TAX POLICY REFORMS AND PUBLIC REVENUE GROWTH IN WESTERN COUNTIES OF KENYA

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A research project/thesis submitted in Partial fulfillment of the requirements for the award of Degree of Masters in Business Administration, School of Business and Economics, Department of Finance and Accounting, Masinde Muliro University of Science and Technology

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DECLARATION

I thus declare that this thesis is my own original work, that it was written without the assistance of any other individual, and that the sources and support that are cited in it have not been submitted anywhere else for the purpose of obtaining a degree or any other prize.

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CERTIFICATION

The undersigned certify that they have read and hereby recommend for acceptance of Masinde Muliro University of Science and Technology of a thesis entitled “Tax policy reforms and public revenue growth in western counties of Kenya”

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DEDICATION

In gratitude for the grace, wisdom, and knowledge that enabled me to complete this academic work, I would like to dedicate my thesis to the all-powerful God. Additionally, I would want to convey my appreciation to my beloved wife Maximila Nafuna, who was there for me emotionally and financially throughout this time to ensure that my schooling proceeded without a hitch. Also, I want to thank my amazing children, Joy Atiliya and Vivian Nekesa, for all the love and encouragement they've given me over the years. It's been the fuel that kept me going, even when things became very tough. I want to express my gratitude to Pastor Josiah Omutanyi, a man of God and my spiritual father, for supporting my vision, making sacrifices, and praying on my behalf. In conclusion, I would like to dedicate my work to my family, particularly to my mother Esther Nyongesa, who never stopped praying for me and who never failed to commemorate my accomplishments.

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ABSTRACT

Kenya has seen difficulties in managing its budgets throughout the years, leading to excessive borrowing from both local and foreign sources. The Kenya tax Authority has received additional financial assistance to improve the salary structures of tax officers, recruit and retain highly skilled employees, and implement mechanisms for detecting and terminating incompetent and corrupt individuals. In addition to improving government revenues to pay for ongoing and investment costs, this is crucial because efficient tax collection is considered as a way to minimize government borrowing, lessen inflation and interest rate pressures, and lower the amount of money the government borrows. Studying the effects of tax policy changes and increased government income on western Kenya was the primary goal of the research. Examining the role of tax administration, enforcement, and human resource revitalization in Kenya's rising taxpayer revenue was the driving factor for this study. This study is based on three theories: the Optimum Income Tax Theory, the Fischer Tax Compliance Model, and the Adams Smith Canon of Taxation Theory. The Kakamega, Bungoma, and Busia counties offices of KRA were the primary subjects of the investigation. A total of 120 individuals from the Kenya Revenue Authority formed the target with 92 being the sample. Closed ended questionnaires were utilized to collect primary data for the study. The data was summarized using descriptive statistics for easy understanding. Measures of skewness and kurtosis were among these statistics, along with frequencies and mean percentages. Regression analysis with many variables was also used. By using tables the data was examined to facilitate easier comparisons. By combining descriptive and regression analysis, the researchers were able to assess the whole model's statistical significance. Furthermore, the degree of association between the variables was determined by doing a correlation study. The study's conclusions demonstrated that the Kenya Revenue Authority had a significant role in the increase of official income in Kenya as a result of tax reforms. Tax administration R^2 of 0.524; p 0.000 and t value 8.645: Tax enforcement R^2 0.27, p 0.000 and t value 13.55 and Human resource revitalization R^2 0.213, p 0.000 and t value 4.296 hence all had positive significant effect on revenue growth. Improved tax administration, stronger tax enforcement, and a renewed focus on human resources have all contributed to a rise in Kenya's government coffers. When it comes to expanding the tax base, there should be a greater emphasis placed on improving tax administration. This would make it possible to lower the present tax rates without having an effect on the amount of money the government brings in. A tax enforcement system that is both effective and efficient is required in order to improve tax compliance, tax audits, and tax assessment. Improving the process of hiring new employees, providing training for existing employees, and fostering human resource development might be an effective strategy for increasing tax revenue in Kenya. According to the article, more research should be conducted on various tax policy alterations that have an effect on the growth in average public income.

