

The Effectiveness of ZIMRA's Electronic-Services Platform in Inducing Tax Compliance in Zimbabwe¹

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ABSTRACT

In 2015, Zimbabwe made a milestone in implementing 'ease of doing business' measures, by introducing the electronic tax filing system. The study employed a content analysis methodology in assessing the effectiveness of ZIMRA's electronic services platform in inducing tax compliance in Zimbabwe. Information was gathered from a wide range of reliable and published sources such as books, journal articles, national budget statements, ZIMRA revenue performance reports and newspapers. Evidence gathered revealed that the electronic services platform has been helpful and much instrumental in reducing taxpayer compliance costs, thereby ameliorating overall compliance. However, the study overtly shows that the electronic services platform has not been a perfect panacea and many loopholes exist. The study therefore proffered a number of recommendations which include, but not limited to system upgrade, activating the payment gateway, taxpayer education, substantial tax reforms as well as infrastructural development.

Key Words: Compliance, Compliance Costs, Electronic Services, Zimbabwe, ZIMRA

1. Introduction

Despite the attractiveness of any nation's tax system in terms of quality administration, lower tax rates and related attractions, the rate of tax compliance directly affects the quality and efficiency of revenue services. This is one of the top reasons why most tax administration organisations (Zimbabwe Revenue Authority [ZIMRA] not an exception) now preach of voluntary compliance. If total voluntary compliance was possible, tax administrators would, all things being equal, achieve maximum possible revenue. Okello (2014) notes that there is also plenty of opportunity in many countries to enhance the design and delivery of client-focused taxpayer service programs, and better engage the private sector and other stakeholders. In a bid to move in tandem with technology and at the same time cutting on taxpayers' compliance costs, many tax authorities have embraced electronic tax filing of statutory tax returns by taxpayers. E-government is becoming increasingly more important in today's world due to its effectiveness and applicability in various areas. Electronic tax filing is one of the E-government services that is being adopted by many developed countries today where the public has to discharge their responsibility to the government via online tax filing. Online information systems can however only remain relevant if constantly reviewed and upgraded to incorporate enhanced attributes. Given that an online system is designed for a specific audience or users, its success can only be gauged against the feedback and perspectives from users and owners. Thus, the success of E-government depends on the

¹ How to cite this paper: Siavhundu, T. (2020). The Effectiveness of ZIMRA's Electronic-Services Platform in Inducing Tax Compliance in Zimbabwe; *PM World Journal*, Vol. IX, Issue V, May.

importance that citizens place on factors such as convenience and general usefulness of such services.

In 2015, ZIMRA made a landmark achievement in its modernisation and automation drive by introducing an online system for the convenience of taxpayers in meeting their statutory tax obligations (ZIMRA website). This paper examines the impact of ZIMRA's electronic services on tax compliance. Tax compliance is the accuracy of a taxpayer's filing of tax returns, reporting, and payment of taxes due. The paper investigates whether tax compliance is lower or higher when a tax return is to be filed electronically than when a return is to be filed in the traditional paper form. Tax compliance has shown to be strongly influenced by personal ethics, and research has shown that ethics are situation-specific. In Zimbabwe, the electronic services platform had been perceived differently and taxpayers have mixed remarks over its relevance and usefulness (Sifile et al, 2018). Most users, however, acknowledge the benefits of the system although they strongly suggest the need for substantial improvements to the system (Sifile et al, 2018).

2. Background information

According to Muita (2011), electronic tax filing was first coined in the United States in 1986 where Internal Revenue Services (IRS) began offering tax return E-filing for tax refunds only. This has now grown to the level that currently approximately one out of every five individual taxpayers is now filing electronically. This, however, has been a result of numerous enhancements and features being added to the programme over the years. Ramayah, Ramoo and Ibrahim (2008) assert that today electronic filing has been extended to other developed countries like Australia, Canada, Italy United Kingdom, Chile, Ireland, Germany, France, the Netherlands, Finland, Sweden, Switzerland, Norway, Singapore, Brazil, Mexico, India, China, Thailand, Malaysia and Turkey. Equally, developing countries have also been embracing electronic filing of tax returns. In Africa, South Africa was the first starting in 2003, Uganda in 2009, Nigeria, Rwanda and Kenya are a few examples of African countries that have since embraced electronic tax filing. Mandola (2013) therefore concludes that other various governments in the world are also introducing electronic tax filing in order to achieve greater tax administrative and compliance efficiency.

