

**ATTITUDES TOWARD PERSONAL IDENTIFICATION
NUMBER (PIN) AND ITS OPERATIONS: A CASE
STUDY OF EMPLOYEES IN ORGANIZATIONS USING
PIN IN NAIROBI.**



BY

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DECLARATION:

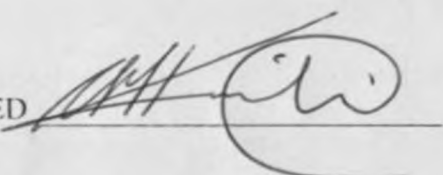
THIS PROJECT IS MY OWN ORIGINAL WORK AND HAS NOT BEEN PRESENTED FOR A DEGREE IN ANY OTHER UNIVERSITY.

DEDICATION

SIGNED  : DATE 11-9-1998

My George Mwangi Kariuki and
Mrs Mirica Wambui Mwangi
For their love of Education
MBURU F.N.C
And also a special dedication
to my wife Anne Nyambika,
and George and Agnes
for their unwavering encouragement, patience &

THIS MANAGEMENT PROJECT HAS BEEN SUBMITTED FOR EXAMINATION WITH MY APPROVAL AS THE UNIVERSITY SUPERVISOR.

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DEDICATION

To my dear parents,

Mr. George Mburu Kamuiru and

Mrs Monica Wambui Mburu

For their love of Education.

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ABBREVIATIONS

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CAP	-	CHAPTER
GPT	-	GRADUATED PERSONAL TAX
ICPAK	-	INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS - KENYA
I.T.D	-	INCOME TAX DEPARTMENT
K.R.A	-	KENYA REVENUE AUTHORITY
N.H.I.F.	-	NATIONAL HOSPITAL INSURANCE FUND
N.S.S.F.	-	NATIONAL SOCIAL SECURITY FUND
PAYE	-	PAY AS YOU EARN
PIN	-	PERSONAL IDENTIFICATION NUMBER
TMP	-	TAX MODERNIZATION PROGRAMME
VAT	-	VALUE ADDED TAX.

ABSTRACT

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ABSTRACT

The main objective of this study was to determine the type of attitudes taxpayers working in organizations in Nairobi held towards PIN system and its operations.

Besides, the following secondary objectives were established:

- i) Whether taxpayers in Nairobi were satisfied or dissatisfied with PIN.
- ii) Why taxpayers in Nairobi were satisfied or dissatisfied with PIN.
- iii) Whether those who did not have PIN held negative/positive attitudes.
- iv) Whether those who have PIN held negative/positive attitudes.

The primary data for the study was collected between 6th May and 30th June 1998. The population of interest was the employees working in organization/institutions using PIN in their transaction and found in Nairobi. From the thirteenth schedule of the Income Tax cap 470 (Appendix(3) and the Finance Bills 1992-1997 the researcher developed a sampling frame of the organizations using PIN in their transactions. A sample of fifteen institutions/organizations was chosen for the study. Self administered questionnaires were used to collect the data (see appendix 2). For each of the fifteen organizations, 12 questionnaires were administered. These were distributed by the researcher. It was intended that a sample size of 180 respondents be used in the study but only a total of 136 respondents completed the questionnaire and it was these that were analyzed for this study.

The data collected was presented using tables. Proportions, percentages, factor analysis and total scores were used for analyzing the data. The major findings were:

The employees working in organizations in Nairobi basically held negative attitudes toward PIN system and its operations. The majority, 51.5% of the respondents held negative attitudes towards PIN. Only 41.9% held positive attitudes. The five principal factors that affect PIN measurement rating were established through the use of factor analysis. These five factors explained 59.6% of the PIN rating factors while the rest was explained by other factors. It was observed that the respondents demographics had no impact on attitudes.

On satisfaction/dissatisfaction with PIN, the study revealed that the majority, 82.5% of the respondents, were dissatisfied with the way PIN matters were handled in Kenya. Only 17.6% were satisfied. An attempt to establish if any relationship existed between respondent's satisfaction/dissatisfaction and various demographics found out that no such relationship existed.

Investigations as to the reasons why the satisfied respondents were satisfied came out with three reasons for satisfaction. These were: ensuring that all chargeable incomes are subject to taxation, making everybody participate in raising government revenue, and maximizing the revenue collection and protection of taxes.

The other reasons for satisfaction like the fact that PIN is like any other number, and it will enhance respect and trust of taxpayers to the KRA were mentioned but by a few satisfied respondents only.

The majority of those who were dissatisfied with PIN gave the following as reasons for

dissatisfaction: failure of KRA to educate taxpayers on the use and importance of PIN, the effects of PIN have not been felt by many people, lack of benefits in holding PIN, and high levels of corruption in the society. The other reasons for dissatisfaction, for instance, low levels of income and it increases burden of paying high taxes were mentioned by only a few dissatisfied respondents.

Finally the study found that the PIN status, that is, holding or non-holding of PIN by the taxpayers working in organizations in Nairobi, did not have any relationship with their attitudes.

- i. Income Tax Department responsible for income taxes.
- ii. Department of Value Added Tax (VAT) responsible for value added taxes.
- iii. Customs and Excise Department responsible for various import and export duties.
- iv. Other government offices responsible for receipt of various fees and other monies for various charges made by the government.

The Personal Identification Number (PIN) was introduced in 1991 by the Income Tax Department under section 133 of the Income Tax Act Cap 470. It stipulates that every taxpayer will have a PIN so be used in all transactions with KRA. The act was amended in 1992 to incorporate the 13th schedule which show the various institutions

CHAPTER 1

1.0 INTRODUCTION

1.1 Background

The work of government revenue collection in Kenya is entrusted to the Kenya Revenue Authority (KRA). The authority is a government agency responsible for collection and receipt of all government revenues. It is under the Ministry of Finance. Revenue refers to taxes, duties, fees, service charges, penalties or other monies collected or imposed under the written law. Kenya Revenue Authority has several department including:-

- i Income Tax Department responsible for income taxes.
- ii Department of Value Added Tax (VAT) responsible for value added taxes.
- iii Customs and Excise Department responsible for various import and export duties.
- iv Other government offices responsible for receipt of various fees and other monies for various charges made by the government.

The Personal Identification Number (PIN) was introduced in 1991 by the Income Tax Department under section 132 of the Income Tax Act Cap 470. It stipulates that every taxpayer will have a PIN to be used in all transactions with KRA. The act was amended in 1992 to incorporate the 13th schedule which show the various institutions

and transactions where PIN would be required.

Kenyan taxpayers are exposed to various taxes/duties such as the Income Tax, Pay as You Earn (PAYE), VAT, Custom and Excise duties, fuel levy, service charges and various other fees, duties and licenses. They have many identification numbers which they are required to use and quote in various tax related transactions. These numbers include, among others the following:

- National identity card number
- National social security fund (NSSF) number.
- National hospital insurance fund (NHIF) number.
- Personal employment number or file number.
- Property number or Title document numbers.
- Examination or Certificate number.
- Passport number.
- Driving license number.
- Value added tax number (VAT)
- Import - export code number.
- Personal Identification number (PIN).
- Birth certificate number.

Thus Kenyans have so many numbers to use and quote in the day to day life. The introduction of PIN was received with anxiety by most taxpayers. Those under the Pay As You Earn (PAYE) system in the public service were hesitant to accept it. They were justified since they were already paying taxes. There is a negative attitude towards PIN from various groups of people including private individuals and corporate bodies. Most

Kenyans hold PIN with fear and mistrust. Many of them argue that they are already over-taxed and the PIN number may be used as a tool to tax them even further, Nzioki (1994).

The KRA failed to educate people on what PIN is all about before its introduction. The average person feels that the tax burden is rather very high. The Kenyan experience show that despite the fact that people have mixed feelings about PIN, it still makes a substantial impact to the Kenyan economy. The data available indicate that most of those people in public services have acquired their PIN. Up to May 1998 about 1.7 million persons had acquired their PIN as follows:

Companies and Parastatals	55,608
Partnerships	14,078
Civil Servants(Public sector)	510,615
Private employment	942,120
Self employed persons	125,818
Trust	1,688
Clubs/Associations	7,436
Others(Unclassified)	<u>36,124</u>
	<u>1,693,487</u>

(Source: Income Tax Department - Data Base)

There are so many people who are not aware of PIN. Those in private sector get it when they are involved in some transaction that require them to acquire it.

For example to purchase a vehicle, both the seller and the buyer must have their respective PIN numbers.

1.2 Meaning of Attitude:

An attitude is a person's enduring favourable or unfavourable evaluations, emotional feelings and action tendencies towards some objects or idea. Kotler (1997), Kinnear (1990). People have an attitude toward almost everything:- religion, politics, clothes, music, food and many other things including taxation where PIN system falls. An attitude puts people into a frame of mind of liking or disliking an object, moving towards or away from it. An attitude leads people to behave in a fairly consistent way toward similar objects. People do not have to interpret and react to every object in a fresh way. Attitudes economise on energy and thought. For this reason attitudes are very difficult to change. A person's attitude settles into a consistent pattern and to change a single attitude may require major adjustments in other attitudes.

Thus a company would be well advised to fit its product into existing attitudes rather than to try to change the peoples attitudes. Of course there are exceptions where the great cost of trying to change peoples attitudes might have a pay off. Kotler (1997) identified five attitude groups which can be found in any market situation viz enthusiastic, positive, indifferent, negative and hostile. The knowledge of the taxpayer's attitude would help the KRA to determine the ways and methods to use, the amount of time to spend in promotional campaigns and taxpayers education and awareness creation Kotler (1997). Enthusiastic and positive attitudes towards PIN will enhance revenue collection while the negative and hostile attitudes may lead to tax evasion or tax avoidance.

The indifferent attitude group may accept things as they come with neutral impact on the revenue collection. For this analysis the enthusiastic and positive groups will be considered to have favourable attitude while the negative and hostile groups will be considered to have unfavourable attitude and hence dissatisfied. The indifferent will be the neutral group.

Remmers define attitude as an effectively toned idea or group of ideas predisposing the organism to action with reference to specific objects, (1954). Uddel defines attitude as mental sets which direct an individual response to stimuli. They are a psychic summation of knowledge, emotions, motivations and intentions. They describe the way people feel about things and the way people are inclined to react to an advertisement or pronouncement, Uddel (1965). Assael (1981) defines attitude as learned predisposition to respond to an object or class of objects in a consistently favourable or unfavourable way.

Attitudes perform various functions. Assael lists the major functions as

- the utilitarian function
- the value expression function
- the ego-defensive function
- and the organisation of knowledge function.

As a utilitarian function, attitudes serve to guide taxpayers in achieving a desired need. The value expression function is performed by attitudes since they express self concept and value system. The ego-defensive function is performed by attitudes since they protect peoples ego from anxieties and threats. For example a taxpayer's threat on his disposable income will result to tax planning measures which may lead to tax

avoidance and tax evasion. The organisation of knowledge function is performed by attitude since they organise the mass of information taxpayers are exposed to daily and help set up standards on which to judge the information. For example, the recent strike by bank employees (Feb/March 1998) was supported by many as a move to prevent further taxation of individual's benefits from employment.

The attitude people have towards PIN will influence or guide their behaviour towards tax evasion and tax avoidance. Cherry (1978) says that attitudes are of great importance and interest because they can be used to explain or even predict the behaviour. Attitudes are often viewed as underlying variables which are assumed to influence behaviour.

The revenue collection will therefore be dependent on the attitude Kenyans have towards PIN and the tax administration as a whole.

1.3 Definition of Terms used

Image: Is the set of beliefs, ideas and impression a person holds regarding an object.

Dissatisfaction: People are dissatisfied with an object or phenomenon when some specific aspects do not measure up to their expected value or image. Kotler (1997).

Satisfaction: This occurs as a result of the expected value being greater or equal to the derived value from a given object, product or phenomenon. Kotler (1997).

Negative attitude: Refers to unfavourable inclination towards an object, product or phenomenon.

Positive attitude: Refers to a favourable inclination towards an object, product or phenomenon.

Neutral attitude: Is the borderline between favourable and unfavourable inclination towards an object, product or phenomenon or a person.
Luthans (1992).