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ABBREVIATIONS AND ACRONYMS

BCL	Bank Collection
CIT	Corporate Income Tax
DBM	Data Base Management
EACCMA	East Africa Community Customs Management Act
EIM	External Information Management
EU	European Union
GDP	Gross Domestic Product
GTC	Georgia's Tax Centre,
IEA	Institute of Economic Affairs
KRA	Kenya Revenue Authority
LTO	Large Taxpayer Office
TCA	Taxpayer Account
TCR	Tax Credits and Refunds
TRP	Tax Returns Processing
TRE	Taxpayer Register
TPS	Taxpayer Services
PIT	Personal Income Tax
PPP	Payment Plans Processing and Control
VAT	Value Added Tax

OPERATIONAL DEFINITION OF TERMS

Government policies: The regulatory standards and processes pertain to the direct or indirect impact on taxes, including unanticipated or unwanted effects on public revenue growth.

Human Resource Revitalization Human resource management is the organizational system that encompasses many activities such as recruiting, training, performance evaluation, resource allocation, and strategic planning to identify and address the core human resource requirements of an organization.

Tax Administration: Refers to role of managing, overseeing, guiding, monitoring the implementation and enforcement of taxation laws. This was measured through income tax, value added tax, excise duty, tax bands and tax regimes.

Tax Enforcement: Tax enforcement is the systematic process by which governing bodies take concerted action to ensure compliance with taxation legislation by penalizing taxpayers who breach regulations and standards related to taxes.

Tax reforms: Refers to the process of modifying the methods and systems used by the government to collect and administer taxes.

Public Revenue: Government revenue derived from many sources such as taxes, loans, fees, and gifts.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Tax reform is the process by which a nation modifies the methods of imposing, collecting, and using taxes in order to improve tax management. Implementing new legislation to regulate taxes, implementing changes in tax administration, and reducing opportunities for tax evasion are key factors that contribute to enhancements in tax revenue collections (Morrisset & Izquierdo, 2020).

Internationally, tax changes have been implemented in order to generate more income that may be used to fund public spending on social welfare and services. The financial and economic crisis in most countries has led to a decline in public budgets in most States. The inadequacy of the existing tax system in terms of conforming to the various principles of taxation is the root cause of the need for tax reform. Tax reforms have garnered a lot of attention recently (Bird, 2019). This is because of the growing financial challenges that are being experienced in both developing countries and established nations. In the realm of public finance, there is a rising interest in tax reform as a strategy to raise tax revenues. This interest is especially prevalent among academics and international organizations. This is due to the fact that nations are seeing a decrease in external aid overall. Tax reform is a multifaceted process that include both reductions in tax rates and modifications to increase the tax base. Theoretically, it is assumed that these adjustments will, in the long term, give rise to an increase in the overall size of the economy; nevertheless, the magnitude of this influence and the relevance of it are both up to debate. The current worldwide crisis has significantly burdened the influx of foreign resources, compelling these nations to prioritize the mobilization of home resources. It is often observed that in many developing countries, fiscal governance is primarily measured by the extent to which a government can reduce its fiscal deficit, rather than focusing on improving the tax system to generate more income and avoid deficits (Andrejovska & Pulikova, 2018).

As a result, fiscal measures have always been motivated by the need to restore public finances to a stable trajectory. In regards to tax policy, most Member States are facing the difficulty of increasing tax income to contribute more to overall consolidation efforts. Additionally, they must address the additional issues of supporting economic recovery and promoting sustainable development in the medium and long term. The excessive deficit procedure (EDP) has been implemented in every member state of the European Union (EU), and the majority of these governments are required to correct their excessive deficits within the calendar year. According to Reinhart and Graf Von Luckner (2019), the majority of member states anticipate achieving considerable fiscal consolidation via the adoption of purposeful tax policies. This is in light of the background described above, which is reflected by the Stability and Convergence Programmes and the National Reforms Programmes.