Coming back home, Zimbabwe in 2015 made a milestone in implementing 'ease of doing business' measures, by introducing the electronic tax filing system. The ZIMRA E-services platform seeks to make it convenient, simple, safe and quick for Zimbabwean citizens and businesses to file their tax returns, make online payments and keep track of their tax transactions online and from anywhere in the world. The E-services portal puts the client in total control of their tax affairs and makes meeting the client's tax requirements simple and effortless (ZIMRA Website). With the online system, it also implies that ZIMRA is now allowing taxpayer to do self-assessment of taxes due. This means that taxpayers calculate taxes due to ZIMRA on their own and remit the same. This is contrary to the traditional manual system in which taxpayers would submit returns and ZIMRA officers responsible for assessment would carry out assessments.

The impact of electronic tax filing is bi-directional, with some taxpayers hailing it whilst others complain of the worsening effect of the system. In Zimbabwe, electronic tax filing is not receiving maximum importance it deserves due to a number of factors, which include, but not limited to inactivity of the payment gateway as well as the dominance of the informal economic sector. Owing to poor internet connectivity in the outskirts of the country, taxpayers in rural and remote areas have not realised full benefits, if any, of the electronic services system. It the system has

even made life more difficult to this class of taxpayers since they are obliged to use the system despite their situation. This makes it clear that the online system has the tendency of instead increasing compliance costs for remote and rural taxpayers.

According to Osebe (2013), the advantages of E-filing include the convenience of the taxpayers resulting from their ability to file tax returns at the comfort of their home or offices as well as the system's elimination or reduction of errors associated with manual filing as the system auto checks the application. Simiyu (2013) provides other advantages such as reduced workload and cost for the tax collector. Other motives for introducing e-filing are to improve the availability and quality of tax records by reducing mistakes made by clerks with large data entry burdens and improving the efficiency of tax administration by releasing officials from routine work to focus on higher value activities.

Moving onto the downside of electronic services, Azmi and Bee (2011) highlight that there are challenges associated with the online filing which include taxpayer's perception, challenges associated with learning the electronic filing system from the service provider, limited accessibility of internet infrastructure and electronic filing system down-times. Several countries have had different experiences with regards to the electronic filing of tax returns. By making it easier for people to file and pay taxes, and by closing off opportunities for unofficial interactions, the government expects that E-filing will ultimately lead to increased voluntary compliance and thus increased tax revenues.

3. Problem Statement

Despite ZIMRA's continual celebrations of meeting targets in recent years, the government of Zimbabwe's dire need for more revenue to finance its ballooning expenditures cannot be overlooked. As at the end of August 2018, Zimbabwe's public debt stood at \$17, 69 billion (Ministry of Finance, Zimbabwe; 2018). Government responsibilities are increasing whilst revenues continue unmatching the responsibilities (Nyamwanza et al, 2014). The general tax compliance level in Zimbabwe is so poor that ZIMRA has the potential to more than double its collections if tax compliance significantly improves. Expressed differently, the tax gap (the difference between potential tax collectable under full compliance and actual tax collected) in Zimbabwe seems to be large. The electronic services platform introduced by ZIMRA in 2015 was meant to lessen taxpayers' burden through the reduction in compliance costs. In turn, the system was expected to lure potential taxpayers outside the tax-net whilst inducing improved compliance from exiting taxpayers. All these anticipated developments would then improve revenue collections and at a lower cost of collection. However, reality on the ground does not give a clearer picture of whether electronic services could get a meaningful share among the various possible determinants of revenue collection improvements through its expected impact on taxpayer compliance.

