

## Exploring the Nexus: Tax Compliance and Sustainable Development in Namibia

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### Abstract:

Tax revenue collection serves as the bedrock for states to avail infrastructure, essential national needs and development, encompassing critical sectors such as education, healthcare, and social welfare. This study explored and answered a question on which factors influence domestic taxpayers' compliance in Namibia. This study tested the nine factors unpacked by Trifan et al., (2023) against 113 domestic taxpayers' messages sent between June 2022 and December 2023 regarding tax concerns. This study was underpinned by established tax compliance explanations, including, political accountability social norms, deterrence factors, and fiscal exchange. A qualitative approach was adopted, by collecting messages from taxpayers through the Namibia Revenue Agency 's (NamRA) Facebook page and published Short Message Services (SMS) by the Namibian News Paper. The data were quantified to provide a better understanding as to what extent categorized taxpayers' messages contributed to tax compliance in Namibia. The results revealed that five factors (trust in tax authority, perceived fairness, tax legislation and procedures simplicity, personal financial and economic factors, and malfunctioning of integrated tax administration (ITAS), were found to have a likelihood influence on tax compliance in Namibia.

**Keywords:** Domestic taxpayers; Sustainable Development; Tax Compliance; Namibian Taxation; Short Message Services

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## 1. Introduction

The vital role of tax collection is recognised as a tool for collecting revenue by States and Revenue Agencies to meet national development needs both in developed and developing countries. Tax revenue is important and leads to growth sustainability and poverty reduction (Kostiainen, 2018; Maganya, 2020). According to Paleka and Vitezić (2023), post - COVID 19 economic downturn caused an increase in duties, making it a daunting task for governments worldwide to enforcing compliance. Tax revenues allow governments to prioritize and finance their development goals and objectives. Countries can allocate resources to sectors critical for sustainable development, such as education, healthcare, renewable energy, and environmental protection. In 2019, the United Nations (UN) made a call for a global effort to achieving the 17 global development goals by 2030, shown in Figure 1. In 2015 the UN General Assembly adopted the goals, as a program of universal, ambitious, and sustainable development. Tax revenues, incentives, and transfer systems are important means of financing the Sustainable Development Goals (SDGs).

**Figure 1: The 17 UN Sustainable Development Goals**

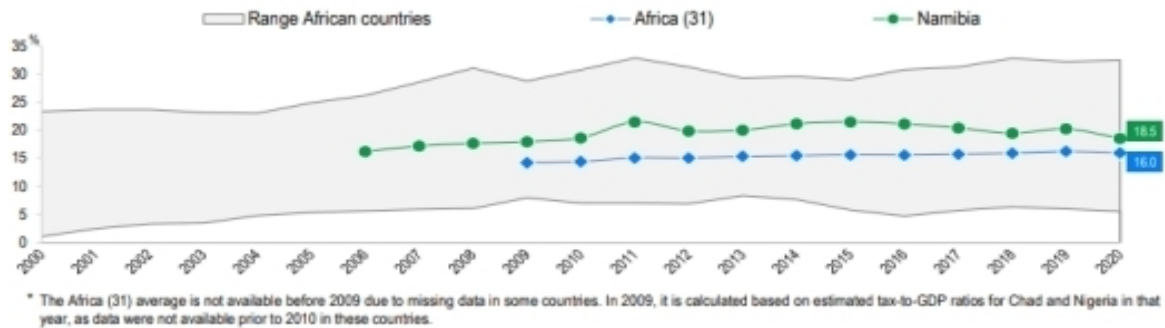


Source: UNESCO 2021

### 1.1 Need of the study

Namibia like other countries enjoys the benefit of tax revenue for funding public services including health education, pension and orphanage grants, and other welfare services, to increase equality and reduce poverty. The social sectors, including education, are allocated 49.5 percent some 2.1 percentage points higher than the estimated spending in 2019/20 (UNICEF, 2020 p.8). This is to meet the increased expenditure demands for supporting continued learning, sustaining the social protection programs, strengthening health systems, and health response to health problems, like the COVID 19 pandemic (UNICEF, 2020 p.8). In 2020, Namibia's tax-to-GDP ratio was 18. % higher than the average of other 31 African countries. (OECD, 2021). Figure 2 shows the comparison of tax- to - GDP ratios for different years.

**Figure 2: Tax-to-GDP Ratio for Africa**



Source: OECD (2022)

For Namibia to continue enjoying the benefit of tax revenue to fund social needs, tax compliance is inevitable. In Namibia paying tax culture is still institutionalized, but tax compliance is relatively high (Shivute 2021, Söderström and Wangel 2023). Tax evasion happens as taxpayers neglect to abide by tax rules and regulations knowingly or unknowingly by reporting lesser taxable income, over-reporting expenses, and deductions and by failing paying tax. Taxpayers also fail to file tax returns, under-report taxable income, overstating exemptions and claims and obligations and liabilities on time. (Abdu and Adem 2023). It is negative compliance when taxpayers are not filing tax returns; under-reporting taxable income; overstating tax claims such as deductions and exemptions and failing to pay tax liabilities on time (Deyganto, 2018, p.33). Revenue Authorities and Administrations aim to achieve sufficient tax compliance. Every citizen should therefore be subjected to the laws of tax, and they are obliged to pay tax from their income. In 2018 Deyganto reported that tax -to GDP ratios were below average for developed countries at 25% - 35% and 18% - 25% for developing countries. The author further reported a lesser average of less than 16% in the African Countries located in Sub-Sahara for which Namibia is not excluded. For the Namibia Revenue Agency (NamRA) to collect the required tax revenue, all more than 888, 000 registered taxpayers in Namibia ideally should comply with tax laws by paying due taxes and submitting all tax returns timely. Namibia experiences a 43% rate of non-compliance, translating into multi-billion Namibia dollars. NamRA estimated that the government is owed N\$56 billion by individuals, businesses, and government institutions (Ngatjiheue, 2021). Tax compliance in Namibia was woefully low standing at 57% and not everyone is declaring what they are supposed to pay (Amukeshe, 2021). That means more than 50% of registered taxpayers are not compliant with tax laws. Having these problems raised, the study explored to answer the question of what factors influence tax compliance in Namibia.