1.4 Statement of the Problem.

In Kenya, as elsewhere a lot of importance is attached to revenue collection. The role and importance of revenue collection has also been highlighted. PIN was as such introduced as a way towards efficient revenue collection. Despite this recognition of PIN as a way toward efficient revenue collection, no research has been done on attitudes of Kenyans towards it yet past studies in attitude have suggested that there is a relationship between an individual's attitude and his/her behaviour. (Calder and Ross 1973, Fishbein and Azen 1975)

A favourable attitude towards PIN is likely to result in behaviour that leads to lesser tax evasion and avoidance hence a greater revenue collection. Cherry (1978) says that attitudes are of great interest because they can be used to explain or even predict the behaviour. Attitudes are often viewed as the underlying variables which are assumed to influence or guide behaviour. For this reason, this study will reveal the attitudes of Kenyans towards PIN. The information can be used to explain or predict their behaviour in relation to tax avoidance, tax evasion and resultant revenue collection. Where there is lack of awareness or unfavourable attitude this can be reversed. This is important in the light of government intervention against tax evasion and tax avoidance.

In the recent years there have been many cases of tax evasion and tax avoidance by both organizations and individuals (Nzibo 1997, Karuu 1992). A study of attitudes will provide information to show whether the high rate of tax evasion and tax avoidance is due to lack of awareness and negative attitudes and hence develop strategies to promote PIN. Where some of these organizations/institutions listed in 13th Schedule may not be undertaking PIN in their transactions reasons will be sought.

People in Kenya have expressed dissatisfaction against PIN. Some have gone to the extent of stating that instead of the PIN the National Identity number can be used. There are so many taxes at source such as withholding taxes on interests and dividend, PAYE, service charge and many others which operate well without the number. The VAT operate under a number. The VAT number is issued through registration with VAT department, while PIN is issued by Income tax department. The problem here is that both departments are under the KRA. Nzibo (1997) puts it that some people claim refunds on VAT while at the same time owed the income tax millions of shillings.

The research problem then is what are the attitudes of Kenyans towards PIN and its operations in Kenya. The study will analyze the operations of PIN from 1992 - 1997. It will determine the attitudes of Kenyans towards PIN and its operations.

1.5 Objectives of the study

The primary objective of this study was to determine the type of attitudes which employees working in Nairobi had towards Personal Identification Number (PIN).

In addition, the following four secondary objectives were established:-

- (i) Whether taxpayers are satisfied or dissatisfied with PIN
- (ii) Why taxpayers are satisfied or dissatisfied with PIN
- (iii) Whether those who did not have PIN held negative/positive attitudes.
- (iv) Whether those who have PIN held negative/positive attitudes.

1.6 Importance of the Study

The study, it was hoped would be of great importance to the following groups.

1. Government: will help the government, particularly the Kenya Revenue Authority, to know areas of improvement in the PIN operations. Also the Ministry of Finance to identify the areas to be debated in parliament for further change.
2. Taxpayers: the result of this study, it was hoped, will improve the taxpayers' perception of PIN and see it as any other identification number like identity number, payroll number or NSSF number and hence change their attitudes.
3. Business Community: to help them understand the application and use of the PIN.
4. General Public: to help them understand the importance and when or where to use PIN.
5. Institute of certified Public Accountants of Kenya (ICPAK): knowledge of issues surrounding PIN is likely to be useful in furthering the

interest of ICPAK member. In this respect the study is likely to be of interest to ICPAK.

6. Researchers/Scholars: attitude towards PIN and its operations in Kenya as evidenced in local libraries remain a fairly unresearched area. The study is likely to be an eye opener for studies in the area and as a result may prove to be of interest to researchers and Scholars.

1.7 Overview of the Project Report

The research project has five chapters;

Chapter One, the introduction, considers the background, meaning of attitude, the statement of the problem, the objectives of the study, the importance of the study and the overview of the project report.

Chapter Two, the Literature review, provides a review of the Literature related to the subject matter of the study. The literature review covers attitude and attitude measurement, operations of PAYE and VAT system, Transaction requiring use of PIN, goals of Tax reform, Tax Avoidance and Tax evasion, Reasons for Taxpayers dissatisfaction with PIN and finally the solutions suggested for overcoming dissatisfaction.

Chapter Three, The research design specifies the population of interest, the sample, the data description and collection and data analysis are discussed in the chapter.

Validity and reliability tests of the scales used in this study are also discussed in this chapter.

Chapter four is concerned with data analysis and discussion on the findings. It gives an analysis based on the objectives of the study.

The Fifth and final chapter, the conclusion provides a summary and discussion of the findings, conclusions, limitations of the study and suggestions for further research.

CHAPTER II
LITERATURE REVIEW

1.1.1.1. The KRA

The KRA was established in 1997 by an Act of Parliament as a Central body for assessing, collection and receipt of all government revenue. It is in-charge of assessment and collection of tax relating to revenue collection. (Finance Bill 1997/98). The authority is a body corporate with perpetual succession. The major sources of revenue under KRA include, Income taxes, Value added tax (VAT) and Excise, Ervise and Export duties.

1.1.1.2. Personal Identification Number (PIN)

The PIN was introduced by the Finance Bill of 1997 which amended the Income Tax Act and inserted section 132. This section requires every taxpayer whose tax is payable to be issued by the Ass to have a PIN which should be placed and in all returns.

CHAPTER II:

2.0 LITERATURE REVIEW

2.1 Introduction

There is little evidence of local studies which have been done in the area of attitudes towards PIN. However, many studies in the area of attitudes have been carried out elsewhere and particularly in developed countries. Consequently most of the literature in this chapter is based on foreign studies on attitude and Kenya legislation. However as the approach on the subject is partly universal the literature is considered appropriate.

2.2 Kenya Revenue Authority (KRA)

The KRA was established in 1995 by an Act of Parliament as a Central body for assessment, collection and receipt of all government revenue. It is in-charge of administration and enforcement of law relating to revenue collection. (Finance Bill 1994/1995). The authority is a body corporate with perpetual succession. The major sources of revenue under KRA include; Income taxes, Value added taxes (VAT) and Customs, Excise and Export duties.

2.3 Personal Identification Number (PIN)

The PIN was introduced by the Finance Bill of 1991 which amended the Income Tax Act and inserted section 132. This section requires every person whose income is chargeable to tax under the Act to have a PIN which should be produced in all matters

relating to KRA. The purpose of PIN according to the Act is collection and protection of tax. The number became effective from 1 - 1 - 1992.

The number is a tool to enhance collection of revenue and widen the tax base under the Tax Modernisation Programme (TMP), Budget (1991). The PIN system was funded by the African Development Bank.

It is issued free to both individuals and organizations through filling the right forms see Appendix 4. The number is developed through use of a computer algorithm and comprises of two letters of the alphabet and nine digits. For individuals, the PIN start with an "A" while for other entities it start with a "P" and in both cases ending with a letter of alphabet. For example A 000107892 U and P 000195279L are sample PIN numbers of an individual and a company respectively.

The PIN was meant to integrate the use of three different numbers such as Import-Export code, VAT number and Income tax numbers and have a single identity element. The use of a single number would have enabled easy enforcement of taxation. It requires the use of an integrated system and modern information technology. The major drawback is that most institutions have not computerised their operations. As Nzioki (1994) put it, PIN though a number like any other number may have far reaching impact in areas of tax avoidance and tax evasion.

With PIN it is possible to collect a lot of information relating to various sources of income. This information allows in-depth examination of undeclared incomes chargeable to tax. Many Kenyans would not like such examination on their incomes. Nzioki (1994). At present the taxpayer is weighing and waiting to see the effects and

consequences of the operations of the PIN system. Those who have gone through the in-depth examination the story is different. They view the system as tyrannical and likely to become confiscatory. They have developed hatred for the system and resulting to tax planning towards tax avoidance and tax evasion, Agyei (1984). In the past, employees have tended to declare their employment income only and omit other incomes including wife's employment income. When fully operational PIN will collect information of all transactions contained in the Thirteenth Schedule and Finance Bills up to 1997. It will make operations of KRA easy. The attitudes people have toward PIN will affect compliance and revenue collection.

2.4 PIN and Information Collection.

The PIN system would expose tax evaders but those in formal sector and are under the PAYE would not be adversely affected, Nzioki (1994). Before the introduction of PIN system the commissioner used the following ways and methods to get information of tax evaders and undisclosed sources of information:

- i. Land and property transactions: This reveals names and addresses of the transferer and transferee and nature of the property and income if any.
- ii. The Press: The local dailies contain a lot of information.
- iii. The government press: Reveals names of newly registered business or incorporated companies.
- iv. Common Informer: Many informers leak information when partnerships or directors of a company disagree. These also leak the tax invasion methods used.
- v. Information from government departments like Customs and Excise.
- vi. Information showing the taxpayers mode of life is incompatible with the income returned.

- vii. Information from Banks, Building Societies and other financial institutions which showed interest credited in a year.
- viii. Schedules of investments made through stockbrokers, Insurance companies and others.
- ix. Investigation in back duty cases.
- x. A review of the taxpayers' return which may disclose new sources of income.

Nzioki (1994)

The PIN system is going to streamline the operations of KRA and especially with the installation of computers. It will improve the accessing, collection and PAYE programmes. It will collect enormous amount of information on incomes unreported earlier. The employees who failed to report other sources of income will be exposed. Most of the senior employees of the government, Parastatals, Corporations, private companies and firms have many other sources of income. It may be rental income, farming or any other form of taxable investment.

The success of PIN system in its operations will depend on a number of things. Among them include the following:

- Adoption of information technology in all organisations.
- Favourable attitude towards PIN.
- Installation of a strong data base within the KRA.

- A strong political will from those in power
- Heavy promotional campaign and education towards awareness creation from Kenya Revenue Authority.

(Income Tax Department 1998)

2.5.0 Attitude and Attitude Development

2.5.1 Attitude

According to Kibera and Waruingi (1988), “an attitude is a learned tendency to respond to a product, brand or company in a way that is consistently favourable or unfavourable.” This will also apply to the peoples’ attitudes towards PIN. A favourable attitude will lead to less tax evasion and tax avoidance and hence maximise revenue collection. It will also lead to high compliance. The contrary will also be true.

2.5.2 Attitude Development

Attitudes develop overtime. It is a learning process which develop over a period of time. Assaels (1981). Allport (1954) points out the four ways by which attitudes develop as integration, differentiation, shock and adoption. Integration is the development of an attitude through accumulation of a large number of experiences over a long period of time which influence the individual in a given direction. Differentiation is the splitting off of specific attitudes from a more general one. Shock is due to an unusual or painful experience. PIN is not expected to bring joy to the Kenyans, instead it reduces their income giving them a shock. Adoption refers to the tendency to follow the example of friends, teachers, parents, newspapers and other opinion moulding agencies.

There is a high correlation between the attitude of parents and their children.

Assael, Katz and Lazarsfield found that peer group is much more likely to influence attitudes. Past experiences influence attitudes towards PIN and according to the learning theory condition future behaviour. The personality of the taxpayer affects attitudes. Traits such as aggression, submissiveness and authoritarianism may influence attitude toward taxation and the PIN system.

2.5.3 Components of Attitude

- (1) Cognitive or Belief Component - Which creates the respondents awareness of and knowledge about some object or phenomenon.
- (2) Affective Components or Feeling Component. This creates the respondent's liking or disliking of object or phenomenon.
- (3) Behaviour Component which refers to what the respondents have done or are doing.

The attitudes of Kenyans towards PIN will be affected by the three components of attitude.

2.5.4 Attitude Measurement.

An attitude is a construct that exist in the mind of individuals. Attitude scaling refers to operational definition for the measurement of this construct. This is a difficult task and typically calls for use of nominal or ordinal scales. The various assumptions that are made in measuring attitude include:-

- (a) Attitudes are measurable
- (b) Attitudes vary along a linear continuum
- (c) Measurable attitudes are common to the group, that is, they are held by many people.

Several attitude measurement scales exist. Uddell lists the major methods of measuring attitudes as: Semantic differential, Likert summated rating method, Guttman's "Scale analysis", Lazarsfeld's, latent structure theory and the Thurstone technique. Remmers indicate that attitude scales may be classified according to the methods of constructing attitude measuring devices such as the interview, a priori 'scales', psychophysical scales, sigma scales, master scales, rating scales, behaviour scales and analogous measurements of various sorts.

The Likert scale used in this project was borrowed from the work of Likert. Likert modified Thurstone's method. He made a doubtful assumption that attitudes are distributed normally. On this assumption he measured attitudes using standard deviation units. Between scale values obtained by this method and that of arbitrarily assigning numerical values from 1 to 5 to various alternative responses, he obtained a correlation of 0.99. The ratings were then scored. In this study, 1 and 2 were regarded as negative or unfavourable or dissatisfied attitudes, 3 was neutral and 4 and 5 were a positive or favourable or satisfied attitudes.