Many taxpayers and taxpayers' representatives continuously complain about the inconsistency of the electronic platform. Some ZIMRA stakeholders (taxpayers included) allege that the electronic services system is unreliable and has worsened tax administration efficiency. This class of stakeholders has a strong feeling that exclusively going back to the manual system would help than insisting on a system whose inefficiency has strongly negatively affected businesses. On the other hand, a considerable number of stakeholders, shower compliments to ZIMRA about the ease of doing taxation business stemming from the introduction of the electronic services platform.

These mixed assertions concerning the usefulness of ZIMRA's electronic services system need an in-depth investigation so that an accurate state of affairs is established. This would assist in making informed policy decisions that would improve tax compliance and consequently help improve revenue collections at lower costs.

The reduction in taxpayer compliance costs is expected to ameliorate compliance. Mahangila (2017) established that tax compliance costs have a significant negative impact on tax compliance behaviour, albeit only at high levels of tax compliance. It seems, however, that most taxpayers in Zimbabwe remain outside the tax-net despite ZIMRA's efforts to entice potential taxpayers through endeavours meant to reduce compliance costs and simplify the systems. One major challenge is that the Zimbabwean economy is dominated with more informal players and backyard industries than formal business operations. Such a business environment obviously renders electronic services not much useful as most, if not all informal players do not regularise their tax affairs and most of them are not even registered for tax purposes. There is therefore a need to assess the effectiveness of the electronic services against such a background.

4. Tax Compliance

Tax compliance issues are ubiquitous as they trouble nations all over the entire globe. Whilst taxpayers would naturally and rationally be reluctant to pay taxes, there are many factors that affect tax compliance, and they combine to make tax compliance a complex topic. The study by Al-Zaqeba, Hamid and Muhammed (2018) reveals that attitude, subjective norms, fairness, tax knowledge, trust, tax complexity and moral intensity are among the most important factors that affect tax compliance. It is these factors that a tax administrator should consider in trying to devise a practical model that fosters tax compliance.

4.1 Tax compliance in Zimbabwe

The level of tax compliance in Zimbabwe is among the lowest in Africa as many potential taxpayers are outside the tax net (Dhlamini, 2017). In its 2017 annual report, ZIMRA acknowledges the low level of tax compliance. The report unpacks that there are many economic players who are operating without registering for tax purposes with ZIMRA. Compliance enforcement strategies such as penalties charged on late payments are not helping the situation either as they are merely enlargement of the tax debt which is currently over \$4 billion. Dlamini (2017) asserts that poor tax compliance in Zimbabwe stems mainly from the fact that informal players and the backyard industry are dominating the economy. Most of these informal players, who are also Small to Medium Enterprises (SMEs), are reluctant to formalise their operations as a way of doing away with the anticipated tax burden. Nyamwanza et al (2014) argue that the responsible authorities are not doing enough to enforce compliance. This can be explained by ZIMRA's inconsistencies and reluctance in executing its sweeping authority together with some contradicting and inconsistent government policies. For instance, the application of the indigenisation and empowerment law in some circumstances may encourage non-compliance.

4.2 The Responsive Regulation Model

There is no single theory or model that can sufficiently provide a solution to the conundrum of tax noncompliance, but the Responsive Regulation Model, also known as the ATO Model, is currently

the best option to manage non-compliance (Ahmed, 2018). The model, which is an interdisciplinary approach that originates from the field of psychology, was coined by Ayres and Braithwaite (1992) and Australia was the earliest adopter of the model in 1998, hence the ATO Model. The model is also used by many other tax jurisdictions such as in the UK, New Zealand, East Timor, Indonesia and Pennsylvania (Braithwaite, 2007). Unlike the traditional command-and-control tax administration and enforcement style, the ATO Model, according to Ayres and Braithwaite (1992), is based on the idea that the government should properly choose when to intervene and when not to by adopting a philosophy of responsiveness to industry structure, the various motivations of regulated actors as well as industry conduct. The Responsive Regulatory Model requires that dialogue be employed before instituting measures to punish taxpayers. Typically, responsive regulation seeks to maintain a balance between persuasion, friendliness, and providing assistance to taxpayers, with an interventionist approach that emphasises punishment or a command-and-control approach (Ahmed, 2018). The responsive regulation model seeks to build a moral commitment to comply with the law (Parker, 2006).