Many economies worldwide are driven by an insatiable pursuit of economic growth and development, which motivates them to enhance income creation. The production of money by the government is absolutely necessary in order to hasten the progression of the economy and to encourage growth. It is the responsibility of governments to charge taxes in order to support public services, to encourage equitable distribution of wealth and income, and to restrict certain economic activity such as smoking cigarettes. According to Kigunda (2018) and KIPPRA (2020), the only technique that is practically feasible for collecting resources to pay public expenditures on goods and services that are consumed by the populace is revenue collection via taxes. It is the responsibility of governments to offer its citizens with a variety of services, including education, healthcare, water supply, security, road infrastructure, and social security. Governments cover the costs of providing these goods and services via taxation and several other non-tax sources of income. Spending money on taxes is a must, regardless of whether you get anything from the government, according to Hyman (2015).

According to Ngaruiya (2022), the United States of America successfully adopted a big tax law in 1986, which resulted in a notable reduction in the highest tax rate. Development of the domestic tax system in the Islamic Republic of Afghanistan was started in 2019. Among the simpler taxes introduced by these changes are the turnover tax (TOT) and wage withholding, to name a few. Instead of a more contemporary corporate income tax, the TOT was seen to be more practical given the economy's immaturity and the capacity constraints of the Afghanistan Revenue Department (ARD). In 2019, Afghanistan implemented a comprehensive income tax legislation that applies to both people and enterprises. This law aligns more closely with international tax standards while maintaining identical tax rates that were previously in place. Since gaining independence in 1971, Bangladesh has been undertaking reforms to its tax system. Although there has been some change occurring throughout these decades, domestic factors have consistently hindered its progress. The tax system had a significant overhaul, although it was not fully achieved when the government implemented the VAT in 1991. Nevertheless, the implementation of this reform was delayed significantly, allowing several influential interest groups in the nation to collude inside the political system. As a result, the value-added tax (VAT) was ultimately burdened with numerous safeguards, exceptions, and ineffective penalties. Tax officers were given significant discretionary authority by the government, allowing major businesses to negotiate their tax settlements with them (Pressman, 2018). During the period from 2019 to 2019, tax changes in Georgia were primarily aimed at streamlining the tax law and reducing tax rates. Georgians are now only obligated to pay six national taxes, down from twenty-one only a short time ago. There was a 20% reduction in the value-added tax (VAT) and a 20% merger of the personal income tax with the social contributions tax (payroll tax) in Georgia (GTC, 2019).

Taxes on firm profits and interest revenues were reduced from 10% to 5% by the Georgia Tax Centre a year ago, in 2019. The revised tax legislation implemented a uniform tax rate for all corporate operations, eliminating any preferential rates or benefits. This streamlined taxpayer obligations and significantly reduced in-person interactions between tax officials and taxpayers. The tax collections in Georgia have grown by almost four times due to the combined impact of improvements in tax policy and administration. The proportion of tax revenue relative to the Gross Domestic Product (GDP) had a significant increase, rising from 12% to 25%. This occurred despite a decrease in tax revenue generated from international commerce, which may be attributed to the reduction in import duty rates (GTC, 2017).

According to Kefela (2015), only a small number of developing nations have successfully implemented tax systems that produce sufficient income and effectively minimize tax-related misallocations. In the majority of other nations, there has been a lack of success in securing the funding for public spending, and the tax systems have not aligned with the aims of economic policy. According to Latif et al. (2019), the changes in tax policy thus far have been minor in terms of the amount of money collected, the types of revenues generated, and the alignment of tax rates with predictions.