2.6.0 Operation of PAYE and VAT

2.6.1 The Pay As You Earn (PAYE) system

The PAYE System is a method of deducting income from any office or employment. (PAYE rules 1997). The system applies to all cash emoluments and all cash, credits in respect of emoluments to employees' accounts with their employers, no matter what period they relate. It is employer's statutory duty to deduct income taxes from the pay of his employees whether or not he has been specifically told to do so by KRA. Employers are bound by the provisions of section 37 and 130 of the Income Tax Act. Cap 470 (1989).

The PAYE may be subjected to some malpractices of tax avoidance and tax evasion where employers fail to bring into payroll all the employees emoluments, cash allowances and benefits. They may fail to remit the revenue collected to the authority. In all cases the PIN of the employer and employee must be shown in the tax deduction card. (PAYE 1997).

2.6.2 Value Added Tax (VAT) .

Value Added Tax (VAT) is an indirect tax payable by consumers. It became operational in Kenya from 1990. It replaced the sales tax. The manufacturers, importers, distributors wholesalers and retailers collect it from the consumers for the government. One must have both VAT number and PIN in order to claim a refund under VAT. As Nzibo (1997) put it, refunds have reached an alarming rate forcing the government to set large sums of money for these purposes (shilling 600 million set in 1996 and shillings 300 million set in 1997 - Budget Speeches by Minister of Finance).

Both VAT, and Income Tax department are under the KRA hence one would be making a claim under VAT for refund while at the same time be owing Income Tax Department large sums of money. The use of Computers and information Technology (IT) can harmonise the efficient use of PIN and VAT number to maximise revenue collection.

The attitudes of people towards VAT number and PIN will greatly affect the government yield in terms of revenue collection. The Kenyan VAT System is complex by international standards due to the numerous rates used and the numerous goods and services under it. Bulshan (1997), Gupta (1995). The lack of incentives from the government make many people to have a negative attitude towards it and PIN System.

The VAT number like PIN is developed through a computer program and has seven digits and ending with a letter of alphabet. Up to May 1998 there were about 24,000 persons registered under VAT. The increased use of PIN has been emphasised in the VAT department.

2.6.3 Transactions requiring use of PIN.

<u>Institution</u>	<u>Purpose of Transaction</u>
1. Customs and Excise	- Importation of goods clearing and forwarding
2. Central Bank	- Applying for foreign Exchange allocation or licensing of financial institution.
3. Ministry of Commerce	- Import Licensing or trade licensing.
4. Insurance Companies	- Underwriting policies

4. Insurance Companies - Underwriting policies
 5. Registrar of Motor vehicles - Registration of motor vehicles, transfer and licensing under traffic Act.
 6. Registrar of Business Names - New registration
 7. Registrar of Companies - New registration.
 8. Consultancy, Agency and Contract - All services relating to these transactions.
 9. Local Authorities - Approval of Plan and payment of water deposits.
 10. Commissioner of Land - Registration of titles and stamping documents
 11. Kenya Power and Lighting Co. Ltd - Payment of deposits for power connections.
 12. Company, Partnership and Legal body of persons - Must use PIN in their transactions.
 13. All contracts - For supply of goods and services.
 14. All government Ministries and public bodies - In all their dealings with the public.
- (Finance Bills 1991 - 1997)

The Finance Bills up to 1997 and schedule Thirteen of Income Tax Act Cap 470 made most institutions/organisations to use PIN in their transactions with the public.

Most institutions have not been computerised and hence reconciliation of

information with Income Tax department is difficult. A good example here include custom and excise, Registrar of motor vehicles among others which handle volumes of transactions. The low level of automation and information technology will make PIN not to realise its goals and objectives.

2.7.0 Goals of Tax Reform

A good tax reform must have high credibility from the people. According to the World Bank publication a good tax reform must try and achieve the following goals:

- (1) Generation of Revenue.
- (2) Reduce the efficiency cost of taxation to a given level of revenue.
- (3) Lift the tax burden off the poorest households and ensure that actual tax structure become more equitable both horizontally and vertically.
- (4) Simplify tax determination and strengthen tax administration to enforce the intent of a reformed code. **World Bank (1991)**

The PIN System is one of the reforms under the Tax modernisation Programme (TMP) in Kenya. The Attitudes people have toward it will depend on how well it has achieved the above goals. So many details in PIN and heavy taxes will go a long way in reducing saving and investment. Gacheru (1996). This will lead to vicious cycle of poverty. Shaw (1996). Many Kenyans feel fundamentally frustrated by the current PIN system as it is. They look forward to positive changes wherever they may come from and give them a relief, Gacheru (1996).

They look at the PIN System with concern to see whether it will offer the desired relief.

2.8.0 Tax Avoidance and Tax Evasion

2.8.1 Tax Avoidance.

Tax avoidance is the arrangement of financial affairs so as to attract the lowest possible tax. A dictionary of tax definitions by Hard (1978) defines tax avoidance as “the arrangement of a person’s financial affairs so as to legitimately reduce a tax liability. Knowledge of available tax avoidance options broaden a taxpayers ability to minimise burden Karuu (1992). In an effort to minimise taxes companies and individuals alike may engage in tax avoidance activities. Such activities are dictated by the available opportunities. For individuals, they engage in black economy activities, Pyle (1989) and also fail to disclose all their chargeable income.

2.8.2 Tax Evasion

Tax Evasion is the illegal arrangement of financial affairs to minimise a tax burden. It is defined by Hard (1978) as “the illegal elimination of a tax liability by fraud, wilful, default or neglect.....” Income tax evasion is often undetected and its extent difficult to measure. Evasion, a part from resulting in loss in revenue to the government undermines confidence in the fairness of the tax law. Agyei (1984). The attitude people have towards PIN will determine the extent they will engage in tax evasion activities.

The most important and general anti-avoidance -evasion provision under Kenyan Income Tax is covered in section 23 and 24 Cap 470 (1989).

Major forms of Income Tax Evasion

These take three forms.

- (a) Non declaration of Income
- (b) Underdeclaration of Income
- (c) Inflation of deductions from Income.

Factors contributing to Income Tax evasion:

The several factors that contribute to income tax evasion in a country include:

- (i) Illiteracy
- (ii) Lack of voluntary compliance
- (iii) Cash transactions
- (iv) Low standards of record keeping
- (v) In-accessibility of tax offices.
- (vi) Aspect of management and personnel, that is low morale of KRA staff.
- (vii) Negative attitude towards tax.
- (viii) Need to get rich quickly.
- (ix) Political godfather - In government and civil service.

Anti -Evasion measures:

The government is aware of income tax evasion and has taken the following measures;

- Tax clearance certificates
- PAYE rules and withholding taxes

- VAT rules
- Self Assessment returns (Ensure listed taxpayers don't evade taxes).
- Instalment tax System
- Penalties of tax evasion.

(Cap 470 and Finance Bills)

PIN system is the most modern tool of protecting taxation. It will disclose a lot of income not previously disclosed as chargeable. Thus favourable attitude will enhance revenue collection. The tax evaders cannot be happy with it as it will disclose their economic activities in various transactions.

2.9 Factors Contributing to Dissatisfaction

There are various factors that contribute to the dissatisfaction of the PIN system and taxation system as a whole. These include;

- i. **Low income:** Many taxpayers feel that their incomes are low in comparison to the various taxes they are paying. They are overburdened. The taxpayers have expressed concern over the low threshold at which the top income tax rate 32.5% hit their incomes.

The employers complain of the high costs of ensuring compliance with PAYE with no incentives (**PAYE 1997**)

- ii. **Infrastructure and related poor state of social services** provided by the government and local authorities. Many taxpayers feel that they do not get the value of their money.

- The poor state of roads, schools, hospitals and poor garbage collection do not augur well to the general public. They resent PIN which is a tool to enhance faster collection of taxes. **Shaw (1996)**.
- iii. The high rate of corruption: cases of duty-free importation of sugar, vehicles and many other items, Goldenberge and NSSF scandals, Reports from Auditor General and public accounts committee tabled in parliament all do not reflect well to the taxpayers. The high level of tax evasion of well connected wigs and professionals all go along way towards dissatisfaction. **Agyei (1984)**. Honesty in Kenya is below par due to the high degree of corruption. The fact that our tax system make it expensive to be honest have consequences that are impossible to quantify but which may be significant. **Rosen (1992)**.
 - iv. Lack of education and awareness: The Kenya Revenue Authority (KRA) and its respective department lack educative programmes to educate and create awareness on the important issue relating to law. **Nzioki (1994)**. Taxpayers Charter or Bills of right does not exist in Kenya **Ngugi (1996)**
 - v. Corporate rate of tax Regressive: The corporate tax rate is fixed for all profits at 32.5% (1998). There is no economic rationale for subjecting profits to a flat rate tax given advantages of progressive corporation tax this lead to dissatisfaction. **Ngugi (1996)**
 - vi. Fear and Mistrust: As Kenyans don't like paying taxes, they have continued to view PIN with suspicion **Nzioki (1994)**. They have fear that they have too many numbers which one has to use on day to day activities.

2.10 Factors that contribute to satisfaction

The deduction at source: Withholding tax on interest and dividend, service charges and PAYE all deducted at source are a good relief as one does not need the PIN.

The major factors that lead to satisfaction with PIN by both the KRA and the taxpayers include:

- i. Help to collect a lot of information.
- ii. PIN help to enforce and protect taxation.
- iii. PIN ensure that everybody participate in raising government revenue.
- iv. PIN ensure that all chargeable incomes are subject to taxation.

2.11 Reasons for not using PIN

The following are some of the reasons for taxpayers not using the PIN.

- I. Most people are contented that their only source of income was covered by the PAYE programme.
- II. The low income group under subsistence farming insist they have no transactions that warrant the use of PIN.
- III. Many small rural business whose activities are particularly difficult to monitor are unaware of the PIN system.
- IV. Lack of knowledge as to the nature and importance of PIN as a whole. **Nzioki (1994).**
- V. Negative attitude that the number will lead to paying taxes. This is true to older generation who had experiences with other form of colonial taxes such as Poll tax and Graduated Personal Tax (GPT) **Wainaina (1995).**
- VI. General tendency to fear numbers: This is particularly true to some sector of religion who have general attitudes that numbers are satanic.

CHAPTER III:

3.0 RESEARCH DESIGN:

This section details on the research design which has been used to achieve the objectives of the study.

3.1 The Population:

The population of interest in this study consist of employees working in all business organisation/institutions which are required by the law to use PIN in their transactions. These are organisations/institutions listed under the Thirteen Schedule of the Income Tax Act, Cap 470 and those incorporated by the Finance Bills of 1993 - 1997 and based in Nairobi. (see Appendix 3). The population is justified as most organizations/institutions have their head offices located in Nairobi.

3.2 The Sample

From the list of the Thirteen Schedule of the Income Tax Act and Finance Bills a sample of 15 organisations/institutions was selected using simple random method. The quota sampling method was used to select the sample units to be interviewed from each organization. The quota was based on the nature and volume of their respective PIN transactions. This was also dictated by the size of the organization. For each of the fifteen organisations/institutions an average of 12 questionnaires were administered to the employees. It was intended that a sample size of 180 respondents be used in the study but only a total of 136 respondents completed the questionnaires and it is these that were analysed for the study. Those forty four (44) respondents who were given the questionnaires but who eventually proved to be

unco-operative while others gave incomplete information were ignored from the sample.

3.3 Data Description and Collection

Primary data was collected for the purpose of this study using a questionnaire. The questionnaire, a sample of which is included in appendix (2) consisted of three sections namely: (A) The attitude measurement section, (B) the attitude information seeking section, and (C) the section for the demographics of the respondents.

Sections A and B addresses to the main objectives of the study. Section C assisted in the demographics of the respondents and data classification.

The administration of the questionnaires was done by the researcher. The questionnaires were left with the respondents to fill and collected the next day, that is “drop and pick later method”. This method was adopted to give the respondents enough time to fill the questionnaire.

3.4 Data Analysis Method

The data in this research was analysed using proportions, percentages, simple frequency tabulations and mean scores. These helped to determine the main objective of the study and the four secondary objectives. The analysis of total scores of the raw data from all the respondents (appendix 5) will help to determine the attitudes of taxpayers toward PIN and its operations. Positive scores will reflect positive attitudes, while negative scores will be negative attitudes. The scores of zero will result to neutral attitudes. The respective percentage will be calculated.

The analysis of the responses of section B of the questionnaire and computation of the percentages will help to determine whether taxpayers are satisfied/dissatisfied with PIN system and its operations. This will also help to establish the reasons why taxpayers are satisfied/dissatisfied with PIN. The analysis of the various demographic characteristics and their percentages will help to establish their relationship to attitudes. The analysis of PIN status will help to establish whether those with or without PIN held negative/positive attitudes.