The Responsive Regulatory Model is premised on the concept of voluntary compliance and according to Ahmed (2018) its original aims are to:

- understand taxpayer behaviour,
- build a cooperative relationship with the public,
- encourage and support compliance,
- introduce a range of sanctions that escalate in severity and are known to taxpayers so that difficulties can be settled before the costs became too great for both parties,
- reduce the time-consuming handling of complaints about procedural injustice, and
- implement the taxpayer's charter

ZIMRA, which was formed in 2001 by fusing the then departments of Taxes as well as Customs and Excise, is making frantic efforts to adopt the Responsive Regulatory Model through fostering a client-centric approach to tax administration. ZIMRA's efforts to support voluntary compliance, such as establishing an electronic service to reduce taxpayers' costs, however, seem to be pulled down by many other factors such as poor and non-punitive enforcement mechanisms, tax policy inconsistency, lack of proper ZIMRA coordination with other government agencies, among other setbacks.

5. ZIMRA's electronic services system

Electronic services involve the provision of an online, internet-based platform by ZIMRA on which it can interact with taxpayers. The platform allows taxpayers to carry out business which they normally conduct at the ZIMRA offices on the e-platform. Services that can be enjoyed on the platform include application for new registrations, amending existing taxpayers registration details, subscribing for new services or tax heads, submission of returns, sending queries and requests, checking on account status and generally getting updates on new changes in procedure and legislation.

The electronic services system was introduced to enable taxpayers to benefit from the inherent advantages of information technology. These advantages include substantial savings in

compliance costs and time. The system would, all things being equal, also reduce the congestion that normally occurs at the ZIMRA offices on tax returns submission due dates. Additionally, the system gives taxpayers the opportunity to avoid penalties associated with late submission of returns in the event that taxpayers cannot present themselves at the ZIMRA office for one reason or the other.

The first phase of electronic services involved online registration of taxpayers and was rolled out by ZIMRA in March 2015 as a pilot project in Region 1 (Harare and some juxta-position areas). The subsequent phase facilitated the electronic filing of Income Tax, VAT and PAYE returns. The third phase, which phase had not seen any fruition to date, was supposed to allow the online filing of all other statutory returns other than the ones rolled out in the second phase. Such returns include returns for withholding taxes, presumptive taxes and so forth.

6. Effectiveness of the electronic services platform

In the 2018 revenue performance report, ZIMRA acknowledges some of the e-services platform challenges that mainly emanated from the premature launching of the system. It however suggests that the system had been stabilised in 2018. This explanation even coincides with ZIMRA's missing of revenue targets in 2015 and 2016, the year in which the electronic services were introduced and the year after introduction, respectively. Revenue targets were however surpassed by 10.29% as well as 17.71% in 2017 and 2018 respectively. Some argue that revenue collection improvements cannot necessarily be attributed to electronic services, but to some other factors such as transitory stability in the economy, inflation (as the case in the Zimbabwean dollar era) as well as the recent introduction of the Intermediated Money Transfer (IMT) Tax which inescapably chops most transactions in the economy where electronic transactions are dominant. Table 1 below shows ZIMRA's revenue collected against targets over the year since the organisation's inception in 2001.

Table 1: Revenue Targets versus Collections

Year	Revenue Targets (\$)	Net Revenue Collections (\$)	% Variance	Comments
2001	132.21 million	131.10 million	(1%)	Revenue target narrowly missed
2002	240.87 million	286.08 million	19%	Revenue target surpassed
2003	1,15 billion	1.340 billion	17%	Revenue target surpassed
2004	7.23 billion	7.87 billion	9%	Revenue target surpassed
2005	24.19 billion	32.07 billion	33%	Revenue target surpassed
2006	317.59 billion	406.68 billion	28%	Revenue target surpassed
2007	30.03 trillion	89.05 trillion	197%	Revenue target surpassed
2008	1.29 quintillion	14,47 quintillion	1020%	Revenue target surpassed
2009	1.050 billion	988.5 million	(6%)	Revenue target missed
2010	1.919 billion	2.238 billion	15%	Revenue target surpassed
2011	2.540 billion	2.64billion	4%	Revenue target surpassed
2012	3.233 billion	3.257 billion	1%	Revenue target surpassed
2013	3.640 billion	3.43 billion	(6%)	Revenue target missed
2014	3.820 billion	3.6 billion	(6%)	Revenue target missed
2015	3.763 billion	3.5 billion	(6.96%)	Revenue target missed