### 1.3 History of Taxation in Namibia

During the German colony, around 1907 a Hundesteuer Ordinance in the form of dog tax was passed. Moore (2016 p.1) noted that South African rulers implemented a tax called the “Dog Tax”. As noted by Moore 2016 and Kostianen 2018 the South African Martial Law in 2017 carried a first country-wide tax collection in Namibia. Magistrates together with police officers facilitated and collected tax payments in towns and rural areas from the white settlers and black

Namibians (Moore 2016). It was a requirement that dogs must be licensed, and a license badge issued as depicted in Figure 3.

**Figure 3: Dog Licensee Brass Badge, 1920-21**



Source: Moore (2016)

Before Namibia's independence in 1990, husbands and wives were registered jointly for tax purposes. However, after 1990, various tax reforms were implemented that required husbands and wives to register and submit tax returns separately. The structure of taxation is only marginally changed from that existed under colonial laws. Namibia inherited its tax system from South Africa which existed before Namibia's Independence in 1990 (Sheefeni et al., 2019 p.112). All the domestic taxes have been administered by the Inland Revenue Department and Customs and Excise duties by the Customs and Excise Department under the Ministry of Finance until April 2021. These taxes are currently administered and enforced by the newly established autonomous agency, NamRA.

The Income Tax Act 24 of 1981 regulates all income taxes, while VAT is regulated by the Value Added Tax Act 10 of 2000. The country's tax system is source-based. This means that income is subject to taxation in Namibia, except when there are specific exemptions available (PWC, 2023). Taxable income is determined by totalling the amount earned or accumulated by any individual from a source inside or considered to be in Namibia. These amounts do not include receipts of capital category. The Namibian Income Tax Act has gone through various 33 amendments between 2002 and 2021.

## 2. Literature Review

The section gives a brief discussion of the: Namibian tax history and passed studies on the tax compliance system. This part of the research presents an existing literature that is conducted by other authors that is related to the study. Additionally, this section will also present theories relevant to the study. This section will further highlight the conceptual framework for this study.

### 2.1 Existing Studies on Tax Compliance

Taxpayers are viewed to be tax voluntary compliance when ready to abide by the tax laws and regulations without enforcement. (Hassan et al., 2021 p.3). From the legal point of view, tax compliance means complying with both the letter and spirit of the law. Trifan et al., (2023) and Bani-Khalid et al., (2022) noted that evading paying taxes was among the issues developing countries have been facing. The authors further noted that policymakers in these countries should identify the root causes of tax non - compliance to be able to carry reforms and minimize tax evasions around the globe. This makes it imperative for tax authorities to understand the factors causing non - compliance.

Bani-Khalid et al., (2022) found attitudes towards behaviour, patriotism, subjective norms and behaviour control having significant determination of intentions for involvement in tax compliance in Jordan. Batrancea et al., (2019) noted that trust and power promote tax compliance through: authorities that are trusted and regarded as benevolent. Dissanayake and Kirchlner (2021) study on Sri Lanka found it vital to invest trust-building and promotion of partnership with taxpayers, treating them in equal ways and considering their economic conditions. The study by Vincent in 2021 on Nigeria grouped the economic components into three, including structure of tax systems, tax non-compliance opportunities and tax compliance cost (TCC). The same study found that tax systems revealed that tax system that are not complicated, deterrence actions, non-compliance opportunities, information on tax, perception and attitudes toward tax are vital in determining tax compliance behaviour. The study concluded that certain economic and behavioural drivers encourage non-compliance or may discourage tax compliance behaviours. Vincent 2021 further revealed that tax information is one of significant driver. The study also reveals tax information to be one of the most significant factors of tax compliance. The study by Cirman et al., (2022) pointed to findings that would help education program designers, tax authorities, governments to inform and educate current and future taxpayers and strengthen tax culture among nations.

Trifan et al., (2023) explored the different drivers affecting tax compliance behaviour for Romanian individual taxpayers. The authors unpacked drivers on tax compliance into nine being trust in governments and tax authorities, transparency and efficiency in public spending, tax legislation knowledge, social environment, moral standards, simplicity of tax legislation, personal ethics and financial constraints, coercive measures and fairness of the tax system. The study introduced clear paths of tax compliance from the developing country perspective. A sample of 402 individual taxpayers was used to test the research hypothesis. The study results showed seven drivers: trust in governments and tax authorities, fairness of the tax system, tax legislation knowledge, moral standards, simplicity of tax legislation, personal financial restrictions and personal motive, powerful and coercive measures as drivers increasing the likeliness of taxpayer's conformity among the Romanian taxpayers. The findings were hoped

to assist government and tax authorities having new understanding of tax compliance activities to enable them create strategies, fiscal policies and legislative measures tailored to Romania context and problems. The current study tested the nine drivers unpacked by Trifan et al., (2023) to answer the question on which factors influence tax compliance in Namibia.