Factor analysis was used to determine the most important factors that lead to taxpayers dissatisfaction/satisfaction with PIN.

3.5 Validity and Reliability Tests of the Scales used in the Study.

According to Churchill (1983) construct validity of a measure is assessed by whether the measure confirms or denies prediction from the theory based on the construct.

Churchill (1983) notes that construct of a measure could be assessed by ascertaining the relationship between independent variable scores and dependent variable scores. For example, job satisfaction scores and company turnover. Those companies in which the scores are low, indicating less job satisfaction should experience more turnover than those with high scores. If they do not, one would question the construct validity of the job satisfaction.

Following Churchill's (1983) argument the scale used to measure attitude was valid because it confirms the prediction from theory of attitude and behaviour. That is attitude leads to behaviour. (see Beckler 1984).

The content validity involves a subjective judgement by an expert as to the appropriateness of the measurement. The fifteen questions in section A of the questionnaire are combined to measure attitudes toward PIN system and its operations. The experts' critical eye were used to determine the relevance of the measurements to the underlying construct. These experts were drawn from education spheres.

The reliability of the scale was tested using the Test-Retest method. This involved a repeat measurement of a few respondents using the same scaling device and under conditions which are similar. The results of the measurement are compared to determine their similarity. This approach assumes that the greater the discrepancy in scores, the greater the random error present in the measurement process and the lower the reliability and the lower the correlation.

CHAPTER IV

4.0 DATA ANALYSIS AND FINDINGS

4.1 Introduction

In this chapter, the data from the completed questionnaires was summarised and presented in tables, percentages, mean scores and used for analysis.

The following key was used for scoring the responses in the Likert type scale questions.

Scale	Scores for Positive Statements	Scores for Negative Statements
Strongly Agree	+2	-2
Agree	+1	-1
Neither Agree nor Disagree	0	0
Disagree	-1	+1
Strongly disagree	-2	+2

The table shows that if a respondent ticked strongly agree or agree for positive statement, the score was 2 or 1 respectively.

The same score applied if he or she ticked strongly disagree and disagree for negative statement. Disagreeing with positive statement or agreeing to a negative one earned a score of -1. A neutral attitude got a score of zero, while strongly agreeing with a negative statement or strongly disagreeing with a positive statement each got a score of -2.

Presented in the chapter, then are the findings that go towards answering issues that were raised in the objectives of the study. The chapter treats data analysis and findings under three major sections. The first section seeks to determine the type of attitudes taxpayers working in Nairobi have towards Personal Identification Number(PIN). Factor analysis has been carried out to give insight of the PIN rating factors. It also attempts to identify if any relationship exists between the type of attitudes held and the various respondents' demographics studied. The second section seeks to determine whether people are satisfied or dissatisfied. This section also tries to determine whether any relationships exist between satisfaction/dissatisfaction and the various respondents' demographics studied.

The final section determines whether those with PIN have positive/negative attitudes or whether those without PIN have negative or positive attitudes.

4.2 Taxpayers' Attitude toward PIN

In this section various issues relating to the attitudes of taxpayers are considered.

Table 4.1 shows the type of attitudes taxpayers in Nairobi have towards PIN system and its operations.

Table 4.1: Taxpayers' attitude towards PIN

ATTITUDE	NUMBER OF RESPONDENTS	PROPORTION OF RESPONDENTS
POSITIVE	57	41.9%
NEUTRAL	9	6.6%
NEGATIVE	70	51.5%
TOTAL	136	100%

Number of Respondents (N) = 136

Source : Primary Data.

NOTE: Table 4.I is a summary of the raw data in appendix 5

The table shows that, the majority, 51.5%, of the respondents held negative attitudes toward PIN, while 41.9% held positive attitudes and only 6.6% had neutral attitude.

4.3: Summary Statistics of Attitudes Toward PIN Rating Factors

4.3 Factor Analysis

Factor analysis was done on questions in Section A of the questionnaire. The table below shows the statement of the questionnaire.

Table 4.2 Pin measurement factors statement in the questionnaire

1	Happy with PIN system	1.21
2	Equity in revenue collection	1.15
3	Maximise revenue to support society	1.11
4	Prevention of tax evasion/avoidance	1.28
5	Keep in touch with employees/employers	1.21
6	Bring simplicity of tax matters	1.34
7	Prevention of saving and development	1.13
8	Boast efficiency and fair dealing	1.34
9	Enjoyment and responsibility in paying taxes	1.17
10	Gathering alot of information	1.26
11	Not necessary as other numbers like identity number	1.09
12	There are many taxes	1.33
13	Great improvement under PIN	1.30
14	Taxpayers personal position	1.07
15	Monitoring economic activities	1.10

The table below shows the summary statistics relating to the variables (factors) of questions in section A of the questionnaire.

It gives the mean, mode and standard deviation.

Table 4.3: Summary Statistics of Attitudes Toward PIN Rating Factors

<u>Factor</u>	<u>Mean</u>	<u>Mode</u>	<u>Standard deviation</u>
1	-0.89	-2	1.20
2	-0.31	-1	1.27
3	-0.22	-2	1.37
4	0.64	1	1.23
5	0.48	1	1.23
6	0.46	1	1.13
7	0.54	1	1.28
8	-0.12	-1	1.21
9	-0.44	-1	1.34
10	0.68	1	1.13
11	-0.13	-1	1.38
12	1.11	2	1.17
13	-0.32	0	1.26
14	-0.27	-1	1.09
15	-0.40	-2	1.33

On the basis of the mean, between -0.30 to 0.30 was considered neither important nor unimportant, 0.30 to 0.60 was considered important and above 0.60 very important, while -0.30 to -0.60 was considered unimportant and above -0.60 was very unimportant.

From the table the following statements were rated as very important or important, 12,10,4,7,5 and 6. Thus the taxpayers rated, many taxes, gathering alot information, Tax evasion/avoidance, saving and development, keep in touch to employee/ employers and simplicity of tax matters as very important or important PIN rating factors.

Taxpayers however rated the following factors as very unimportant or unimportant 1,9,15,13 and 2. Thus the happiness with PIN system, enjoyment and responsible in paying taxes, monitoring of economic activities, improvement under PIN and equity in revenue collection were rated as very unimportant or unimportant rating factors.

On average taxpayers neither rated the following statements as important or unimportant 8,11,3, and 14. Hence, the boasting efficiency and fair dealing, Not necessary, maximizing revenue to support society and personal position of individual were rated as neither important nor unimportant.

On the basis of mode, 0 to 1 was important, above 1 very important, 0 to -1 unimportant and above -1 very unimportant while 0 was neither important nor unimportant

An analysis of the mode of each question, indicated that taxpayers rated the following statement as very important: many taxes, gathering alot of information, prevention from saving and development, bring simplicity in tax matters, keep in touch with employees/employers, and prevention of tax evasion/avoidance.

The mode of responses to the 15 rating factors towards PIN implied that taxpayers agreed that most statements were very important or important except for statements 1,2,3,8,9,11 and 14 which rated unfavourably, reflecting negative attitude.

For statement 13 relating to great improvement under PIN, most taxpayers reflected a neutral attitude as to whether there is improvement or not.

The standard deviation tries to justify the consistency or reliability of responses of the taxpayers, whereby the lower the standard deviation, the better the variable in determining the importance of the factor. Hence taxpayers agreed that factors 14,10,6,12,1,8,4 and 5 were important rating factors as exhibited in their low standard deviation.

Table 4 **Correlation Matrix of the PIN Rating Factors**

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1.	1.00														
2.	.23	1.00													
3.	.33	.32	1.00												
4.	.04	.32	.27	1.00											
5.	.09	.26	.34	.41	1.00										
6.	.25	.31	.28	.37	.40	1.00									
7.	-.18	.10	-.13	.03	.02	.09	1.00								
8.	.09	.12	.31	.16	.23	.20	-.07	1.00							
9.	.19	.24	.30	.02	.14	.01	-.10	.21	1.00						
10.	.23	.29	.24	.27	.29	.42	-.00	.21	.13	1.00					
11.	.39	.19	.11	.21	.08	.14	-.23	.06	.11	.20	1.00				
12.	-.15	-.05	-.10	.13	.02	.18	.39	.10	-.14	-.00	-.22	1.00			
13.	.24	.18	.36	.18	.24	.25	-.11	.20	.16	.29	.13	.02	1.00		
14.	.45	.29	.29	.25	.31	.26	-.24	.23	.13	.28	.34	-.20	.16	1.00	
15.	.13	.26	.20	.24	.26	.19	-.08	.19	.10	.30	.17	-.13	.16	.33	1.00

On the basis of correlation matrix, between 0 to 0.30 was low positive correlation, and above 0.30 high positive correlation, 0 was neither positive nor negative, 0 to -0.30, low (weak) negative correlation and above -0.30 was high (strong) negative correlation.

The correlation matrix table which was the basis of generating factors indicate that, variable 4 and 5, 4 and 6, 5 and 6, 5 and 14, 1 and 3, 1 and 11, 1 and 14, 3 and 8, 3 and 13, 3 and 5, 7 and 12, 2 and 3, 2 and 4, 2 and 6, 11 and 14, 14 and 15 have positively high correlation. For instance prevention of tax evasion/avoidance correlated highly with the monitoring of economic activities.

A further look at the correlation matrix table showed that factor 7 and 10, 10 and 12 had no correlation at all i.e uncorrelated. For example gathering a lot of information under PIN system was found to be uncorrelated with the many taxes that are there in the country. Other variables in the correlation matrix reflected a weak negative correlation while others shared positively weak correlation with the rest of the variables.

Factor analysis procedure, extracts principal components from a correlation matrix. It's also a technique of analysis of inter-dependence where the variables have equal chance, of selection. The analysis is mainly concerned with the set of relationships among the variables.

Table 4.5: Communalities of the PIN Rating Factors

<u>Factor/Variable</u>	<u>Communality Variable (placed in communal)</u>
1	.74
2	.70
3	.57
4	.55
5	.54
6	.61
7	.71
8	.54
9	.72
10	.41
11	.57
12	.67
13	.50
14	.56
15	.53

Communalities tell you what proportion of the variability of each variable (factor) is shared with other variables in the data. For example, 74% of variable(factor)1 is involved in the 15 factors. It can then be deduced that variable 10 ranks low in terms of its contribution to the factors.

Table 4.6: Eigen Values of PIN Rating Factors

<u>Factor</u>	<u>Eigen Value</u>	<u>Percentage Variation</u>	<u>Cummulative percentage</u>
1	3.84	25.6	25.6
2	1.89	12.6	38.2
3	1.21	8.1	46.3
4	1.02	6.8	53.1
5	.98	6.6	59.6
6	.85	5.6	65.2
7	.82	5.5	70.7
8	.75	5.0	75.7
9	.68	4.6	80.3
10	.61	4.1	84.4
11	.54	3.6	88.0
12	.53	3.5	91.5
13	.50	3.4	94.9
14	.41	2.7	97.6
15	.36	2.4	100.0

The statistics in table 4.6 indicate how well each of the factors identified, fit the data from all the respondents on all the rating factors. For example factor I explains 25.6% of the total variation or 38.2% of the variability is accounted for by the first two factors e.t.c.

The highest eigen values correspond to the five(5) principal factors, that is, factors 1,2,3,4, and 5.

The factors taken individually have the highest percentage variation compared with the other factors. The eigen values are proportional to the variance accounted for by each of the factors. By choosing the highest eigen values the analyst can decide which factors to extract for further analysis.

Table 4.7: Initial Factor Matrix of the Five Pincipal Factors and the Fifteen PIN Rating Factors.

<u>Factors</u>	<u>Factor</u> 1	<u>Factor</u> 2	<u>Factor</u> 3	<u>Factor</u> 4	<u>Factor</u> 5
1	.53	-.38	-.10	.55	-.07
2	.57	.13	-.07	.12	.59
3	.64	-.03	.41	.04	.01
4	.53	.37	-.27	-.24	.01
5	.59	.31	.02	-.31	-.01
6	.59	.41	-.19	.18	-.16
7	-.18	.68	-.06	.27	.38
8	.43	.13	.46	-.19	-.29
9	.35	-.22	.59	.09	.44
10	.60	.16	-.11	.07	-.08
11	.44	-.41	-.41	.21	-.03
12	-.12	.73	.05	.28	-.21
13	.50	.05	.30	.20	-.34
14	.65	-.28	-.24	-.06	-.05
15	.50	-.02	-.16	-.48	.14

Table 4.7 above shows the correlations between the five principal factors extracted and

the 15 variables. The first principal factor loads heavily on variables 2,3,5,6,10 and 14 while the second principal factor loads heavily on variables 7 and 12. Factor three loads heavily on variables 8 and 9, while the fourth factor loads heavily on variable 1. The fifth principal factor loads heavily on variable 2.