2016	3.607 billion	3.248 billion	(8.95%)	Revenue target missed
2017	3.400 billion	3.750 billion	10.29%	Revenue target surpassed
2018	4.300 billion	5.061 billion	17.71%	Revenue target surpassed

NB: From 2001 to 2008 figures are in Zimbabwean Dollars and from 2009 to 2014 are in United States Dollars.

Source: ZIMRA Annual and Revenue Performance Reports

Despite improvements in revenue performance two years after ZIMRA's introduction of the electronic services system, general tax compliance levels remain poor. Many prospective taxpayers still remain outside the tax net whilst some existing or registered taxpayers are not paying their taxes in full and on time. One way to explain non-compliance of registered taxpayers can be through looking at widening debt that taxpayers owe ZIMRA. ZIMRA's 2017 annual report shows that even after the introduction of electronic services in 2015, the debt continued rising, with the cumulative domestic taxes debt standing at US\$3.9 billion at the end of 2017. Table 2 below depicts debtors ageing analysis by year up to 2017.

Table 2: ZIMRA Debtors Ageing Analysis by Year

Division	2014 & Prior	2015	2016	2017	Cumulative Debt
Domestic Taxes	1,704,425,201.54	479,683,024.91	777,058,217.29	917,726,088.51	3,878,892,532.25
Customs	29,493,999.11	13,832,743.01	15,868,111.70	18,265,652.93	77,460,506.75
Total	1,733,919,200.65	493,515,767.92	792,926,328.99	935,991,741.44	3,956,353,039.00

Source: 2017 Annual Report (ZIMRA)

Table 2 above gives a clear picture that all things being equal, electronic services have not been of much use in achieving satisfactory compliance levels. The cumulative debt for the 2017 fiscal year surpassed net revenue collections for the same year and this is an indication of an unhealthy tax administration environment. ZIMRA's 2017 annual report openly showed that the ballooning debt is attributed to low taxpayer compliance. Technical challenges of the electronic services, especially server sustainability issues, were also cited in the report as some of the factors contributing to the worsening debt position.

In the TADAT Assessment Report for Zimbabwe done in 2018, the IMF includes underperformance of the electronic services platform as one of the major weaknesses of tax administration in Zimbabwe. Underperformance of the system is a clear indication that it has not been effective enough in inducing tax compliance. Thus, ease of paying taxes in Zimbabwe continues to be unfavourable and it could be that taxpayers are not seeing any meaningful reduction in compliance costs. The latest study by PWC, the World Bank and the International Finance Corporation (IFC) comparing tax systems in 189 economies around the world ranks Zimbabwe at number 145 in terms of ease of paying taxes. This is not a satisfactory position especially when compared to other African peers. Some selected ease of paying taxes indicators

for some African countries, as per the latest study by PWC, the World Bank and IFC are illustrated in table 3 below.

