishment of functions to achieve its objectives. Quantitatively, performance and the dimension of scale are interrelated, i.e., it is generally quantifiable in different dimensions. As an example, the performance level can be expressed as a percentage or an absolute value in a way that makes it easy to understand for directors. The quantitative expression of performance targets is the only way to render them meaningful. Furthermore, performance refers to the nature and quality of an action performed in a company to achieve the accomplishment in its primary functions and tasks to produce profit (Jenatabadi, 2015).

2.2 Tax revenue

Tax revenue is defined as the revenues collected from taxes on income and profits, social security contributions, taxes levied on goods and services, payroll taxes, taxes on the ownership and transfer of property, and other taxes (Mascagni et al., 2014).

2.3 Strategies

In ancient Greek, "stratos" was the term for the army and so in military terms, "strategy" referred to "the act of the general" so a strategy is some sort of future plan of action, undertaken by senior management at a high level of abstraction. There is a need in modern times for strategies to achieve agreed goals and objectives, giving a sense of purpose and direction to the organization, because of recent technological and social changes and competition from rival organizations. A strategy is the mediating force or "match" between the organization and the environment (Hofer & Schendel, 1976).

2.4 Performance

Considering performance as a theme that repeatedly occurs in paradigms of management. Strategic and operations management are also included in performance, a feature that attracts the interest of both practicing managers and academic scholars. Performance, therefore, can be defined as the evaluation of the constituents that try to assess the capability and ability of a company in achieving the constituents' aspiration levels using efficiency, effectiveness, or social referent criteria (Jenatabadi, 2015).

2.5 Local government

Local government refers to a sub-entity of government which is legally recognized and created to deliver a range of specified services to a relatively small geographically defined area, local governance is considered as a system of managing local affairs that has been defined differently depending on the contextual situation considered (Sellers and Lidström, 2007).

In the context of Rwanda, the decentralization policy, defines local government as type of government where citizens manage affairs of their locality. Any local governance is characterized by the normative recognition of the role and the voice of the community and other local organizations including civil society, private sector and other relevant groups. It is mandated to deliver local public services and to promote local economic development (MURASI, 2018)

3. METHODOLOGY OF STUDY

This section includes the methodologies used within the research to collect and analyze the data. The research Design, source of data, Techniques of data collection, study population, sampling techniques, sample size and Data processing and analysis were their components.

3.1 Research design.

According to Saunders et al. (2009) research design as a careful systematic study or investigation in some field of knowledge, undertaken to establish some facts or principles. He further stated that, a research design is total plan a researcher uses so to assist in answering the research questions. Descriptive research design used with questionnaires as the tool to collect data, where both quantitative and qualitative data approach concerned in conducting this research about tax revenue collection strategies on performance of local government which indicate the effectiveness of tax revenue collection strategies to be applied in local government (Saunders et al., 2009).

The researcher employed descriptive research design to describe the phenomenon as it exists, comparative research design to compare local revenue collection and service delivery in Musanze District, associational research design to get the causal effect and the relationship between local revenue collection and service delivery in Musanze District.

3.2 Sources of data

In conducting this research, the data was gathered from both primary and secondary data sources. During collecting data, a researcher has based on sources to collect the appropriate data as well as primary and secondary data (Grawitz, 2001).

3.2.1 Primary data

Primary data refers to data observed or collected from first-hand experience original data collected at the source and compiled for the purposes of this research study. This was collected from the self-administered questionnaires (Newing, 2011).

3.2.2 Secondary data

This is data that was extracted from existing literature for example internal accounting reports, monthly financial reports, annual reports, audited reports, district/sub country final accounts manuals, annual budget proposal and the background to the budget (Sanders & Thornhill 2007).

3.3 Techniques of data collection

The researcher used questionnaires to collect data structured and short forms of questions were extended to respondents which needed short and precise answers. Questionnaires are short form of questions designed and distributed to respondents requiring them to fill short and precise answers about the subject under study short and for the case of the researcher it was local revenue collection and service delivery in the local government, a case study of Musanze district.