Table 4.8 The Final Varimax Rotated Factor Matrix of the Five Principal Factors and the Fifteen PIN Rating Factors

<u>Factor</u>	<u>Factor</u> 1	<u>Factor</u> 2	<u>Factor</u> 3	<u>Factor</u> 4	<u>Factor</u> 5
1	-.07	.81	.21	-.06	.18
2	.46	.29	-.08	.19	.61
3	.23	.18	.57	-.06	.40
4	.72	.10	.09	.15	-.04
5	.66	-.02	.32	.04	.09
6	.49	.36	.29	.39	-.07
7	.06	-.19	-.26	.76	.18
8	.22	-.12	.68	-.07	.07
9	-.06	.12	.29	-.15	.78
10	.44	.35	.27	.13	.06
11	.17	.69	-.08	-.24	-.00
12	-.00	-.16	.18	.74	-.24
13	.08	.27	.64	.07	.05
14	.43	.50	.15	-.31	.07
15	.65	.02	.03	-.30	.13

The final varimax rotated factor table gives the revised initial factor matrix after it had been orthogonally rotated using the varimax procedure. This procedure tries to simplify the columns of factor matrix by making all the values close to either 0 or 1.

The matrix table gives the terminal solution of the factors. Since its an orthogonal

factor matrix, it represents both a pattern and structure matrix i.e the coefficients in the matrix represent both regression weights and correlation coefficients.

The loading in a given row represent regression coefficients of factors that describe a given variable.

In the final varimax rotated matrix table, variables 4,5 and 15 load heavily on principal factor 1, variables 1,11 and 14 loads heavily on principal factor 2. Variable 3,8 and 13 loads heavily on principal factor 3 while variables 7 and 12 loads heavily on principal factor 4. Finally principal factor 5 loads heavily on variables 2 and 9.

The implication of the varimax rotated factor matrix is shown in table 9

Table 4.9 The Five Principal Factors as related to the Fifteen PIN Rating

Factors

1. The following PIN rating factors will make factor I

- i Prevention of Tax evasion/Avoidance
- ii Keep in touch with known employee/employers
- iii Monitoring economic activities

2. The following PIN rating factors will make factor 2

- i Happy with PIN system
- ii PIN not necessary as there are other numbers
- iii Personal position(option)

3. The following PIN rating factors will make factor 3

- i Maximise revenue to support society
- ii Boast efficiency and fair dealing
- iii Great improvement under PIN

4. Factor 4 arises from the following factors
 - i Prevention of saving and development
 - ii Many taxes
 5. Factor 5 arises out of the following factors
 - i Enjoy and responsible in paying taxes
 - ii Equity in revenue collection.
-

Table 4.9 relates the five principal factors to the 15 factors or statements in the questionnaire.

The first factor which was extracted shows that the prevention of tax evasion/avoidance was the most important PIN rating factor, followed by keeping in touch with known employee/Employers and, next was the monitoring of economic activities. This implies that from the first principal factor, prevention of tax avoidance/tax evasion was the most important rating factor though the other two(2) factors were equally important in the PIN system and its operations.

The most important PIN rating factor under the principal factor 2 was the happiness with the PIN system, PIN not necessary as there are other numbers such as Identity Card numbers followed by personal opinion of individuals. Hence, the most important rating factor as a result of PIN system and its operation arising from factor 2 was the happiness of the people to PIN system and its operations since inception.

This reasoning will apply to principal factor 3,4 and 5. Thus the most important PIN rating factors taxpayers consider before registering for PIN and affect their attitudes include:

- a) Prevention of tax evasion/avoidance

- b) Happiness with PIN system
- c) Maximising revenue to support the society
- d) Preventing saving and development
- e) Enjoying and responsible in paying taxes.

4.4 Demographic Characteristics and their impact on attitudes

An attempt was made to establish if any of the demographic characteristics studied had an impact on attitudes. The demographic characteristics studied were education, net monthly income, marital status and sex. Table 4.10 shows the type of attitudes held toward PIN by taxpayers of various educational levels

Table 4.10; Attitude held and level of Education

ATTITUDE	EIGHT	FORM IV	FORM VI	DIPLOMA	UNIVERSITY	OTHERS
	(3)	(62)	(18)	(27)	(24)	(2)
POSITIVE	100%	35.5%	44.4%	44.4%	45.8%	50.0%
NEUTRAL	00%	6.4%	5.6%	3.7%	12.5%	00%
NEGATIVE	00%	58.1%	50.0%	51.9%	41.7%	50.0%
TOTAL	100	100	100	100	100	100

As the table shows the majority of respondents regardless of their education had negative attitudes towards PIN. The implication is that the kind of attitude one has, negative or positive, does not depend on ones level of education. There were only three respondents of standard eight level of education all of who reflected positive attitudes.

Table 4.11 shows the attitudes towards PIN of taxpayers of various income groups.

Table 4.11: Attitude and Net Monthly Income.

ATTITUDE	Below Ksh. 5,000	Between Ksh. 5,001 Ksh. 10,000	Between Ksh. 10,001 Ksh. 15,000	Between Ksh. 15,001 Ksh.20,000	Over Ksh. 20,000
		(7) 28.6%	(60) 31.7%	(34) 35.3%	(16) 62.5%
POSITIVE					
NEUTRAL	14.3%	8.3%	5.9%	0.0%	5.3%
NEGATIVE	57.1%	60.0%	58.8%	37.5%	21.0%
TOTAL	100%	100%	100%	100%	100%

As the table shows, the majority of the respondents falling below Kshs.15,000 income group had negative attitudes towards PIN and its operations. These were 57.1%, 60.0% and 58.8% of the respondents of the net income groups below Kshs. 5000, between Ksh.5,001 - Ksh.10,000 and Ksh.10,001 - Ksh. 15,000 per month respectively. The income groups Kshs. 15,001 - 20,000 and over Kshs. 20,000 held positive attitudes, 62.5% and 73.7% respectively. The distribution of the respondents over neutral attitudes in ,each income category are fairly similar among different income categories. The implication here is that the type of attitude one holds towards PIN may depend on one's level of income.

Table 4.12 shows the attitudes of the married and single taxpayers toward PIN system and its operations.

Table 4.12: Attitude and Marital Status

ATTITUDE	MARRIED RESPONDENTS	SINGLE RESPONDENTS
	(114)	(22)
POSITIVE	42.1%	40.9%
NEUTRAL	4.4%	18.2%
NEGATIVE	53.5%	40.9%
TOTAL	100%	100%

Number (N) - 136

Source - Primary Data

The table shows that the majority, 53.5%, of the married respondents held negative attitudes towards PIN system and its operations. Only 42.1% held positive attitudes.

It also shows that equal percent of single respondents held negative and positive attitude that is 40.9%. The type of attitudes one holds towards PIN system and its operations therefore does depend on one's marital status.

Table 4.13 shows the attitudes towards PIN system and its operations of the male and female taxpayers.

Table 4.13 Attitude and Sex

ATTITUDE	MALE RESPONDENTS	FEMALE RESPONDENTS
	(97)	(39)
POSITIVE	47.4%	28.2%
NEUTRAL	7.2%	5.1%
NEGATIVE	45.4%	66.7%
TOTAL	100%	100%

As the table shows the majority of the respondents held negative attitudes towards PIN. The proportion of those with negative and those with positive attitudes however seem to be quite close among the males 45.4% and 47.4% of the males respectively. This is not the case among the female respondents, where 66.7% hold negative attitudes and 28.2% hold positive attitudes. The neutral respondents is fairly the same among the males and females. The implication is that negative attitudes is more pronounced in females than in males.

From the analysis carried out above, it can be concluded that taxpayers working in Nairobi generally held negative attitude towards PIN and its operations and that respondents demographics studied had impact on attitudes.

4.5 Respondent satisfaction and dissatisfaction with PIN system and its operations

This second section, as indicated in the introduction to this chapter sought to determine whether taxpayers working in organisation in Nairobi were satisfied or dissatisfied with Pin system and its operations and reasons why people were

satisfied or dissatisfied. This section also tried to determine whether any relationships existed between satisfaction/dissatisfaction and the various respondent demographics studied.

Table 4.14 shows respondent satisfaction/dissatisfaction with the way Kenya Revenue Authority and Income tax department handles PIN matters in Kenya.

Table 4.14 Respondent satisfaction and dissatisfaction with PIN matters

	NUMBER OF RESPONDENTS	PROPORTION OF RESPONDENTS
Satisfied	24	17.6%
Dissatisfied	112	86.8%
TOTALS	136	100%

Number = 136

Source = Primary Data

As the table shows the majority of the respondents were dissatisfied with PIN operations. 86.8% of the respondents indicate that they were dissatisfied with the way PIN matters in Kenya were being handled while only 17.6% indicated they were satisfied.

The researcher made attempts to identify reasons that led to respondent satisfaction/dissatisfaction. Table 4.15 shows the reasons which explained why respondents who had indicated their satisfaction were satisfied with PIN system and its operations.

Table 4.15 Reasons for respondent satisfaction with PIN system

Reasons	Proportion of satisfied Respondent (24)
- PIN makes everybody participate in raising Government revenue.	70.3%
- PIN maximises the revenue collection and protection of taxation.	58.3%
- PIN ensure that all chargeable Income are subject to taxation .	75.0%
- PIN is free and easy to get	54.2%
- The PIN system is good.	41.7%
- PIN enhance respect and trust of taxpayers to the taxation systems.	29.2%
- PIN is like any other number.	29.2%

All the reasons as indicated in the table contributed towards satisfaction with PIN operations among some respondents. However the most popular reasons:- were making everybody participate in raising revenue to the government and ensuring that all chargeable income are subject to taxation.

Each of the two reasons was indicated by over 70% of the respondents who were satisfied with PIN operations.

Table 4.16 shows the reasons for respondent dissatisfaction with PIN system.

Table 4.16 Reasons for respondent dissatisfaction

Reasons for respondents dissatisfaction	Proportion of dissatisfied Respondents (112)
- Kenya Revenue Authority (KRA) does not educate the taxpayers on the use and importance of PIN in relation to revenue collection.	87.5%
- PIN requirements are difficult to understand	56.3%
- PIN is a tool to make taxpayers to pay more	51.8%
- PIN will make KRA have a lot of information	38.4%
- PIN is only concerned with maximising revenue collection and ignore the taxpayers.	62.5%
- Low incomes make people resent the PIN system.	48.2%
- PIN increases the burden of paying high taxes.	63.4%
- PIN has not improved settlement of refunds in KRA and particularly in VAT departments	54.5%
- The effects of PIN have not been felt by many.	70.5%
- The practise of requiring so many details from people is bad as it interferes with their private life.	49.1%
- I do not see any benefit in holding PIN in Kenya.	63.4%
- Everybody is dissatisfied with PIN so there is no reason why I should hold it favourably.	33.9%
- The KRA staff are not within reach to explain the details in self assessment return forms.	59.8%
- The high levels of corruption in the society make me hate the PIN system.	79.5%
- Failure to get the value of money.	42.9%

As the table shows the factors or reasons with which most dissatisfied respondents were dissatisfied were :- failure of KRA to educate people about PIN and its

operation, maximising revenue and ignoring taxpayers, increases the burden of paying high taxes, the effects of PIN have not been felt by many, and high levels of corruptions in the society. According to the literature, these are some of the factors that cause taxpayers dissatisfaction. Therefore the findings are consistent with the literature.

Even though each of the reasons shown, in the table contributed towards respondent dissatisfaction with PIN system, some reasons like a lot of information gotten by KRA, everybody is dissatisfied with it, low incomes and failure to get the value of money were not popular factors of dissatisfaction as evident from low proportions of the dissatisfied respondents who mentioned them.

Table 4.17 Shows the demographic characteristics of the dissatisfied respondents

Table 4.17: Dissatisfaction and respondent demographics

	MARITAL STATUS		SEX		EDUCATIONAL LEVELS OF RESPONDENTS					
	Married	Single	Male	Female	Eight	Form Four	Form Six	Diploma	University	Others
Satisfied (24)	(114) 19.3%	(22) 9.1%	(99) 18.2%	(37) 16.2%	(3) 33.3%	(62) 22.6%	(18) 27.8%	(27) 14.8%	(24) 0.0%	(2) 0.0%
Dissatisfied (112)	80.7%	90.1%	81.8%	83.8%	66.7%	77.4%	73.2%	85.2%	100%	100%
Total	100	100	100	100	100	100	100	100	100	100

As shown in the table, the majority of the respondents in each demographic category were dissatisfied with PIN and its operations. The “university” and “others”, categories of education indicated 100% dissatisfaction with PIN matters. Since only twenty six cases were observed and analysed the significance of this result can be ignored because the number of cases was small.