Ghana, for instance, has enacted comprehensive tax adjustments that include a vital policy instrument targeted at encouraging economic growth and relieving poverty (Omondi, Wawire, Manyasa, and Thuku, 2014). Furthermore, Ghana has also implemented these improvements. When it comes to improving the country's overall fiscal well-being and revenue collection, Ghana's considerable improvements in tax administration and fiscal policies have been among the most important factors. The rise in revenue has mainly been attributed to changes in the tax structure, improvements to the administration of taxes, and an expansion of the tax base. The administrative reforms in Ghana aimed at improving working conditions and employment prospects by giving operational autonomy to the revenue institutions and separating them from the Civil Service. This was done in order to enhance efficiency. One of the most important aspects of the administrative reform that took place in Uganda was the fact that the present revenue department was moved from the

Ministry of Finance to a revenue authority that had some degree of autonomy. An independent Board of Directors is in charge of overseeing this power (Fjeldstad, 2018).

The tax changes in Ethiopia were implemented after the liberalization in 2017, which resulted in a significant increase in investment. According to Kefela (2019), the counties's existing resources are insufficient to fund the ever-increasing investment. It was during this period of turbulent political transition that savings saw a considerable decline in 1990 and 1991. After then, there was a drop that continued until the end of the 1990s, which was followed by a partial recovery that occurred later on. The expansion of government savings was most noticeable in the 1990s. Given this, it would seem that the government's fiscal policy is motivating in this regard. The government nevertheless ran a deficit of around 10% of GDP every year over the last decade since domestic saving was much lower than investment (Mill, 2018; Mutinda, 2020).

The present administration has had some success in fiscal policy, mostly by generating money. Earnings and profit taxes, goods and services taxes, and foreign trade taxes are the three main components of Ethiopia's tax system. A large portion of East African economies operate in the shadows, making it difficult to collect taxes from the general public (Akol et al. 2019; Chang et al., 2020).

The Kenyan Government considers economic progress to be the primary factor driving tax changes. It is required to perform a large number of simulations to examine the effect of tax changes on economic development. The concept of tax reform involves not only the specific concerns that are related with the design and administration of tax systems, but also the more general issues that pertain to economic policy. Over the course of the last twenty years, Kenya's tax structure has often undergone a process of reform. A new VAT has been put into place, and the country's external tariffs are now in line with those of its East African neighbors. These changes have been made in relation to policy. Rate schedules have been simplified and made less complicated. Alterations have been made to both the administrative structure and the institutional structure simultaneously. Consolidating the handling of tax collection was an important step that occurred in the year 2020 with the foundation of the Kenya Revenue Authority (KRA), which was a semi-autonomous structure. Among the several sources of revenue that the Kenyan government receives, the most important one is taxation. The majority of the money that the government received between 1995 and 2019 came from taxes (Githinji, 2021).

Furthermore, throughout the course of the last four decades, the economy has undergone a number of significant structural shifts. With a tax-to-GDP ratio that is more than twenty percent, Kenya stands out among other countries in Sub-Saharan Africa owing to the robust tax revenue generating it does. Consequently, Kenya is able to finance a substantial chunk of its budget, even if there is a little rise in profits over the course of the year. (Government of Kent, 2018). Githinji (2021) asserts that Kenya, along with a great number of other developing nations, has encountered and continues to encounter the normal difficulties that are associated with the tax systems of developing countries. These relate to tax systems that are difficult to maintain and comply with because of their structure and rates, which are both complicated. This results in low tax productivity since these systems are insensitive to both the expansion of the economy and the discretionary tax measures that are implemented. Furthermore, the method of tax collecting results in a negligible amount of income while simultaneously producing enormous economic problems. It is also possible for people and enterprises to be treated unequally when they are in identical circumstances, and it demonstrates prejudice in terms of the administration and enforcement of tax laws, favoring those who are able to circumvent the system. As a consequence of this, in order for the government to improve its revenue collection, it is necessary for it to update its collection strategy and execute the necessary tax modifications, which will thus result in a bigger tax base. (Shrub, 2018).