Table 3: Ease of Paying Taxes by Country

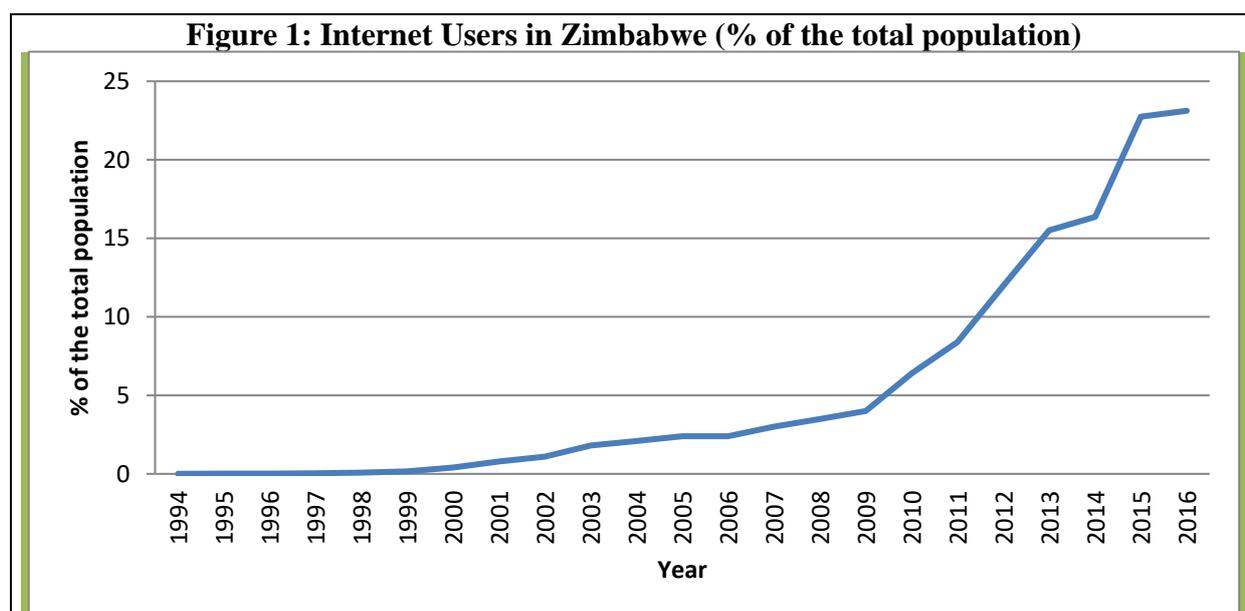
Country	Selected Indicators		
	Rank	Time (hrs per year)	Payments (# per year)
Seychelles	43	85	29
Zambia	46	157	26
Botswana	71	152	34
Tunisia	81	144	8
Kenya	101	201.5	30
Malawi	102	174.5	35
Mozambique	120	217	37
Zimbabwe	145	242	49

Note that the rank is a result of the analysis of a set of indicators such as the total tax rate, time to comply with the number of payments, and so on.

Source: Global Finance Magazine (online: accessed 13.03.2019)

Looking specifically at the time (hours per year) indicator in table 3 above, a naïve analyst would even conclude that there is a high cost of tax compliance in Zimbabwe relative to some African peers or neighbouring nations. The positive impact of compliance enhancing strategies such as electronic services should manifest in terms of the reduction in time taken to comply to tax related issues or reduction in compliance costs in general.

Despite the high potential of the positive impact of ZIMRA’s electronic services, internet accessibility is a negating factor. Uptake of electronic services would be really affected by how many people use or have access to the internet. According to the World Bank, only 23.12% of the total population in Zimbabwe used the internet in 2016. Internet users as a percentage of the total population are illustrated in figure 1 below.



Internet users are individuals who have used the Internet (from any location) in the last 3 months. The Internet can be used via a computer, the mobile phone, personal digital assistant, games machine, digital TV, etc.

Source: World Bank

The northward trend in the percentage of internet users is however promising. Before 2002, internet users were less than 1% of the entire Zimbabwean population, but the number of users has grown significantly to almost a quarter of the population in 2016. This gives much optimism that the electronic services would contribute substantially to taxpayer compliance as the number of internet users continue to rise. Complementary government and private sector's contribution in improving internet coverage is also a strict requirement.