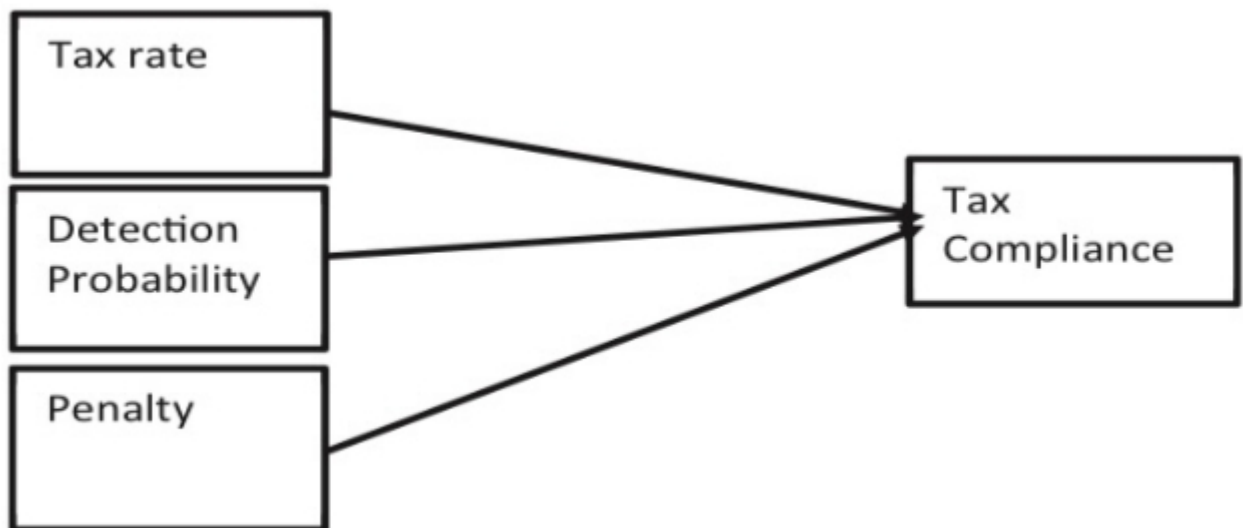
## 2.2 Review of the Theoretical Frameworks.

The study was informed by the following theories that have been used in explaining and defining tax compliance, namely:

### 2.2.1 Economic Deterrence Theory

The economic deterrence theory was developed by Allingham and Sandmo in 1972. The theory states that, taxpayers may decide to whether or not to report correct amounts in relation to their liabilities. The decision to report tax liabilities depends on the chances of being caught up by authorities and on the severity of punishment (Ayt Khozhina and Miller, 2018; Bani-Khalid et al., 2022). Figure 4 depicts economic deterrence tax compliance model. A rational taxpayer would decide to comply or not to comply on the basis of uncertainty and the risk (Ya'u et al., 2020). There are other relevant studies that made significant contribution to the literature by suggesting theories that differentiate the determiners of tax compliance (Bani-Khalid et al., 2022). The authors noted these theories are limited to the factors of economic on tax non-compliance as a proof initial theory which at large ignored social factors.

**Figure 4: Allingham and Sandmo's (1972) Economic Deterrence Model**



**Source:** Ya'u et al, (2020).

The hypothesis of Allingham and Sandmo was based on the reality that taxpayers pay their obligations because they are concern of being found and penalized (Werekoh, 2022). The theory suggests that taxpayers would decide to evade fulfilling tax obligations when cognisance of low cost to evade, on the other hand the theory suggest that taxpayer would evade tax

obligations when compliance cost is too high. On the basis of economic cost and benefit calculation, enforcement factors like; penalties, audits, tax rates are best used tools in deterrence approaches (Werekoh, 2022). The deterrence theory did not adequately provide explanations as to why taxpayers at their own will conform to tax rules and regulations.

### **2.2.2 Fiscal exchange theory**

As noted by Hassan et al., (2021), the theory of fiscal exchange explains tax compliance because of various types of government needs financed by revenue derived from tax affecting willingness to comply with tax. The theory explains the exchange of tangible or intangible activities between authorities and taxpayers. Taxpayers will comply when is perceived that tax revenues are exchanged with the provision of valuable goods and services by government. The link between both theories is the focus on the relationship between tax authorities and taxpayers (Hassan et al., 2021; Doyle et al., 2022). The literature on tax compliance emphasised the relationship between authorities and taxpayers and the capacity of tax authorities in detecting and punishing those defaulting on tax. The literature further stressed on the opinions of taxpayers in relation to authorities' fairness and tax systems, respect, social norms and trust from the taxpayer's side. Increasing trust by taxpayers contribute to voluntary compliance while improving the power of tax authorities enhance enforced compliance measures. (Batrancea et al., 2019 p. 5).

### **2.2.3 Social Influences Theory**

The theory explains tax compliance that the decision not to comply with tax is as a result of social norms and peers in the taxpayers' group or industry. Where taxpayers observe peers complying with tax, then their payment for tax become strong (Adeniran et al., 2021 p.10; Nguyen (2022). According to Nguyen (2022 p. 5) norms for ethics are having strong connection with tax compliance. The author further noted that society has strong influence on taxpayer' compliance because if the community comply, taxpayer in that community comply due to societal perceptions and acceptances.