It can be concluded from the analysis that most respondents were dissatisfied with PIN operations. Some of the reasons for respondent dissatisfaction like lack of education to promote PIN and high levels of corruption in the society supported what is in the literature, while other reasons like failure to get the value of money, and low incomes of the taxpayers contradicted the theory available in the literature.

4.6 Attitude and PIN Status

The final section of this chapter as indicated earlier attempts to determine whether those with PIN had negative/positive attitudes or whether those without PIN had negative/positive attitudes.

Table 4.18 shows the respondents with PIN and without PIN and their demographic characteristics

Table 4.18. Respondents with PIN and without PIN

	MARITAL STATUS		SEX		EDUCATIONAL LEVELS OF RESPONDENTS					
	Married	Single	Male	Female	Eight	Form Four	Form Six	Diploma	University	Others
Without PIN (18)	(114) 9.6%	(22) 31.8%	(99) 13.1%	(37) 13.5%	(3) 33.3%	(62) 11.3%	(18) 5.6%	(27) 14.8%	(24) 20.8%	(2) 0.0%
With PIN (112)	90.4%	68.2%	86.9%	86.5%	66.7%	88.7%	94.4%	85.2%	79.2%	100%
Total	100	100	100	100	100	100	100	100	100	100

As shown in the table, there is a fair distribution of those with and without PIN in each demographic category. The total respondents without PIN were 13.2% while those with PIN were 86.8%.

Table 4.19 shows the type of attitudes held by respondents who had PIN numbers and those who did not have the PIN numbers.

Table 4.19. Attitudes and PIN Status.

<u>ATTITUDES</u>	<u>RESPONDENTS WITH PIN</u>	<u>RESPONDENTS WITHOUT PIN</u>
	(118)	(18)
POSITIVE	42.4%	33.3%
NEUTRAL	5.9%	11.1%
NEGATIVE	51.7%	55.6%
TOTAL	100	100

Number (N) = 136

Source - Primary Data

As shown in table 4.19, the majority, 51.7% of the respondents who had PIN numbers held negative attitudes toward PIN system and its operations. Only 42.4% held positive attitudes while 5.9% held neutral attitude toward PIN system and its operations.

Only 33.3% held positive attitudes among those without PIN while 11.1% held neutral attitudes. The possible implications here were twofold, one, that PIN status did not have any impact on the nature of attitude held, and the other, that the type of attitude one holds has no relationship with his holding or not holding a PIN number.

The theory of attitudes as reviewed in the literature shows that attitude is an important factor in the success of PIN operations and one would expect that majority of those with positive attitudes would have less tax evasion/avoidance while majority of those with negative attitude would have a high rate of tax evasion/avoidance. The findings of this study, however, show that the majority of the PIN holders and the majority of non PIN holders had negative attitudes. This is quite different from what the theory of attitude show.

4.7 Conclusion

The foregoing analysis brings to light a number of points. The first is, that taxpayers working in organisations in Nairobi generally held negative attitudes towards PIN system and its operations and that the respondent demographics studied did have some relationship with their attitudes. The factor analysis has brought to light the principal factors that influence the attitudes which can be addressed to further.

The other point is that taxpayers working in organisations in Nairobi were generally dissatisfied with PIN system and its operations. The factors with which most dissatisfied respondents were dissatisfied with were: lack of education in relation to use and importance of PIN in relation to revenue collection; high levels of corruption in the society, the fact that PIN have not been felt by many and lack of benefits associated with PIN. Some factors like a lot of information gotten by KRA, everybody is dissatisfied with it; Low income levels among people and failure to get the value of money were not popular factors of dissatisfaction. It was also found that the taxpayers demographics studied had no impact on satisfaction/dissatisfaction with PIN system.

Finally PIN status, that is, holding or non-holding of a PIN number was found to be irrelevant as far as the attitudes held were concerned.

CHAPTER V

5.0 CONCLUSION

Chapter five, the conclusion summarises and discusses the findings of this study according to the questions that were raised in the objectives of the study. Also covered in this chapter are the limitations of the study. The chapter concludes by recommending areas for future research.

5.1 Summary and Discussions

One question was raised as the objective of this study, and four other questions as the secondary objectives.

The major question sought to determine the type of attitudes which taxpayers working in organisations in Nairobi held towards PIN system and its operations. The secondary questions sought to determine the following: whether taxpayers working in Nairobi were satisfied/dissatisfied with PIN system and its operations; whether taxpayers with PIN hold positive/Negative attitudes; and whether people without PIN held negative/positive attitudes.

Answers to these questions were provided through the analysis carried out in chapter four. The analysis performed was under three sections. Section one determined the type of attitudes employees working in organisations in Nairobi held toward PIN system and its operations. Here the five principal factors of PIN rating were also considered; Section two dealt with whether and why taxpayers working in Nairobi were satisfied/dissatisfied with PIN system; while the third section related to attitudes and PIN status (holding or non-holding of a PIN).

From the analysis carried out in the first section of chapter four, two conclusions can be arrived at. The first conclusion is that taxpayers working in organisation in Nairobi held negative attitudes toward PIN system. The majority, 51.5%, of the respondents had negative attitudes while only 41.9% of the respondents had positive attitudes. The five principal factors which affect the PIN rating on attitude measurement accounted for 59.6% while the rest was accounted for by other factors.

The second conclusion is that respondent demographics including education, net income, marital status and sex do have some relationship with respondent attitudes. The implication is that people's attitudes are related to demographics studied in this study.

From section two of chapter four issues relating to respondent satisfaction and dissatisfaction were raised. It was found that only 17.6% of the respondents were satisfied with the way PIN operation matters are handled while the bulk of respondents, 82.4%, of the respondents were dissatisfied. It was also found that the respondents demographics studied had no relationship with satisfaction/dissatisfaction of respondents regarding PIN operations.

Also covered in this section were reasons for people's satisfaction/dissatisfaction with PIN operations. Out of the twenty four respondents who indicated they were satisfied the majority of them, 75% mentioned PIN will ensure that all chargeable incomes are subject to taxation and that PIN will ensure that everybody participates in raising government revenue as the factors they were satisfied with. The other reasons were mentioned by very few of the satisfied respondents. What this point at is the need to improve PIN system and its operations for even the satisfied respondents were not satisfied with all aspects of PIN operations.

One hundred and twelve (112) of the total number of one hundred and thirty six respondents indicated dissatisfaction with the way PIN operation matters were being handled in Kenya. The most popular reasons given for dissatisfaction were: failure of KRA to educate taxpayers on the use and importance of PIN, the high levels of corruption in the society, failure to see the benefits from PIN, increases burden of paying high taxes, the fact that PIN ignores the taxpayers, and that no equity as very many people/institutions are not covered by it.

The findings point to the need for taking corrective action. The issue that need correction as shown by the analysis lie with the Kenyan Revenue Authority and the Income Tax Department. The Kenya Revenue Authority should have promotional campaign to educate the potential taxpayers on the use and the importance of PIN system. The taxpayers could be taught through the mass media as to what is entailed in a PIN system. This will help to improve the KPA's relationship with the public. As Gupta (1995), Nzibo (1997) put it, KRA should strive and work as an; 'open shop' in its dealings with the public.

The KRA should streamline its operations in its three major departments; viz, Income Tax Department, VAT Department and Custom and Excise Department. This will help to improve the reconciliation of information towards efficiency and effectiveness. A strong data base should be installed to accommodate all the information received under PIN system. Those departments such as customs, registrar of motor vehicles and others should be computerised to improve operations of PIN. Information technology must be put in place in all organisations/institutions with PIN operations for its success. The KRA should advocate to the government on the importance and use of a single identification number in all transactions by all individuals.

The way KRA operates was another area which most dissatisfied respondents were dissatisfied, with. What the findings indicate is the need for streamlining the operations of all organisations towards transparency and accountability. There should be justice and equity in all PIN operations. Currently many do not know about it while others continue to evade/avoid paying taxes. The KRA should be made autonomous so that it is held accountable towards improvement of the negative attitudes people have towards PIN system and its operations.

The final issue that was raised related to attitudes and PIN status (holding or non-holding of a PIN). It was found that majority, 51.7%, of the respondents with PIN held negative attitudes. It was also found that the majority, 55.6%, of the respondents without PIN held negative attitudes. This implied that attitudes did not have any relationship to holding or not holding a PIN. Since the finding contradicts what the theory of attitude states, it may be argued that taxpayers in Nairobi appear to be unique and there is need to determine factors that influence PIN and non PIN holding among the taxpayers working in Nairobi. The five principal factors of PIN rating identified through factor analysis only accounted for 59.6%

5.2 Limitation of the Study

The study was constrained by the following factors:

First, thirty respondents refused to co-operate and were ignored, while out of one hundred and fifty respondents who returned the questionnaire in time fourteen of them gave incomplete information and were also ignored. This left a sample of one hundred and thirty six respondents. Thus the study was constrained to the extent that data from forty four respondents was lacking.

Secondly, the study covered only one social economic class, taxpayers working in organisations/institutions in Nairobi. The generalisation made from the study would therefore apply to the working class people.

Thirdly, even though the number of the working class people in Nairobi is quite large, because of financial and time constraint, a small sample size of only one hundred and eighty respondents was intended for the study and only a sample size of one hundred and thirty six was finally realised. The generalization which could be made from the study was some what constrained by the small sample.

Fourthly, there was limitation of measurement such as this one: Attitude changes over time and respondents can give biased answers.

5.3 Suggestion for further Research

The following areas can be recommended as possible areas for further research.

First, since the study covers taxpayers' attitudes towards PIN system and its operations, future studies could be carried out to find out the impact of PIN on revenue collection.

Secondly, the study revealed that holding or non holding of PIN did not have any impact on the attitudes held. Likewise the type of attitudes held did not have any relationship to holding or non holding of a PIN. One could therefore carry out an in-depth study to identify the factors related to the holding or non holding of PIN.

Thirdly, the study revealed that respondent's demographics were related to attitudes. A study could be conducted to examine whether demographics not studied or any other factors have any relationship with the following:- attitudes towards PIN system and its operations, satisfaction/dissatisfaction with PIN system, and holding or non holding of PIN.

Finally, a study could be conducted on the attitudes of Kenyans towards the imposition of Income Tax.

Appendix 1 (a)

Note to the Respondents.

UNIVERSITY OF NAIROBI,
FACULTY OF COMMERCE.
MBA - PROGRAMME.

P.O BOX 30197

NAIROBI, Kenya.

INTRODUCTORY LETTER; MBURU FRANCIS C.N

MR. MBURU FRANCIS C,N. is a masters student in the Faculty of commerce, University of Nairobi. In partial fulfillment of the requirements of the Masters in Business and Administration (MBA) he is conducting a study on "THE ATTITUDES OF TAXPAYERS TOWARD PERSONAL IDENTIFICATION NUMBER (PIN).

Your organization\firm has been selected to form part of this study. To this end, we kindly request your assistance in completing the questionnaire which forms an integral part of the research. Mr Mburu, will be responsible for the administration of the questionnaire. Any additional information you might feel necessary for this study is welcome.

The information and data required is needed for academic purposes and will be treated in strict confidence. A copy of the research project will be made available to your organization\firm upon request.

Your co operation will be highly appreciated.

Thank you.

Yours Sincerely,

J.K. Lelei.

MBA Coordinator.

cc Dean, Faculty of Commerce

Chairman Dept of Mgt science

Chairman, Dept of Accounting

Chairman, Dept of Business administration

Appendix 1(b)

KENYA REVENUE AUTHORITY

Income Tax Department.

11th May 1998

Ref 2055/1

SECTION A

Mr MBURU FRANCIS C.N.

Thro'

Mr. J.K.Lelei

MBA Co-ordinator.

University of Nairobi

Faculty of Commerce.

P.O. Box 30197

NAIROBI.

TO WHOM IT MAY CONCERN:

Your letter of 16th April, 1998 refers.

This is to certify that Mr Mburu, Francis C.N. of University of Nairobi, Faculty of Commerce has been authorized to carry out research in respect of the Personal Identification Number (PIN).

Please accord him all the assistance required for the exercise.

Yours faithfully,

S.K. Karuga

FOR COMMISSIONER OF INCOME TAX

Appendix 2

QUESTIONNAIRE

SECTION A

For each of the following statements please indicate how strongly you agree or disagree with the statement. Indicate by circling, only the number which best represents your level of agreement; 5-Agree strongly, (4) Agree, 3-Neutral (2) Disagree 1=Disagree strongly.