7. Conclusion

Although attribution analysis to ZIMRA's mandate achievements cannot be easily disaggregated between many possible contributing factors, naïve intuition can suggest that electronic services have contributed substantially. Sifile et al (2018) concluded that the electronic filing system influences tax compliance and has increased the ease of doing business. The study also revealed that there is a positive attitude by taxpayers towards electronic filing. The electronic services platform in Zimbabwe has really brought numerous benefits to taxpayers who can now do online registrations, electronic filing, subscribe for tax heads and many other taxes transactions without visiting ZIMRA offices. Close analysis may however reveal that the electronic services platform has not yet performed to its expected average. This assertion can be justified by only insignificant improvement in tax compliance and revenue collection since the introduction of the system six years after the economy of Zimbabwe dollarized. Nyamwanza et al (2014) concluded that Small to Medium Enterprises (SMEs), who dominate the productive sector in modern Zimbabwe, are not tax compliant and the government is not fully tapping into this sector to boost revenue collections. Many taxpayers continue enjoying self-granted tax holidays despite the government's serious need of revenue to provide public goods as well as financing the payment of its yawning multi-billion dollar public debt, among many other recurrent and capital expenditure projects. There is therefore the need to re-look at the electronic services platform and rectify some flaws together with the addition of some currently unavailable essential service components so that further improvements in tax compliance could be achieved. Successfully achieving tax compliance in Zimbabwe, where citizens seem to have disowned their own country, needs a number of diversified measures and the introduction of the electronic services is only one among such possible measures. Some other compliance enhancing strategies therefore need to be sought and carefully implemented to supplement and complement electronic services.

8. Recommendations

Despite a plethora of implicit and explicit weaknesses of ZIMRA's electronic services platform, the system has really provided both taxpayers and the revenue collector with some benefits translating into improved tax administration and partial reduction in taxpayer compliance costs. However, the system has the potential to do better in terms of improving tax compliance provided some inherent weaknesses are addressed. The entire analysis in this paper is therefore neither inclined towards maintaining or totally abandoning the status quo, but to improve the status quo. Below is a synoptic account of some recommendations, most of which stem from the Responsive

Regulatory Model discussed above, that are expected to make electronic services a good trigger of taxpayer compliance:

8.1 Upgrading the system

ZIMRA servers' quality and capacity issues have received much condemnation. The need for upgrade of the ZIMRA servers and therefore the electronic services platform cannot be overemphasised. Like any other systems, one vital canon of the electronic services platform is that of completeness. Setting aside the issue of servers, the system alone needs to be upgraded to allow all necessary intended activities to be performed. For instance, the system should allow the online filing of all statutory tax returns rather than it being used for only selected returns. Otherwise, relevance of the system will be questionable as taxpayers continue to frequently present themselves physically to ZIMRA offices for services that cannot be offered by the online system. The system should also be able to withstand congestion that is possible during peak days when most taxpayers will be using the platform. The platform had also an initial objective of allowing taxpayers to send queries and requests to ZIMRA, but this intended service has not worked since the commencement of the system.

8.2 Activating the payment gateway

The electronic services portal has a payment gateway that had remained quiescent since 2015 when the system was commissioned. The payment portal was meant to allow taxpayers to straight away make their tax payments whilst on the portal. The payment gateway was supposed to link taxpayers to their banks as well as mobile money platforms. Taxpayers' costs related to tax payment remain as taxpayers make payments through the bank transfers or deposits done at banking halls or at ZIMRA offices. As part of efforts to upgrade the system as stated in 8.1 above, the electronic service platform should really activate the payment gateway for the convenience of taxpayers and this is also expected to increase compliance.

8.3 Maintaining the use of both the manual system and the electronic platform

ZIMRA's position on whether both the manual and electronic systems work concurrently is unclear. It seems taxpayers are only allowed to resort to the manual system when it has been proved beyond reasonable doubt that particular taxpayers' profiles have some technical challenges that cannot be expeditiously resolved. Internet and network coverage in Zimbabwe is limited in some remote and outskirt areas and taxpayers in these locations might genuinely want to continue using the manual system. Despite some costs associated with the manual system, the online system may even mean more costs to such categories of taxpayers. Whilst it is undoubtedly a good thing for all taxpayers to exclusively use the electronic services platform, ZIMRA should therefore not be rigid in requiring taxpayers to solely use the online systems when it is well known that a host of taxpayers do not have access or easy access to internet services.

8.4 Complementarity of electronic services to existing compliance strategies

Instead of reinforcing other existing taxpayer compliance strategies, the electronic services system had in some instances loosened up some compliance measures. A good example relates to the system's failure to automatically charge civil penalties for late submission of statutory returns.