### **2.2.4 Political Accountability Theory**

In this regard, tax compliance is explained in Sebele-Mpofu (2020 p.6) that the quantity and quality of goods and services provided by government to the nation are used to measure governance character and shape moral of taxpayers leading to compliance. On the other hand, trust depends on the perception of fair and equal treatment that include service rendered and accountability by government (Dom et al., 2022) and tax authorities. Tax compliance behaviour is therefore associated with trust in government and tax authorities.

### **2.2.5 Empirical Framework**

This section will look at empirical findings in respect of the theoretical frameworks discussed. The alike is the empiric results that did not support the economic deterrence theory, and largely known that tax compliance activities are related with psychological and social factors (Ayt Khozhina and Miller 2018; Bani-Khalid et al., 2022). Hassan et al., (2021) and Bani-Khalid et al., (2022) argued that complying simplicity is having large impact on filing for of the tax than tax moral and perception on how government spend tax revenue.

The Afro-barometer survey in 18 African countries in 2019/2020 established that majority of the taxpayers in these countries endorse their government's right to collect tax (Isbell and Olan'g 2020). The study further noted a weak support of taxation as many Africans doubted the fairness of countries tax burden, as a result only half of them think governments use revenue from tax for their well-being. This is supported by empirical researches that shows that citizens' perceptions regarding tax authorities' administration and monitoring activities influence tax compliance behaviour. Batrancea et al., (2019) used information from a research study in fifty-four nations of five continents and found that power and trust in tax authorities shape tax compliance and decrease tax evasions across nations having different cultural, socio-economic, political, socio-demographic characteristic. Further empirical researches suggested positive effects of responsibility on trust from the public (Dom et al., 2022; Sobhkhiz et al., 2020). The research results of Nguyen in 2022 showed the possibility that audit and inspection, tax knowledge, individual norms, norms of the society, perception of tax system as unfair, quality of tax services are having a significant role on voluntary tax compliance.

### **3. Research Methodology**

#### **3.1 Research design**

Research design intends to give suitable framework for studies (Sileyew, 2019; McCombes, 2021). This study adopted an exploratory approach to enable the researcher acquire improved knowledge of compliance and non-compliance behaviour. This study combined qualitative and quantitative elements of research to answer a question on factors influencing tax compliance in Namibia. Mixed methods can assist in gaining a through picture and integrated benefits than a stand-alone qualitative or quantitative research study. As noted by Paleka and Vitezić in 2023 studying and understanding tax compliance is not easy due to the fact that tax evaders are motivated to cover up their behaviours. The authors further noted a suggestion to combine methods aiming to broaden an understanding of taxpayers reasoning.

#### **3.2 Data Collection**

The ability of accessing the state as taxpaying citizen is imperative for the aim of strengthening trust and reciprocity, knowledge dissemination, tax compliance and airing grievances Söderström and Wangel (2023).

This study considered domestic taxpayers in Namibia as its population. The sample was then purposefully a target of that category of taxpayers. There was no need of a research instrument due to reasons that secondary data was used from Facebook and newspaper publications. A total of 113 messages were retrieved from the Namibian newspaper and (NamRA) Facebook page, forming up the sample of the study. The newspaper Short Message Services (SMS's) covered the period November 2022 to November 2023. The messages from Namibia Revenue Agency Facebook page covered the period June 2022 to December 2023. The study therefore combined the two secondary data sources reflective Namibian taxpayers' voices regarding taxation. Nghaamwa in 2011 carried a study on drivers influencing Namibian taxpayers' attitudes towards taxation based on Short Message Services(SMS's).



### 3.3 Data Presentation

#### 3.3.1 Factors identified by Existing Studies

Tax compliance by business and individuals regarding tax laws and regulations can be influenced by many factors. Trifan et al., (2023) unpacked tax compliance into nine drivers shown in Table 1.

**Table 1: List of nine tax compliance drivers as unpacked by Trifan, et al., (2023).**

1	Trusting government and tax authorities
2	Tax system fairness
3	Tax legislation simplicity
4	Knowledge of tax legislation
5	Efficiency and transparency by government expenditure
6	Individual financial constraints
7	Individual ethics and moral standards
8	Social environment
9	Coercive Actions

**Source:** Adapted from Trifan, et al., (2023)

The factors in table 1 collectively influence the level of tax compliance within a society or among taxpayers. Governments often aim to create an environment where voluntary compliance is encouraged through a combination of fair tax policies, transparent governance, effective enforcement, and public education.

### **3.3.2 Factors Identified by this Study**

#### **3.3.2.1 Trusting Government and Tax Authorities**

Fifty-eight (58) messages related to trusting into institutions of government and tax authority were identified. Examples of these messages were:

"What is the point of customer care if the phone is never answered? I thought things were supposed to improve but it is just a new building, new branding but same"

"I won't file until you assess my 2018/2019 and 2019/2020 returns. Fix your house first then we talk"

#### **3.3.2.2 Financial and Economic Factors**

Economic conditions, including economic development levels, inequality in income such as the level of economic development, income inequality, and unemployment rates, can influence tax compliance. In times of economic hardship, individuals and business might be more tempted to evade taxes which affect compliance. Individuals facing economic difficulties might be more tempted to evade taxes to ease their financial burden. Twenty-seven (27) related messages were identified, and examples are below:

"Pay our money please"

"Just refund our money please the problems is the same"

"NAMRA I berg, its almost December please pay our refunds"

#### **3.3.2.3 Clarity and Simplicity of Tax Laws and Procedures**

Complex tax laws and unclear procedures can confuse taxpayers, leading to unintentional errors or non-compliance. Twelve (12) related messages were identified with examples presented below:

1. "Can you brief us on how to calculate provisional tax returns"

2. "But as government employees we pay tax to the government an again in the shops we pay tax is that not double paying of tax?"