Questionnaire techniques: The techniques of questionnaire are the way to administrate questions to the inquired people. Thus, according to Strydom (2015) the questionnaire is document on which is noted the answers or the reactions of determined. By collecting data about personnel, the researcher has used two kinds of questions. The closed questions demanded to the inquired people to choose among proposed answers by the investigator. They make it easier for understanding; reduce confusion in reading and answering the questionnaire by respondents. The opened questions in which the inquired people answered freely by formulating the replies considering their points of view.

3.4 Study population

The population that was surveyed to achieve the research objectives include the staff work at Musanze District level (1 Executive secretary, 1 Division manager at District level, 1 Director of planning, monitoring and evaluation at District level, and 4 staff of finance department) and staff work at sector level (15 Executive secretaries, 15 land officers, 15 accountant officers, 15 staff in charge of business and 15 staff in charge of revenue for all sectors).

3.5 Sampling techniques

It is not easy for the researcher to investigate the whole population; a sample is there for deemed necessary. A sample is a portion of the population selected to achieve the objectives of the research (Sekuran & Bougie, 2011). About the sampling technique, the researcher used the segment sampling which should provide a great contribution in the research. Due to the sake of simplicity in researching, the purposive sampling technique was used to select respondents. According to the Kothari (2004), purposive sampling technique is a technique whereby the researcher uses his/her own judgement about which respondents to choose and picks only those who can best meet the purposes of study. Thus, the mentioned technique was used in this study.

3.6 Sample size

A sample size is the number of people or objects in the sample. A simple size is a small group of cases drawn from and used to represent the large group or whole population under investigation. The sample size based on employees of

Musanze District with respect variables as independent" tax revenue collection strategies" and dependent "performance of local government" a researcher found out the results from selected respondents among employees population equal to the 82 employees drawn from the total population of 453 employees of Musanze District. The simple size is determined by using Slovin's formula where (Slovins, 2021):

N= Total population
n = sample size
e = margin error (10%)
$n=N/(1+N(e)^2)$
$n=453/(1+453(10\%)^2)=453/5.53=82$

A sample of 82 respondents was identified to fill the questionnaires. These were comprised of 7 employees worked at District level and 75 employees worked at sector level.

Table 1: Showing sample size

Employees of Musanze District	Total population	Sample size
Staff of Musanze District worked at District level	67	7
Staff of Musanze District worked at Sector level	386	75
Total	453	82

3.7 Data processing and analysis

The study used qualitative and quantitative techniques in analyzing the data. After receiving questions from the respondents, the responses were edited, classified, coded and tabulated to analyze quantitative and qualitative data using regression model analysis. The package used to determine frequencies in order to discover the degree of occurrence between two variables; the outputs were presented in frequency, percentages, tables and graphs. The following section presents the steps involved in data analysis analyzed using the filled-in questionnaires were edited for uniformity, the questionnaires with different questions include both close ended and open ended questions (Mugenda & Mugenda, 2003). Thus the descriptive, the statistical analysis, regression model and analytical research methods were used in this study.

3.7.1. Data processing

This was done using editing and tabulation. Editing was done to detect and eliminate errors and identifying vital information that was relevant in coding and tabulation. Tabulation involved the use of statistical techniques like use of percentages and tables to test significance of the data from which meaningful interpretation was drawn. Classification was also used. This is where data was classified for example according to age bracket, responses from respondents and marital status among others. For example respondents above 18 years were classified together in one class (Bryman & Cramer, 2012).

3.7.2 Data analysis

According to Cooper and Schindler (2011), the analysis of data allows the researcher to organize the data collected during the study in order to assess and evaluate the findings to arrive at some reasonable, valid and relevant conclusion. Thus, the data was collected, and analyzed using regression model in order to examine and determine degree of relationship between local revenue collection and service delivery in local government case study of Musanze district.