The primary goal of tax changes is to promote market liberalization, which in turn encourages foreign direct investment. Consequently, there has been a decrease in the tariffs imposed by customs authorities on various sorts of transactions. Ever since the establishment of KRA, the accumulation of tax income has shown consistent growth. Furthermore, the management of taxes has been enhanced. Nevertheless, the tax income has consistently failed to meet the set objective. This has led to a rise in government borrowing, which has had a detrimental effect on economic growth. It is necessary to determine if tax changes have played a significant role in the rise of tax collections, given the consistent growth of the Kenyan budget.

1.2 Statement of the Problem

The government's inability to achieve its yearly income objectives via the Kenya Revenue Authority has necessitated the exploration of methods to enhance tax collection. In financial 2018/2019 KRA collected 1,440.21B while in 2019/2020 it collected 1,427.51B which was a decrease of 0.88%. In 2020/2021 it collected 1,484.76B which was a 4.01% increase while in the financial year 2021/2022 was 1,837.22B which was 23.74% increase. However, in financial year 2022/2023 KRA collected 1,738.95B which was 5.35% decrease (KRA, 2023). This implies, growth of revenue collected between 2018 and 2023 has not been even for the last five years.

Gebreeyesus and Woube (2018) analyzed the impact of tax policy reforms on tax revenue performance in Ethiopia. The study emphasized the positive effects of implementing progressive tax reforms on revenue generation. Similarly, Ameth (2019) showed that tax reforms contributed to significantly increase in tax revenue performance in Senegal. However, Mwakisambo (2019) revealed that despite the implementation of various tax policy reforms aimed at increasing revenue, the overall impact on revenue growth was found to be insignificant in Tanzania. Adeyemo and Oladejo (2020) found that while tax policy reforms had been implemented to enhance revenue generation, the actual impact on public revenue growth was insignificant in Nigeria. Furthermore, Kajubi (2019) found evidence suggesting that certain tax policy reforms, particularly those related to tax exemptions and incentives, had a negative impact on revenue growth in Uganda. Similarly, Oloyede and Olojede (2017) found that certain tax policy reforms, such as tax rate reductions and tax holidays, negatively impacted revenue mobilization efforts in Nigeria.

Kaguara (2022) examined effect of tax policy reforms on revenue collection in Kenya. The study recommended that future researches should focus on primary data or a mixes primary data with secondary data so as to recognize qualitative elements might have been overlooked. Mwidadi (2019) conducted using a survey population from the KRA Southern

Counties Staff. The study recommended that further studies on the same topic in other countiess so that they can get a true picture of how staff rate their efforts in tax administration reforms. Further, the study also recommended that further studies should consider other tax reforms apart from tax administration a gap which this study sought to fill by examining influence of tax policy reforms on public revenue growth in Kenya.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of the study was to examine influence of tax policy reforms on public revenue growth in Kenya.

1.3.2 Specific Objectives

i. To evaluate the influence of tax administration on public revenue growth in western counties of Kenya.

ii. To examine the influence of tax enforcement on public revenue growth in western counties of Kenya.

iii. To analyze the influence of human resource revitalization on public revenue growth in western counties of Kenya.

1.4 Research Hypotheses

The research was based on the hypotheses that were obtained from the goals.

$H0_1$: There is no significant influence of tax administration on public revenue growth in western counties of Kenya.

$H0_2$: There is no significant influence of tax enforcement on public revenue growth in western counties of Kenya.

$H0_3$: There is no significant influence of human resource revitalization on public revenue growth in western counties of Kenya.

1.5 Significance of the Study

A thorough comprehension of the problems associated with tax changes and performance will be provided to the Kenya Revenue Authority by the study's findings. This information would aid in the formulation of policies and reforms aimed at enhancing tax compliance and so fostering economic growth. The study will aid the management of Kenya Revenue Authority in addressing the purported deficiency in knowledge when it comes to examining the effectiveness or efficiency of their systems and related technologies. The study's findings contributed valuable literature on Kenya's tax reform experience.

Future academics and researchers will significantly benefit from these outcomes, since they provide a substantial body of literature and serve as a solid platform for future research. New data on how tax reforms affect business tax compliance is a result of this research.