3. "Show us exactly how the documents look like those tax invoices"

### 3.3.2.4 Perceived Fairness

Fair and equitable, is experienced when taxpayers believe everyone is paying their expected part and that the tax system treats everyone equally, four (4) of the retrieved messages related to such factors and examples are:

"Namra, many retired public servants, do not fill in tax returns while others do so yearly. Why must we travel from the regional to complete this form."

"I still don't understand why I don't get refund even though I also have a study policy and retirement annuity. "

### 3.3.2.5 Malfunctioning of Integrated Tax Administration System (ITAS)

This factor was not among those found to be unpacked by the study of Trifan et al., (2023). The factor was identified by this study specifically related to Namibia situation. A malfunctioning of the Integrated Tax Administration System (ITAS) might prevent taxpayers from filing their returns or making payments on time. This can result in penalties or interest charges for late filing or payment. Tax authorities often use information technology (IT) systems to monitor compliance and detect irregularities or potential tax evasion. If the system is down or not functioning, this monitoring capability may be compromised, allowing non-compliant behaviour to go undetected. Twelve (12) messages related to this factor were retrieved and following are some of them:

"Sam Shivute, the Integrated Tax Administration System does not work. Why must we suffer so much in this country? It is a constant fight with public service employees and digital systems."

"Please fix your system ASAP"

"Your system suck a\$\$, I can't load anything and it's slow"

"Is your system off, I cannot log into my 2022 return to process it."

## 3.4 Data Analysis

This study considered the voices of Namibian domestic taxpayers to develop a clear path factor influencing compliance with tax in terms of Namibia. The research question was answered through 113 domestic Namibian taxpayer's messages. Content analysis involving 9 categories were tested against Facebook and newspaper messages conveyed by Namibian tax taxpayers between the period June 2022 and November 2023. The study noted Namibian taxpayers voicing their grievances and disseminated their feelings related to how they are treated and how they want to be treated. During the analysis, the study established that, four categories among the identified factors in past studies implicitly related to the messages presented in table 2. The fifth factor Malfunctioning of ITAS was identified as additional one relating to the

Namibian context. The brief definition of each factor and illustrations/examples as extracted from the messages are given in table 2. A total number of Hundred and fourteen (113) message were analysed.

**Table 2: Five factors having influence on tax compliance in Namibia**

Factors	Number of comments out of categorised comments	Definitions	Illustrations
Trusting government and tax authorities	58	Responsibilities for tax authorities view establishing a sense of community responsibility, constructing trust in institutions, and assisting taxpayers in meeting their tax obligations.	“ i have been here 3 times but still get send back every time for some simple thing that they could have told me the previous times. Now i have to sit here since 8:30 no service, nothing, assessment is still the row does not even move and nobody says anything, the place is full of people who took off from work because you have to sit the whole day just because of skme people who did not do their jobs properly, very bad”
Financial and Economic factors	27	Financial constraints can affect compliance. Individuals facing economic difficulties might be more tempted to evade taxes to ease their financial burden	“Namibia Revenue Agency- NamRA when your tax refunds will take place or how long after submitting, your client has to wait for refund”. “NAMRA I berg, it is almost December please pay our refunds”.
Clarity and simplicity of tax laws and procedures	12	Complex tax laws and unclear procedures can confuse taxpayers, leading to unintentional errors or non-compliance. Clear, easily understandable tax laws can improve compliance rates.	“Can you brief us on how to calculate provisional tax returns”. “Show us exactly how the documents look like those tax invoices” “What are nonrevenue directives?”
Perceived fairness	4	Taxpayers understand the tax systems as not fair when taxes paid exceed what is received from the state. In other	“A month later, I'm still waiting for my Tax Directives to be issued while others receive it in a day or two. NamRA, many retired public servants, do not fill in tax returns while others do so yearly. Why

		words, when tax paid exceed what other same category of taxpayers pay. (Trifan et al., 2023).	must we travel from the regional to complete this form.”
Malfunctioning of Integrated Tax Administration System (ITAS)	12	A malfunctioning ITAS might prevent taxpayers from filing returns, no making payments on time. This can result in penalties or interest charges for late filing or payment.	“Please fix your system ASAP”. “Your system sucks a\$\$, I can't load anything and it's slow”. Is your system off, I cannot log into my 2022 return to process it? “Your system sucks, very slow and pathetic”
<b>TOTAL</b>	<b>113</b>		

**Source:** Author’s own work

According to Prattin (2023), analysis and coding are key to qualitative studies shifting researchers from research design and collection of data to theorizing, clarifying and writing findings in reports, journal articles and books. The five factors found to influence tax compliance in Namibia where coded as presented in table 3.