- | | | | | | | |
|----|--|---|---|---|---|---|
| 1. | People are happy with PIN system in Kenya | 5 | 4 | 3 | 2 | 1 |
| 2. | PIN System brings equity in revenue collection | 5 | 4 | 3 | 2 | 1 |
| 3. | PIN help the government maximise revenue collection to support the society in the provision of social goods | 5 | 4 | 3 | 2 | 1 |
| 4. | The main aim/goals of PIN is to prevent tax evasion and tax avoidance. | 5 | 4 | 3 | 2 | 1 |
| 5. | PIN help the Kenya Revenue Authority (KRA) to keep in touch with all known employers and employees. | 5 | 4 | 3 | 2 | 1 |
| 6. | PIN will make taxation matters with KRA simpler despite the conflict of equity and simplicity. | 5 | 4 | 3 | 2 | 1 |
| 7. | PIN make taxpayers feel as though taxation is intended to prevent them from saving, from developing their business and enriching themselves. | 5 | 4 | 3 | 2 | 1 |

8. PIN system has been used by KRA to boost its reputation for efficiency and fair dealing. 5 4 3 2 1
9. The Kenyan public as a whole are responsible and enjoy contributing to the cost of social service. 5 4 3 2 1
10. PIN System will help the KRA in gathering a lot of information concerning the taxpayers. 5 4 3 2 1
11. Taxpayers have so many numbers hence PIN is not absolutely necessary as identity card number as file number can equally be used. 5 4 3 2 1
12. In Kenya there are so many taxes which make taxpayers to resent the PIN System 5 4 3 2 1
13. On the issue of government revenue collection there has been tremendous improvement under the PIN System 5 4 3 2 1
14. On the issue of PIN how would you describe your personal position? (1) Unfriendly (2) Negative (3) Indifferent (4) Positive (5) Enthusiastic.
15. PIN System is the best way by which to monitor all the economic activities of all people in Kenya. 5 4 3 2 1

SECTION B.

For each of the following questions please fill the blank or tick in the appropriate space.

1. Do you hold a personal identification number (PIN) Yes { } No { }
2. If No, do you have other numbers you actively use Yes { } No { }
3. If you have a PIN number indicate whether it is for business { } self { }
(otherwise go to question 5)
4. If you have your business PIN number do you also
have a VAT number Yes { } No { }
5. Are you satisfied with the way Kenya Revenue Authority
handles revenue collection matters and PIN system in general Yes { } No { }
If yes go to question 7.
6. If you are not satisfied with the way PIN System and Revenue collection
matters are handled which of the following reasons explain why. (If some of the
reasons that explain why you are dissatisfied are not listed below, please write
them. In the space for "others-----" at the end of question 6.
 - (a) Kenya Revenue Authority does not educate the taxpayers the use and
importance of PIN in relation to revenue collection. { }
 - (b) PIN requirements are difficult to understand { }
 - (c) PIN is a tool to make taxpayers pay more { }
 - (d) PIN will make KRA have a lot of information { }
 - (e) PIN is only concerned with maximising revenue collection and
ignore the taxpayers { }
 - (f) Low Income levels make me resent the PIN system. { }

- (g) PIN increases the burden of paying high taxes { }
- (h) PIN has not improved settlement of refunds in KRA and particularly in VAT Department. { }
- (i) The effects of PIN have not been felt by many people. { }
- (j) The practice of requiring so many details from people is bad as it interferes with their private life. { }
- (k) I do not see any benefit in holding PIN in Kenya. { }
- (l) Everybody else is dissatisfied with PIN so there is no reason why I should hold it favourably { }
- (m) The KRA Staff are not within reach to explain the details in self Assessment return forms { }
- (n) The high levels of corruption in the society make me hate the PIN System. { }
- (o) Failure to get the value of money. { }
- (p) Others.....

(i)

SECTION C

(ii)

(iii)

(iv)

(v)

7. If you are satisfied with the way PIN System matters are handled in Kenya which of the following reasons explain why. If some of the reasons that explain why you are satisfied are not listed below, please write them in the space for “others” at the end of question 7

- (a) PIN is like any other number { }
- (b) PIN will enhance respect and trust of taxpayers to the taxation system as a whole. { }
- (c) PIN maximises the revenue collection and protection of taxes. { }
- (d) The PIN System is good. { }
- (e) PIN will make everybody participate in raising government revenue. { }
- (f) PIN will ensure that all chargeable incomes are subject to taxation. { }
- (g) PIN is free and easy to get { }
- (h) Others.....
- (i)
- (ii)
- (iii)
- (iv)

SECTION C

For each of the following questions please complete the blank or tick in the appropriate space.

1. Your sex is Male { } Female { }
2. You are Married { } Single { }
3. How do you earn your living? Working in Public Sector { } Private
Sector { }
- Self Employment { }

4. Please indicate your level of Education :

University Level { }

Diploma { }

Form Six { }

Form Four { }

Standard Eight { }

Others, Name them. { }

5. Indicate the net income group to which you belong.

Below Kshs.5,000 per month { },

Between Kshs. 5001 - 10,000 per month { }

Between Kshs.10,000-15,000 per month { },

Between Kshs.15,000-20,000 per month { }

Over Kshs.20,000 per month { }

Thank you.

MBURU F. N.

APPLICATION FOR PERSONAL IDENTIFICATION NUMBER VIA AN INSTITUTION

Appendix 3
The Finance (No.9)

THIRTEENTH SCHEDULE

TRANSACTIONS FOR WHICH PERSONAL IDENTIFICATION NUMBER (PIN) WILL BE REQUIRED

Institution	Purpose of Transaction
Registrar of Business Names	New registrations
Registrar of Companies	underwriting of policies
Ministry of Commerce	Import licensing or trade licensing
Commissioner of VAT	Applying for registration
Central Bank of Kenya	Applying for foreign exchange allocation or licensing of financial institutions
Customs and Excise Clearing and Forwarding	Importation of goods Customs
Kenya Power and Lighting Company Ltd.	Payment of deposit for power connection.

PART VI - MISCELLANEOUS AMENDMENTS

Amendments to 59. The Insurance Act is amended- Cap. 487
(a) by inserting the following new section
'197H' in Part XXA of the Act-

APPLICATION FOR PERSONAL IDENTIFICATION NUMBER FOR AN INDIVIDUAL

(See reverse for instructions)

(Please print or type all required information)

1. Accounting period ending date /

Day

Month

2. National ID No./Alien Reg. No./Passport No.

3. (Tick all applicable)

Employee Self-employed

4. (Tick if applicable)

Civil Servant

5. (Tick one)

Last year's total income

 More than £4,000 £4,000 or less

3. (a) If self employed, state nature of trade

6. Name of Taxpayer: (Last, First, Middle):

7. Your physical and Mailing Address

PHYSICAL ADDRESS

MAILING ADDRESS

Road: P.O. Box

City or Town: City or Town:

Location:

8. Telephone No.

9. Date of Birth (Day, Month, Year):

10. Place of Birth (City, Town, Location):

11. Sex: 12. Marital Status:

13. If married, give spouse's full name and address and, P.I.N. and file number (if known):

14. If you have a Tax Agent Name, Address, and P.I.N. of Certified Public Accountant/Agent:

15. Your Income Tax File Number(s), if any:

16. Your PAYE file number(s) if any:

17. Were you ever located in an Income Tax district other than the one which services your file now?

Yes No (Tick One). If Yes, please list all names by which you may have been known and other file or PAYE file numbers which you may have had in other districts

18. (Tick one) Are you a Resident Taxpayer or a Non-Resident Taxpayer

19. Do you now employ or intend in the next 12 months to employ others, any of whom will earn more than Kshs. 1210 per month? Yes No (Tick one).

20. Are you now exempt from income tax? If so, cite the authority granting the exemption:

21. I,, declare that the above is a full and true statement. I understand that if any information given above is misleading or incorrect, I could be subjected to any and all penalties or fines that the law may allow to be imposed.

Date

Signature

This form when completed, together with a copy of your National Identity Card, Alien Reg. Certificate, or passport if a non-resident should be mailed or delivered to your Local Income Tax District Officer.

Appendix 5

Scores for the Fifteen Questions of the Attitude Measurement (Section A) of the Questionnaire

RESP. NO.	V1	V2	V3	V4	V5	V6	V7	V8	V9	V10	V11	V12	V13	V14	V15	TOTAL
1	-1	-1	0	1	1	2	0	0	-1	2	1	1	2	1	0	8
2	1	-1	1	-1	0	1	-1	1	-1	1	1	1	1	2	-1	5
3	-2	-1	1	1	2	1	-1	1	-1	2	2	-1	1	1	2	8
4	-2	0	-2	2	0	2	-1	2	-2	2	2	2	-2	2	-2	-1
5	1	1	2	1	1	2	-2	1	-1	1	1	-1	1	1	1	10
6	0	-2	2	-2	1	2	2	-1	-1	1	-2	2	0	-2	1	1
7	-2	2	1	2	1	2	2	2	2	2	2	1	1	1	2	21
8	-1	1	1	0	1	1	2	0	-1	1	2	2	0	1	1	11
9	2	-2	-2	-2	-1	0	-2	-1	-2	0	2	2	-2	2	-2	-8
10	-1	-1	-1	1	1	-1	1	1	-1	1	1	2	0	0	0	0
11	-1	1	1	2	1	0	2	-1	-1	1	-1	2	-1	0	-2	3
12	0	1	-2	0	1	0	2	-1	1	1	0	0	-1	-1	0	0
13	-2	-1	-1	0	2	0	1	-1	1	0	-1	-1	-2	2	0	-3
14	0	2	2	2	2	2	-1	2	0	1	1	2	-2	1	2	16
15	0	0	-1	1	1	1	-1	-1	-1	-1	1	1	0	0	-2	-2
16	2	-1	-2	-2	-2	2	2	1	-2	2	0	2	-1	0	2	3
17	0	1	2	-1	-1	1	1	-2	2	-1	-2	2	-1	-2	-2	-3
18	1	1	1	1	2	1	0	1	2	2	-1	0	1	1	1	14
19	0	1	1	1	1	1	1	-1	1	1	0	2	0	0	1	10
20	-2	-2	-2	2	-2	-1	2	2	-1	-2	-2	2	-2	-1	-1	-10
21	-2	-1	0	0	-1	-2	1	-2	-1	-1	-1	0	0	0	-1	-11
22	-2	-2	-2	0	-1	0	-1	1	0	2	-1	2	2	-1	1	-2
23	0	-1	1	1	2	1	1	0	0	1	-2	2	1	1	1	9
24	-2	-1	2	2	2	2	1	-1	2	1	-1	1	2	0	0	10
25	1	2	1	2	2	1	1	1	-2	1	-1	2	1	2	1	15
26	-2	1	1	1	1	1	2	0	-1	1	1	1	-1	0	1	7

27	-1	1	0	2	-1	2	0	-2	-2	2	2	2	0	-1	2	6
28	0	1	-1	2	-1	2	1	-2	-1	2	0	2	-1	0	2	6
29	0	1	0	2	2	1	1	0	0	1	-1	-1	-1	0	1	6
30	-1	-1	0	1	-1	1	2	0	-1	1	0	1	-1	0	-2	-1
31	-1	-1	0	-1	0	0	0	1	-1	0	-1	1	0	0	0	-3
32	-2	2	0	2	1	1	1	-1	-1	1	1	1	2	1	2	11
33	-2	2	2	1	1	-1	1	-1	2	1	0	2	0	1	0	9
34	0	-2	-2	-1	-2	-1	2	-2	0	2	2	2	-2	-1	-2	-7
35	1	0	2	1	1	-2	-2	2	-2	1	2	-2	1	1	1	5
36	1	1	0	1	2	2	2	1	0	1	0	1	1	1	1	15
37	-1	-2	-1	-1	-1	-1	0	0	-1	1	1	0	2	-2	-2	-8
38	0	-2	-2	2	1	1	1	-2	-2	-1	2	0	-1	0	-1	-4
39	-2	-2	-2	2	2	0	2	0	-2	1	-1	2	0	0	0	0
40	-1	-2	0	-2	0	0	0	1	2	0	-2	2	0	-2	-2	-6
41	-2	0	-1	-1	2	1	-1	-2	-2	0	-2	1	-1	-1	0	-9
42	-2	-2	0	1	1	-2	-1	1	1	-1	1	2	-2	-2	-1	-6
43	-1	-1	-1	1	1	1	1	-1	-1	1	-1	1	0	-2	-1	-3
44	1	-1	1	1	1	0	-1	1	0	1	-1	1	-1	1	-1	3
45	0	0	-2	1	1	1	1	2	1	2	2	2	-1	1	1	12
46	-2	-1	-1	0	-1	0	2	-1	-1	0	-1	2	0	-2	-2	-8
47	-2	-1	-2	1	0	0	-1	1	-1	1	-1	2	-1	-1	2	-3
48	-2	-1	1	0	2	1	2	0	-1	-2	-1	2	-2	-1	-2	-4
49	-2	-1	0	-1	2	1	2	1	-2	2	-2	2	-2	-1	-2	-3
50	-2	-1	-1	-1	-2	-1	0	-1	1	-1	-1	2	0	-2	-1	-11
51	1	-2	-2	2	0	2	1	-1	-2	2	1	2	0	1	-1	4
52	0	-1	2	0	1	0	-1	1	2	2	-2	1	0	1	1	7
53	-1	-2	0	2	2	1	-2	0	0	2	2	-2	1	1	2	6
54	-2	1	-1	1	1	1	2	1	-1	1	1	2	-1	-1	-1	4
55	0	-1	1	-1	1	1	2	-2	-1	2	2	-1	-1	-1	-1	0
56	-2	0	1	2	2	0	2	1	2	1	-2	2	0	-1	1	9