4. PRESENTATION AND DISCUSSION OF FINDINGS

4.1 Response rate

The response rate of the study was determined to assess the exact number of respondents who participated in the study from target sample size of 82, the researcher managed to access 77 and the results are presented in the table below:

Table 2: Questionnaire distributed and received

Questionnaire distributed	Questionnaire received	Response rate
82	77	93,9%

The researcher distributed 82 questionnaires to the respondents and out of these, 82 questionnaires in total were returned representing a 93,9% response rate as indicated in the table above. This shows that majority of the respondents responded and this improves the reliability of the data collected.4.2.1 Respondents by sex.

This was to establish the number of female and male respondents who took part in the study.

The figure below shows the distribution of respondents by their gender.
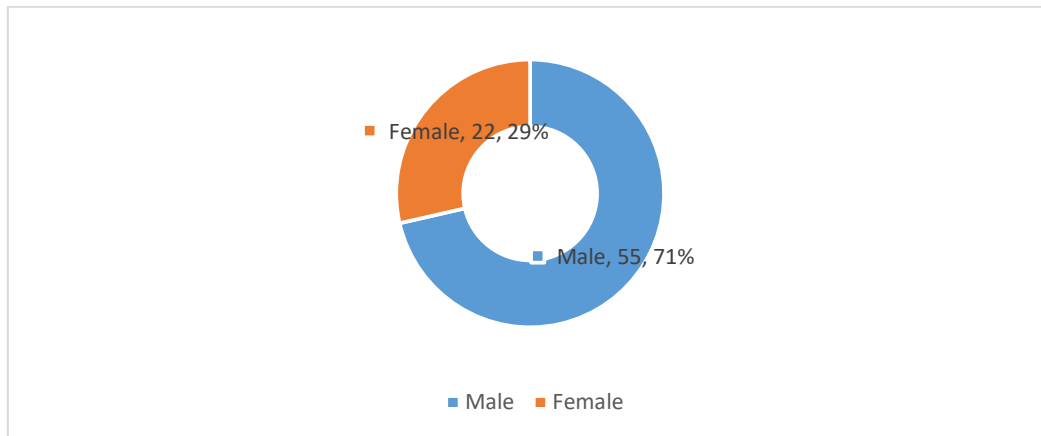
Figure 2: Gender questionnaire distribution to the respondents

The figure above shows that majority (71%) of employees respondents were males while 29% were females. Even though the study could not achieve a 50/50 percent gender representation, the views of both genders were represented in this study.

4.2 Respondents by marital status
This section sought to determine the marital status of the respondents under study. This was to show those employees respondents who were single, married, divorced and widowed.

The findings are presented in figure below.
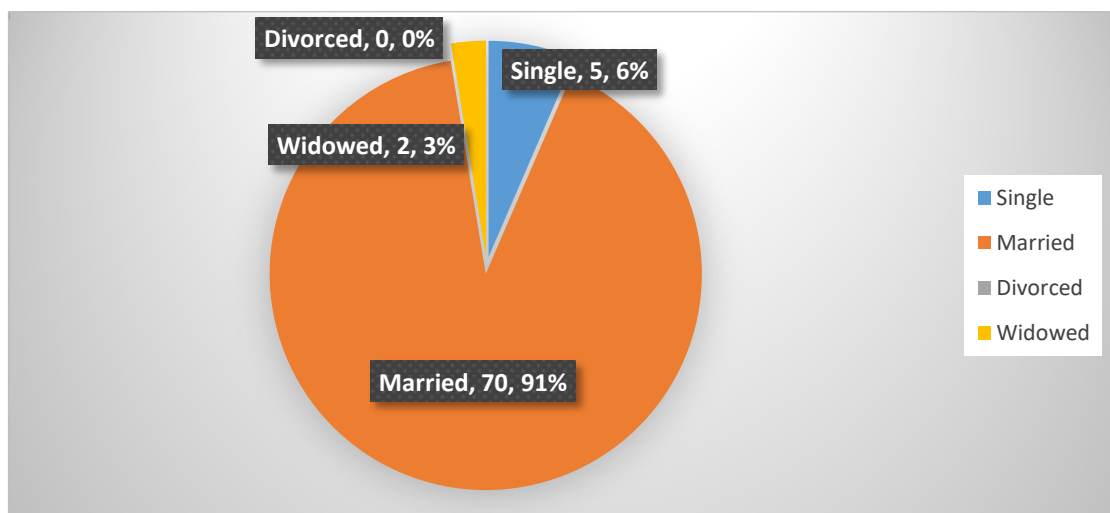
Figure 3: Marital status of respondents