**Table 3: List of Coded Factors Influencing Tax Compliance**

Code	Factor description
TGA	Trusting government and tax authorities
FE	Financial and economic factors
CLP	Clarity and simplicity of tax laws and procedures
PF	Perceived tax system fairness
MITAS	Malfunctioning of Integrated Tax Administration System

**Source:** Author’s own work

#### 4. Findings

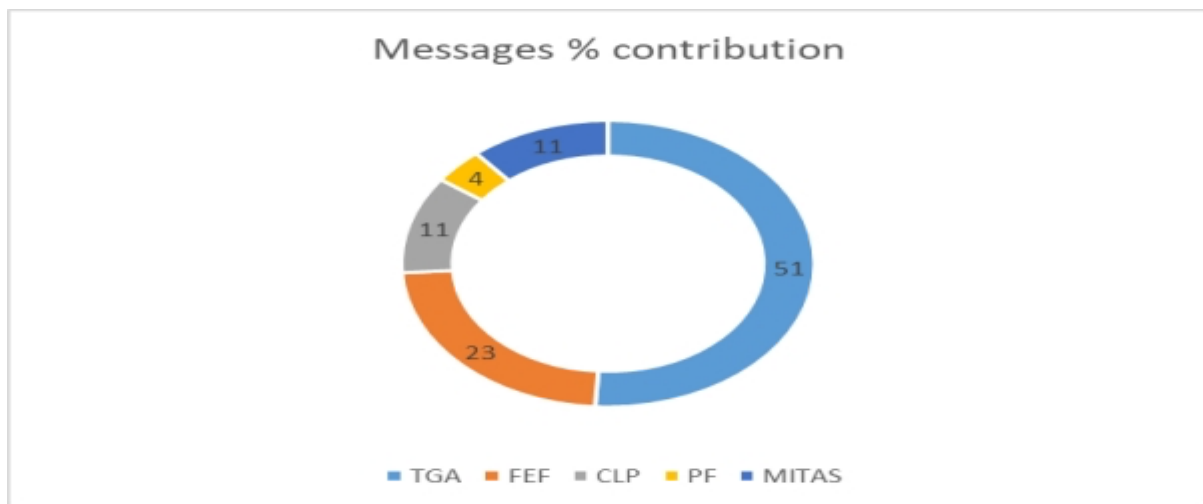
Findings of this study give tax authorities and governments vital understanding of what influences tax compliance in Namibia. The findings also answer the research question for establishing factors influencing tax compliance in Namibia. Findings would further assist in the development of fiscal strategies and policies, suitable for Namibian context. The results showed that 4 drivers or factors out of the nine identified by previous studies affected tax compliance in Namibia, which are: Trust in government institutions and tax authorities(TGA), Financial and economic factors (FE), Clarity and simplicity of tax laws and procedures (CLP), Perceived tax system fairness (PF). The study established an additional factor which is Malfunctioning of Integrated Tax Administration System (MITAS).

**Table 4: Percentages Messages Contributions**

CODE	No. of messages out of categorised messages	% CONTRIBUTION
TGA	58	51
FEF	27	23
CLP	12	11
PF	4	4
MITAS	12	11
TOTAL	113	100

Source: Author’s own work

**Chart 1: Messages Percentage Contributions**



Source: Author’s own work

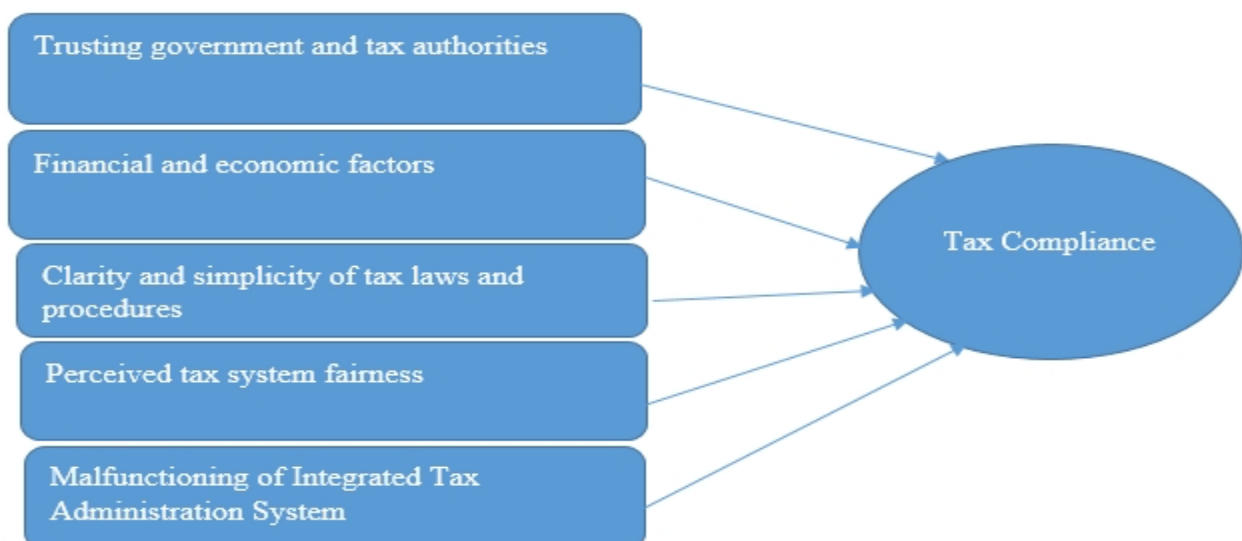
Table 4 and chart 1 show messages percentages contribution per factor analysed totalling to 113 messages. The table and chart further show trusting government and tax authority (TGA) contributing more percentage at 51% to the messages analysed. It reflects that TGA highly influence tax compliance in Namibia. Trust in tax authorities plays a vital role in influencing taxpayer s compliance. When taxpayers feel tax authorities are reliable, and competent, they are likely to voluntarily comply with tax rules and regulations. Building respectful relationships between tax authorities and taxpayers can positively impact compliance. The next factor in contribution was financial and economic factors (FEF) at 23%. During economic downturns, individuals and businesses might face financial difficulties, leading to a higher inclination to evade taxes to cope with financial strain. Many taxpayers in Namibia are still recovering from the negative effect of COVID 19 and the continuing economic downturn experienced in the economy. The 23% of the voices are calling and demanding delayed tax refunds earnestly needed for managing taxpayers’ cash flows. Conversely, in prosperous times, people might feel more optimistic about the future and be more compliant. Malfunctioning of the Integrated Tax Administration System was also voiced loud at 11% contribution. Taxpayers rely on ITAS