Thus, taxpayers are able to submit retrospective returns without incurring any penalties and sometimes proceed to get tax clearance certificates. This flaw is eliminated in the manual environment because late submission penalties are charged when the manual returns are captured by responsible ZIMRA employees. In a manual environment, denying issuance of tax clearance certificates to taxpayers with some compliance issues is used as a strategy to induce compliance. However, lucky taxpayers get their tax clearance certificates even when not fully compliant. For instance, obtaining the tax clearance certificate online is independent of other compliance requirements such as submission of Quarterly Payment Dates (QPD) returns and ITF16 returns (reconciliation of payroll details), to mention but a few. Levying of interests and penalties as well as focused audits have been cited in the ZIMRA 2017 annual report as possible mitigatory measures for low taxpayer compliance in non-filing of returns, non-payment or late remittances and defaulting on payment plans.

8.5 Taxpayer education workshops

Tax literacy on its own plays an indispensable role in taxpayer compliance (Wadesango et al, 2018; Prince and Anayduba, 2014; Witt and Woodbury, 2013; Kasipillai, 2010; Palil and Mustapha, 2010). When the online platform was introduced in 2015 by ZIMRA, many taxpayer education sessions were carried out to orient prospective users on how the system could be used. As also recommended by Sifile et al (2018), more educational workshops are still necessary as both new and existing taxpayers might need training. It seems the most active users of the system now are tax consultants, who then offer services to taxpayers for some fees. This in turn would increase taxpayers' compliance costs. Besides educating taxpayers on how the system works, general taxpayer education especially in relation to the importance of tax compliance is necessary. Taxpayers are generally reluctant to pay taxes, but well planned educational sessions would induce voluntary compliance when taxpayers are enlightened on how their taxes would lead to the provision of public goods and move the economic trajectory northwards.

8.6 Maintaining a good corporate image

To promote voluntary and cooperative compliance by taxpayers, ZIMRA ought to maintain a good corporate image and ensure that a friendly client care culture is fostered. Inasmuch as paying taxes is compulsory obligation, taxpayers are generally reluctant to pay taxes and therefore good client care is necessary to lure some potential compliance. When taxpayers are treated with some level of good care, they feel respected and a sense of ownership in taxes collected would positively impact on compliance. In a bid to enhance a good corporate image, ZIMRA should also continue working towards eradicating the vice of corruption. A substantial reduction in corruption is expected to improve taxpayer compliance as taxpayers then anticipate that their taxes will be for a good cause through the provision of public goods rather than the taxes landing onto the hands of corrupt individuals who then squander taxpayers' money on personal use.

8.7 Infrastructural development

Internet connectivity is an indispensable requirement for the perfect functioning of the electronic services system. Figure 1 reveals Zimbabwe's backwardness in internet accessibility and use. Consistent with one of recommendations by Sifile et al (2018), the government of Zimbabwe should therefore support infrastructural development that would ensure improved internet

coverage. ZIMRA's efforts to create a paperless office will not lead to any fruition unless national internet coverage is improved so that all taxpayers enjoy the convenience of performing their taxes transactions in the comfort of their homes or offices. Taxpayers in the outskirts and rural areas are actually supposed to be the top beneficiaries of the electronic services system because of their comparatively high costs relative to their counterparts operating closer to ZIMRA offices. This is however currently unachievable because remote taxpayers face internet challenges.

8.8 Substantial and comprehensive tax reforms

Achieving a substantial level of taxpayer compliance is a function of a wide range of factors and automation endeavours (such as electronic filing) is only a single factor among many. This means that despite many compliance-inducing benefits of the electronic services platform, electronic services need to be complemented by many other developments in terms of tax reforms. Taxpayer compliance would successfully be achieved by the implementation of substantial and comprehensive reforms cutting across much necessary taxation related issues such as optimality, welfare considerations, simplicity of the tax system as well as efficient use of collected taxes. Tax reform in Zimbabwe must be sweeping and substantial (The Zimbabwe Papers, 2009).

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