The figure above shows that majority 91% of the employees respondents at Musanze District were married, 6% were single while 3% were widowed. In those respondents, there was no respondent divorced.

4.3 Respondents by age group
This establishes the age distribution of staff of Musanze District.
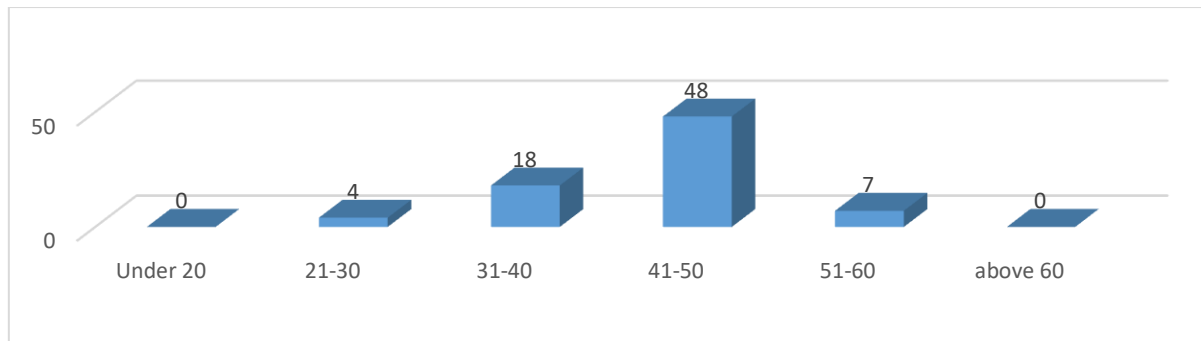
Figure 4: Distribution of questionnaire by age group

The study shows that 62% of the respondents were between the ages of 41-50 years while 23% were between 31-40 years of age. Majority of the respondents fell in these two age groups, this shows that the employees are experienced and are capable of coming up with education programs and other sensitization strategies to employees towards enhancement of efficiency in tax revenue collection. Only 7% of the respondents were between 51-60 years of age while 4% were between 21-30 years of age.

4.4 Information on effectiveness of tax revenue collection strategies
This was to determine the extent in which the employees' respondents responded on various statement on tax revenue collection strategies.

4.4.1 Extent on measures of reduction the problem of tax revenue collection
The study was revealed the rate of extent on measures of reduction the problem of tax revenue collection. The table below shows the information acquired in the period of investigation as indicated.

**Table 3: Measures related to the effectiveness of tax revenue collection**

Measures taken	Level of effectiveness								Total (N)	Total (%)
	To a large extent		To some extent		To a small extent		Not at all			
	Freq	Perc (%)	Freq	Perc (%)	Freq	Perc (%)	Freq	Perc (%)		
Recruitment of taxpayer	56	73	21	27	0	0	0	0	77	100
Filing and payment of tax	53	69	24	31	0	0	0	0	77	100
Improving of compliance	61	79	16	21	0	0	0	0	77	100
Managing of tax arrears	53	69	24	31	0	0	0	0	77	100
Enforcement of non-filers and non-payers	54	70	23	30	0	0	0	0	77	100
De-registration of taxpayers	62	81	15	19	0	0	0	0	77	100
Access tax laws and publication	55	71	22	29	0	0	0	0	77	100