for filing tax returns and making payments. Any malfunction of the system can disrupt these processes, leading to delays or inability to file taxes on time. This can result in penalties or fines for late filing, and negatively affecting compliance. Messages from NamRA Facebook page like “Is your system off, I cannot log into my 2022 return to process it.” is evident that taxpayers understand and are aware of their obligations, but the self-assessment processes are hindered by regular malfunctioning of ITAS. Clarity on tax laws and procedures contributed same at 11%. Taxpayer voiced issue needed clarity like “Can you brief us on how to calculate provisional tax returns “But as government employees we pay tax to the government an again in the shops we pay tax is that not double paying of tax?” Show us exactly how the documents look like those tax invoices”. Tax administrations including that of Namibia as going through reforms should carry significant effort on taxpayer education and sensitization to promote voluntary compliance. The least contributing factor was perceived fairness among the taxpayer (PF) contributed at 4%. When individuals and business believe that the tax system is unjust or unfair, it can lead to several reactions and behaviours that impact compliance. The analysis showed less feeling of unfair treatment among the Namibian taxpayers.

### 5. Conceptual Framework of the Study

On the basis of the discussed analysis and findings a conceptual framework for this study was developed as shown in Figure 5. Tax compliance is the variable depending on: (i) Trusting government and tax authorities (TGA), (ii) Financial and economic factors (FE), (iii) Clarity and simplicity of tax laws and procedures (CLP), (iv) Perceived tax system fairness (PF) and (v) Malfunctioning of Integrated Tax Administration System (MITAS).

**Figure 5: Conceptual Framework**



Source: Author’s own work

## 6. Conclusions and Recommendations

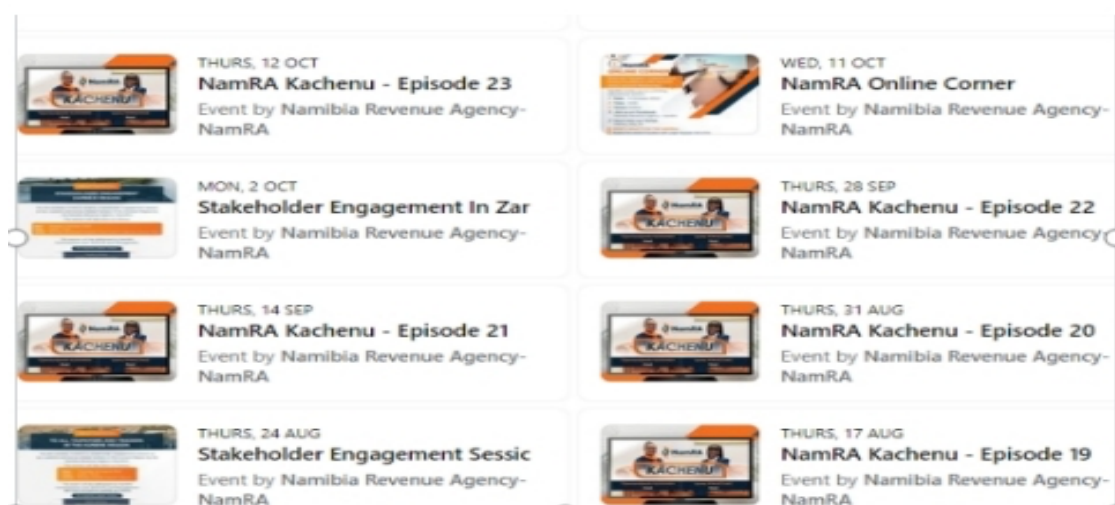
### 6.1 Conclusion

The study contributes to the literature in area of taxation especially in Namibia, indeed adding to the body of research on drivers influencing tax compliance. Tax compliance is less researched in the Namibian context. NamRA was launched in April 2021 with autonomous functions from the Ministry of Finance. Message from Namibian taxpayers covering the period June 2022 to 15 December 2023 were used in this study that were regarded as domestic taxpayers voicing their grievances and disseminated their feelings related to how they are treated and how they want to be treated.

### 6.2 Recommendations

NamRA is to be applauded for the innovations and embracing ICT to reach the taxpayers and other many stakeholders through different platforms, like on-line presentations, taxpayers and other stakeholders' engagements and live televised communications through NamRA Kachenu. (Figure 6A). The study noted that taxpayers following or liking the messages and notifications from NamRA are too minimal and sometimes there are no reactions at all. In Figure 6B it is evident 91 liked NamRA message and 44 commented. Similarly, the text message in Figure 6C, which could attract majority of the taxpayers demanding their tax refunds, 71 were attracted and 40 commented. Registered taxpayers in Namibia are more than 800 000. The observation by the study is that the initiatives for on-line communication may not reach the many taxpayers. It is recommended that NamRA enhance ways of reaching to the taxpayers and make them aware of such plat forms. The study strongly recommends constant availability of ITAS to ensure compliance and strengthened enforcement. Trusting in the tax authority is very important for enhancing compliance. Tax compliance would assist NamRA enhancing the revenue collection needed for funding developmental objectives and ultimately achievement of the SDGs.