57	-2	-1	-2	-1	1	-1	-2	-2	1	2	-2	-2	-1	-2	-2	-16
58	-2	1	0	2	2	1	2	0	0	1	-2	2	1	-1	0	7
59	0	1	1	1	2	1	-1	1	-1	2	-1	2	0	1	1	10
60	-2	-2	-1	0	0	1	2	1	-1	1	-2	2	-2	-1	-2	-6
61	-1	2	2	-2	-2	2	2	1	-2	2	-1	1	2	-1	-2	-1
62	-2	-1	1	1	-2	-1	2	1	-1	-1	-1	1	-2	-2	-2	-9
63	-2	1	-2	1	-2	0	2	-1	-1	2	-1	1	-2	0	1	-3
64	1	-1	1	2	2	1	2	0	1	2	1	0	-1	0	2	13
65	-2	-2	-2	0	0	-2	2	-2	-2	-2	-2	2	-2	-1	-2	-17
66	-1	1	1	1	1	1	1	1	1	1	1	1	-1	-1	-1	7
67	-1	-1	2	2	1	1	-2	1	-1	2	-1	2	1	1	1	8
68	-2	-2	1	1	1	-2	1	1	-2	1	-1	1	1	-1	0	-2
69	2	2	-2	-1	-1	-2	-2	-1	2	2	2	-2	-2	1	-2	-4
70	0	-1	1	-1	1	1	0	1	-1	1	-1	1	1	0	-1	2
71	0	0	2	2	-2	-2	-2	-1	-1	0	2	-1	0	1	0	-2
72	0	1	1	1	2	0	0	0	-1	1	1	1	1	0	1	9
73	-2	1	-1	1	1	1	2	-1	0	1	-2	2	-1	-1	-2	-1
74	-1	1	-2	1	1	2	1	2	1	-1	-1	2	2	-1	1	8
75	0	1	2	2	1	2	-1	0	1	2	0	0	1	2	2	15
76	-2	-2	-2	1	1	1	1	-2	1	2	2	2	-2	-1	-2	-2
77	-1	-1	-2	1	-1	-1	1	-2	-2	-2	0	2	-2	-1	1	-10
78	-2	-2	0	0	1	0	0	1	-1	0	0	2	-1	-1	-2	-5
79	-1	-2	-1	1	0	1	1	-1	-1	1	-1	2	1	0	-1	-1
80	-1	1	1	1	1	1	1	1	1	1	-1	1	1	2	1	12
81	-1	0	0	1	2	0	2	-1	-1	1	-1	1	-2	0	-1	0
82	-1	-1	0	0	-1	-1	1	0	1	-1	-1	2	0	-2	-1	-5
83	-2	2	-2	2	1	0	2	-1	-2	1	2	2	-2	-2	1	-2
84	-2	2	-2	1	1	0	1	-2	-2	2	-1	2	2	-2	-2	-2
85	1	2	2	2	0	2	1	0	1	2	1	-2	-2	1	2	13
86	-2	-1	2	1	1	-1	-2	1	2	1	-1	-2	-2	-1	1	-3

87	-2	-1	-2	-2	-2	-1	-1	-1	-1	0	-1	1	-2	-1	1	-15
88	-2	-1	-2	-2	-1	-1	2	2	2	0	0	1	-2	-1	0	-5
89	-1	-1	-1	-1	0	0	-1	-1	1	0	1	1	-1	-1	-1	-6
90	-2	0	-1	-1	-1	-1	-1	-1	-1	2	0	-1	0	-1	-1	-10
91	-1	-2	-1	0	-1	-1	1	-1	-1	0	-1	1	0	-1	-1	-9
92	-1	0	-1	-2	0	-1	1	-1	1	-1	1	-1	0	0	0	-5
93	-1	0	-1	-2	0	-1	1	-1	1	-1	1	-1	0	0	0	-5
94	-1	0	-1	1	1	2	1	1	-2	1	-2	1	-2	-1	-1	-2
95	-2	-1	0	1	1	1	1	0	-1	0	-1	1	-1	-1	-1	-3
96	2	1	1	2	1	1	2	0	2	1	2	2	2	0	-1	18
97	1	2	1	1	2	2	-1	0	1	1	0	0	1	1	0	12
98	2	2	1	2	1	1	1	0	2	1	2	2	2	1	-2	18
99	2	0	2	2	1	1	0	0	2	2	2	2	2	1	-1	18
100	1	0	2	1	1	1	0	2	2	1	1	2	1	0	-2	13
101	1	0	2	1	1	1	0	1	2	2	2	2	1	0	-1	15
102	-1	0	-1	1	1	2	1	0	-1	1	1	2	1	-2	1	6
103	-2	1	-1	2	1	1	2	2	0	1	0	1	0	-1	-2	5
104	-2	-2	-2	0	1	0	1	-2	-2	0	-2	2	-2	0	-1	-11
105	-2	-1	0	1	1	1	-2	0	2	0	1	1	1	-1	-2	0
106	0	-1	-1	0	-2	0	1	-1	0	0	0	-1	-1	0	-2	-8
107	-2	-1	-1	1	0	1	2	-1	-2	-1	-2	2	-2	-1	-1	-8
108	-2	-2	-2	1	1	1	0	0	-2	0	2	1	1	-1	-2	-4
109	-1	-1	-1	2	-1	0	1	-1	0	1	-2	2	1	-2	-2	-4
110	-2	0	-1	2	-1	1	-2	0	1	1	1	2	-2	-1	0	-1
111	0	-2	-1	1	1	0	0	-2	-2	0	1	1	-1	0	1	-3
112	-2	-2	0	1	1	1	1	-1	-2	0	-1	2	0	-1	-1	-4
113	-2	-1	0	1	1	1	0	-1	-2	0	-1	2	0	-1	-2	-5
114	-2	1	0	2	0	1	2	-2	-2	2	-2	2	0	-1	-2	-1
115	-2	0	-2	0	-2	-2	2	-2	-2	-2	-2	2	-2	-1	-2	-17
116	-2	-2	-1	-1	-2	0	0	-1	-2	-2	0	-2	-2	-1	-2	-20

Arnold 5

117	0	0	1	1	1	1	1	2	-1	1	0	2	0	-1	1	9
118	-2	0	-2	-1	0	0	1	1	1	-1	-2	2	-1	0	0	-4
119	-2	0	-2	-1	1	0	1	0	-1	1	0	2	-1	0	0	-2
120	-1	1	-1	2	2	1	0	-1	-2	0	1	0	0	-1	1	2
121	-1	-1	-1	1	1	1	1	0	-1	1	-2	2	1	0	-2	0
122	-2	-1	0	2	0	0	0	1	-1	1	0	1	0	0	-1	0
123	0	-2	1	2	0	2	0	-1	-2	1	2	2	0	-1	0	4
124	-1	0	-1	1	1	1	0	0	-1	0	0	1	-1	1	-1	0
125	1	2	0	2	2	2	-2	0	0	-1	2	-1	0	1	-2	6
126	-1	-1	0	0	1	0	1	0	-1	0	-1	2	-2	0	-1	-3
127	0	-1	-1	1	1	1	0	-1	-1	1	-2	1	0	-1	0	-2
128	-2	0	1	2	-1	2	-1	1	-1	1	-2	1	-2	-1	-2	-4
129	0	-2	-2	-2	-2	-1	-1	-2	-2	-2	-1	0	-2	0	-2	-21
130	-2	1	0	2	2	1	1	-1	1	1	1	1	-1	2	1	10
131	0	1	1	1	1	-1	1	0	-2	0	1	2	0	-1	0	4
132	-2	-1	0	1	1	0	-1	0	-1	-1	0	2	-1	0	-1	-4
133	-2	0	-2	0	1	0	2	-2	-2	2	-2	2	-2	-1	-1	-7
134	-2	-1	-2	1	1	0	2	2	-1	2	-1	2	0	0	0	3
135	0	1	2	1	2	2	2	2	-1	2	0	2	1	0	-2	14
136	-2	-2	-2	-2	-2	-2	-1	-1	-1	-1	-2	0	1	-2	0	-19

Top Living Trust & Trustee - By Paul
 International Herald Tribune 23 May, 1996
 - Taxes Taxed too heavily?
 Daily Nation: BW1 Tuesday December 22, 1993.
 New Tax rules Complex Daily Nation: BW12,
 Tuesday April 23, 1996.
 Why not to fear the Benefits of Personal Tax cuts
 Daily Nation: BW4 Tuesday June 4, 1996
 The tax evasion business now illegal since 1986
 Daily Nation: February 10, 1996 pg

Appendix 6

NEWSPAPER CAPTIONS ABOUT TAXATION

1. Hostility to New Tax Misplaced.
East African Standard, Business and Finance. Tuesday Feb 24 1998.
2. Government caves in to Tax demand.
Daily Nation, Thursday 5 March 1998.
3. Tax stays Daily Nation Saturday 28 Feb. 1998.
4. Fury grows at New Tax rises.
Daily Nation. Saturday March 7, 1998.
5. New Tax: Recipe from recovery as groom? Daily Nation. Tuesday.
March 10, 1998.
6. Public can influence Policy on Taxation.
7. KRA: Canvasses Views on Next Tax Move.
East African. March 9-15, 1998.
8. Firms Cry foul over VAT refunds.
Daily Nation. BW7. March Tuesday 17, 1998.
9. Budget:- Yet another season of higher Taxes?
Sunday Nation. June 16, 1996.
10. More action needed to streamline VAT System.
Daily Nation. BW4. Tuesday June 18, 1996.
11. Stop calling Taxes a 'Burden'; - By Fein.
International Herald Tribune. 23 May, 1996.
12. Kenyan Taxed too heavily?
Daily Nation. BW3. Tuesday December 12, 1995.
13. New Tax rules Complex: Daily Nation. BW12.
Tuesday April 23, 1996.
14. Many yet to feel the Benefits of Personal Tax cuts.
Daily Nation. BW4. Tuesday June 4, 1996.
15. The tax evasion business runs deeper than we see.
Daily Nation. February 16, 1996 p6.

16. A job well done in Government revenue collection. Daily Nation.
June 16, 1996.
17. This new Bill will derail Kenya Revenue Authority.
Sunday Nation. June 22, 1997 p. 7.
18. Revenue body powers cut.
East African Standard Business Finance.
Tuesday June 24, 1997.
19. Taxes Muddling activity in Kenya economy.
East African standard Business and Finance A.
Tuesday April 15, 1997.
20. Revenue Collection declined (1996/97).
East African Standard Business and Finance Tuesday. Sept. 23, 1997.
21. High taxes may not cure a beleaguered.
Economy: East African Standard: Business and Finance.
Tuesday March 24, 1998.
22. Revenue collection grew. (1997/1998)
Business and Finance. Tuesday March 24, 1998.
23. Tax cheats to pay dearly warns Kenya Revenue Authority.
E.A Standard Business and Finance. Nov. 17, 1996.
24. Revenue body plans reforms. Daily Nation.
June 29, 1997. p. 16.
25. Taxation too high - Treasury Boss.
Sunday Nation. March 16, 1997.
26. Tariff review will check trade graft-KRA boss.
Daily Nation. BW9. Tuesday 4, 1997.
27. The tax rate is too high, level of service
too low. Sunday Nation. March 8, 1998.
28. Alliances urges the Government to account for taxes.
Daily Nation. December 16, 1996 p.5.
29. Evasion is leaving the problem to only a few.
Sunday Nation. 8 March, 1998

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