The study revealed that majority of respondents agreed with measures taken related to the reduction the problem of tax revenue collection. The measures taken were accepted by the respondents at the percentage exceed 69%. All measures had a large extent at the level of effectiveness to reduce the problem of tax revenue collection. Recruitment of taxpayer had 56(73%), filing and payment of tax 53(69%), improving of compliance 61(79%), managing of tax arrears 53(69%), enforcement of non-filers and non-payers 54(70%), de-registration of taxpayers 62(81%) and access tax laws and publication fell to 55(71%). None respondent was agreed with small extent of level of effectiveness as shown by table above. This mean that the application of those measures lead the local government to the tax revenue maximization. This is confirmed by Muturi & Kiarie (2015b) one way of meeting its objective is to improve tax compliance by enhancing tax collection, compliance with filing of tax returns and bringing more taxpayers into the tax bracket through recruitment and registration of taxpayers.

4.4.2 Affectation of tax revenue collection in Musanze District
Basing on the data obtained from the field, findings related to this section are summarized in the following figure.
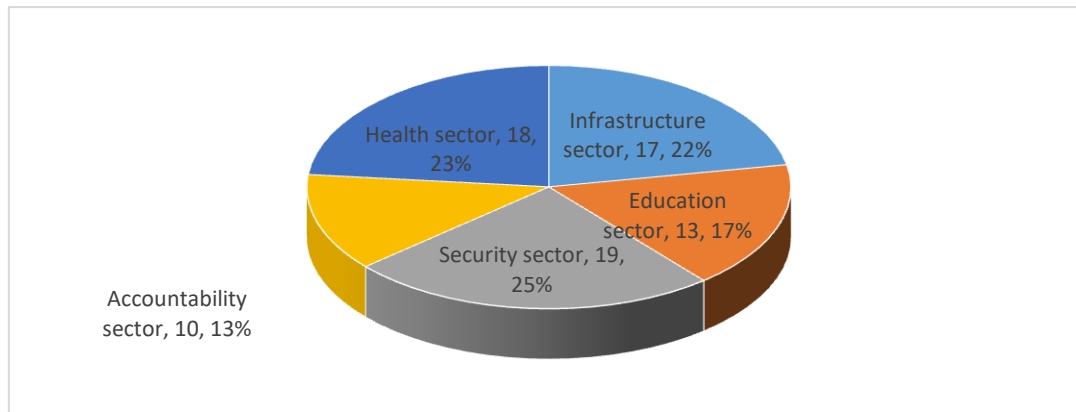
Figure 5: Affectation of tax revenue collection in Musanze District

This study revealed that majority of respondents 19(25%) agreed that security sector was affected as a result of low tax revenue collection. This is closely followed by health sector representing 18(23%), followed by infrastructure sector with 17(22%), followed with education sector representing 13(17%) and lastly there was accountability sector representing 10(13%). This means that the Musanze District was affected as consequence of failure in the assigned performance contract.

4.4.3 Relationship between tax revenue collection and Musanze District performance
This establishes the rate of relationship between tax revenue collection and Musanze District performance as set out in the table below.

Observed impacts	Level of effectiveness								Total (N)	Total (%)
	To a large extent		To some extent		To a small extent		Not at all			
	Freq	Perc (%)	Freq	Perc (%)	Freq	Perc (%)	Freq	Perc (%)		
Delays in completing development projects such as schools, health centers etc	76	99	1	1	0	0	0	0	77	100
Under performance of the District Councils	70	91	7	9	0	0	0	0	77	100
Failure to offer timely social services	61	79	12	16	4	5	0	0	77	100
Poor social services delivery to the people	48	62	18	23	11	14	0	0	77	100
Lower level of productivity among the local government employees	26	34	30	39	21	27	0	0	77	100
Poor road network in the local governments	20	26	32	42	25	32	0	0	77	100
Increased dependency on central government grants	41	53	36	47	0	0	0	0	77	100