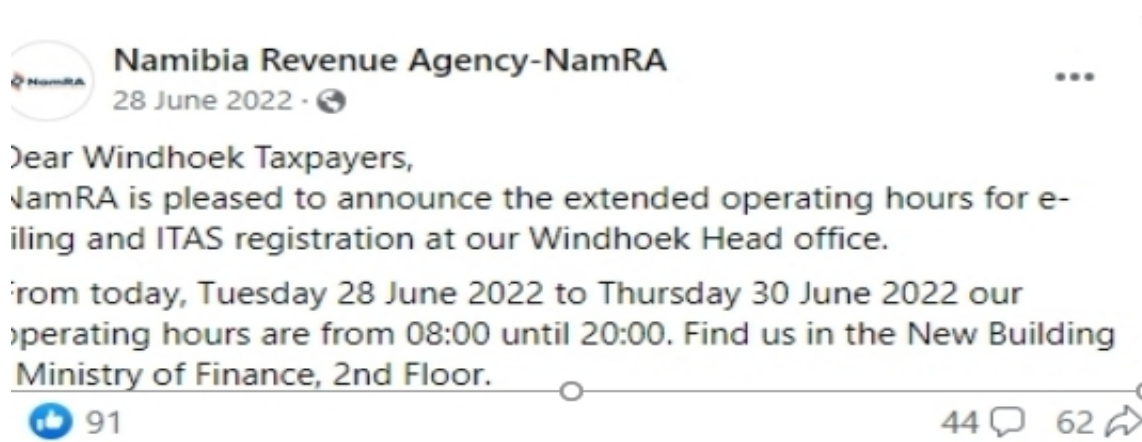
**Figure 6a: NamRA Messages to Taxpayers and Stakeholders**



Source: NamRA Facebook page (2023)



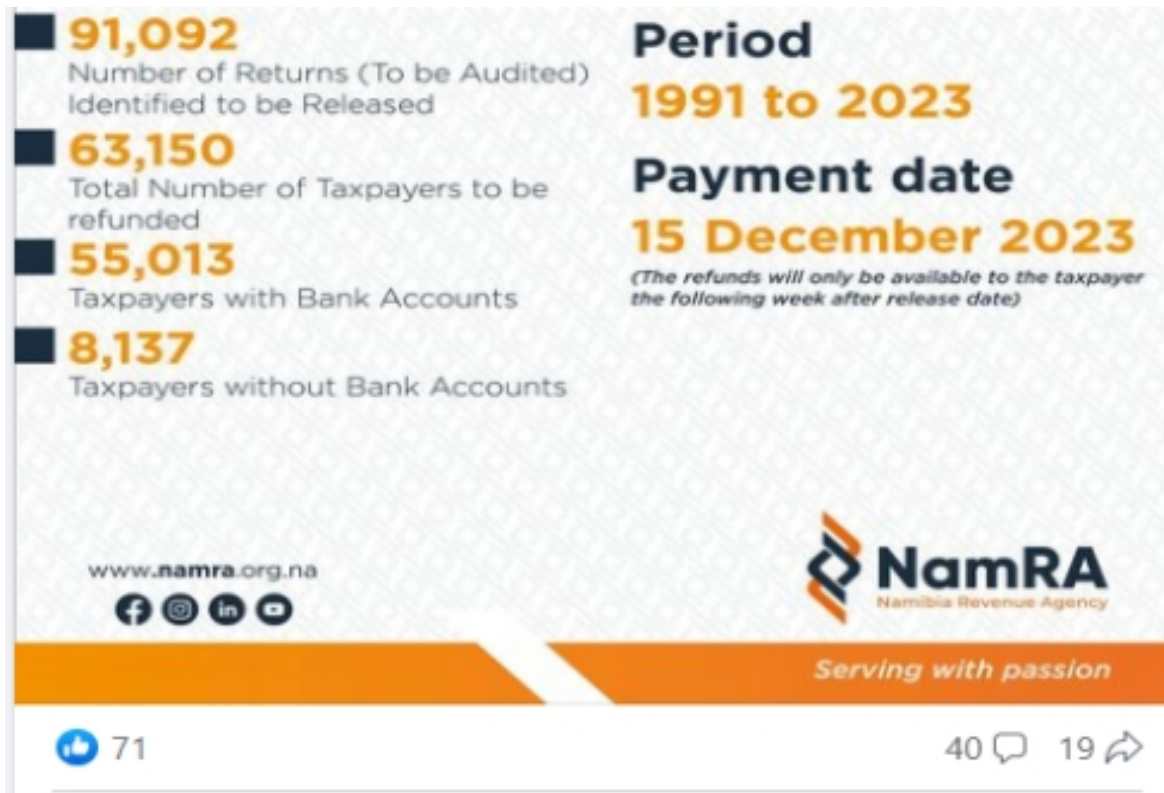
**Figure 6b: NamRA Messages to Taxpayers and Stakeholders**



Source: NamRA Facebook page (2022)

**Figure 6c: NamRA Messages to Taxpayers and Stakeholders**





Source: NamRA Facebook page (2023)

## Glossary

**GDP:** Gross Domestic Product

**ITAS:** Integrated Tax Administration System

**NamRA:** Namibia Revenue Agency

**OECD:** Organization for Economic Cooperation and Development

**SDGs:** Sustainable Development Goals

**SMS:** Short Messages Services

**TCC:** Tax Compliance Cost

**UN:** United Nations

**UNICEF:** United Nations Children's Fund

**UNIN:** United Nations Institute for Namibia

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