Table 4: Correlation between tax revenue collection and Musanze District performance

This study revealed that majority of respondents 76(99%) agreed that Delays in completing development projects such as schools, health centers etc, had large extent of relationship between effectiveness of tax revenue collection strategies and Musanze District performance. This is closely followed by Under performance of the District Councils representing 70(91%) followed by Failure to offer timely social services with 61(79%) followed with Poor social services delivery to the people representing 48(62%) followed by Lower level of productivity among the local government employees with 41(53%) followed by Poor road network in the local governments with 26(34%) and lastly there was Increased dependency on central government grants representing 20(26%).

This means that there was relationship between effectiveness of tax revenue collection strategies and performance of local government. The respondents agreed with large and some extent of level of effectiveness in terms of relationship on both independent variables and dependent variables examined in this study.

According to the previous researcher, the higher the level of mobilized Revenue the better the performance of local authorities. It was also established that the Local authorities with low levels of mobilized Revenue performed dismally/poorly. The study concludes that local authorities budgeting greatly influence revenue mobilization. The use of the budget to control local authorities' funds and guard against over or under expenditure would be a critical element in management (Torome, 2013).

5. CONCLUSION AND RECOMMENDATIONS OF THE STUDY
5.1 Conclusion
The purpose of the study was to establish the effectiveness of tax revenue collection strategies to the performance of local government in Rwanda especially in Musanze District. The following are the major conclusion based on the findings and discussions.

The recruitment of taxpayers has been effective on tax revenue collection strategies. This strategy helps to local government having updated list of taxpayer timely. Filing and payment of tax facilitates to obtain the evidence of tax revenue collected and arrears in order to lead to the desirable bank reconciliation. Improving of compliance of taxpayer and staff in charge of tax revenue collection facilitate implementation of tax laws and publication. Managing of tax arrears and enforcement of non-filers and non-payers help to improve compliance and keep the record in order to maximize tax revenue collection. De-registration of taxpayers as strategy required on collection of tax revenue, this has been effective since it has enhanced the local government to have real list of taxpayer, tax arrears, non-filers and non-payers. Accessing and applying to tax laws and publications were activities which help to understand various tax regimes applied by local government especially by Musanze District.

The strategies revealed in this study has a positive impact on tax revenue collection. The district budget is financed and implementation of district project and the services offered by Musanze District are efficiency and effective.

5.2 Recommendations
➢ Local government, especially Musanze District, the following recommendations are made for Musanze District to assist in effectiveness of tax revenue collection strategies:
➢ Local government in general and Musanze District particularly should provide continuously capacity building in order to acquire the knowledge, skills and professional capacity of the employees. This was improved service delivery in terms of clearance and increased revenue.
➢ The procedures related to Property tax and Rental income tax should be reviewed since it has not large extent at the level of effectiveness in collection of tax revenue. That increased revenue from those taxes.
➢ Taxpayer's education should be enhanced more since it has been effective on the public level of understanding of various tax regimes. It also improved the tax compliance.
➢ Musanze District should increase its ownership in collection of tax revenue and mobilization.

In pursuit of this study, several limitation were experienced. First is the cost in terms of time and finance to carry out an extensive research. Second is the confidential nature of the organization that is very reluctant to give out any information. Thirdly, the study relied on qualitative and quantitative data collected through structured questionnaire of which collection, analysis and interpretation is not free from human errors.

Give the case study nature of this research, results of findings are specific only to the authority and may not be generalized to the other outside organization. However, another organization involved in tax revenue collection may use the outcomes of the research study to review their tax revenue collection strategies so as to enhance its actual tax revenue collection system.

For the future researchers, the effect of high technologies in tax revenue collection in terms of tax revenue maximization should be their assignments.

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