Government revenue agencies, such as courts, county governments, and ministries, use the report as a guide for their own revenue collection operations and management procedures.

1.6 Scope of the Study

The study was conducted at Kenya Revenue Authority offices in western counties of Kenya. The research took three months; from May 2023 to August 2023. This was aligned to tax administration, tax enforcement and human resource revitalization on public revenue growth. This targeted 120 stakeholders at KRA Kakamega, Bungoma and Busia.

1.7 Limitations of the Study

The researcher was unable to incorporate additional counties within the country. The study concentrated on three counties offices of the Kenya Revenue Authority, specifically in the departments of Risk Management and Internal Audit, Information Communication Technology, Finance, Administration and Research and Corporate Planning, Compliance, and Human Resource Management. The research would have benefitted from include a greater number of areas around the country in order to provide a more comprehensive analysis.

Furthermore, due to a recent reorganization within the Kenya Revenue Authority, fewer experts were available to participate in this investigation. Also, certain team members can be lacking in expertise in some areas since they were only employed lately. The researcher primarily depended on investigating the current condition and study circumstances to determine the influence of changes in tax policy on the increase in public income in Kenya. As a means of assuring the responders that the data would be used mainly for scholarly reasons, NACOSTI sent a letter to the researcher. Respondents who were going to be approached could be hesitant to provide information because they were worried that the material being sought might be used to intimidate them or make them or their institution seem bad. Other limitation was KRA busy schedule to their employees therefore not getting more time to get information from them; the researcher booked appointments and organized online meetings so as to get the information required.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The study reviewed literature of past studies on taxation in relation to tax revenue growth.

2.2 Theoretical review

This research based on three theories; Fischer Tax Compliance Model, Optimum Income Tax Theory and Adams Smith Canons of Taxation Theory.

2.2.1 Fischer Tax Compliance Model

The Fischer Tax Compliance Model, developed by Jackson and Milliron (1986), outlines 14 essential characteristics that influence taxpayers' compliance behavior. Fischer *et al.* (2017) classified these components into four distinct structures in their revised model, known as the Fischer Model, as shown below: Demographic characteristics, such as age, gender, and education, Non-compliance opportunity refers to a situation when individuals fail to comply with certain rules or regulations. This opportunity is influenced by characteristics such as income level, income source, and vocation. Some of the components that make up attitudes and perspectives include things like the fairness of the tax system and the influence of peers. On the other hand, the structure and system of taxes encompasses a variety of characteristics, including the degree of difficulty of the tax system, the probability of getting detected, the severity of penalties, and the tax rates. Within the context of the Fisher model of tax compliance, economic, social, and psychological variables are all included into a comprehensive structure. According to Jackson and Milliron (1986), one component of the Fischer model study that has attracted a lot of interest is the examination of the influence that demographic characteristics have on tax compliance.

It was stated by Jackson and Milliron (1986) that age, which is a prevalent demographic trait, has a favorable correlation with tax compliance among taxpayers. Furthermore, the tax compliance measurement program (TCMP) that was carried out by the Internal Revenue Service indicated that persons aged 65 and older who are members of a household display lower levels of non-compliance (Andreoni *et al*., 2018). Younger persons are less worried about the possibility of incurring fines and are more likely to not comply with tax requirements, which increases their likelihood of taking risks. Age is a significant factor in international tax evasion, according to the findings of a research that was carried out by Ritsema *et al.* (2023) on the Arkansas tax penalty amnesty program in 1997. The study found that younger individuals are less cooperative than older individuals. There have been a number of studies that have shown, time and time again, that females demonstrate a greater level of tax compliance in comparison to their male counterparts (Tittle, 2018). According to Jackson and Milliron (1986), females have historically been associated with adhering to societal expectations, moral limitations, and traditional lifestyles.

According to Fischer's model, the chance for non-compliance may directly affect the tax payer's attitude towards compliance via factors such as their income level, source of income, and profession. Conversely, same factors might indirectly influence the tax payer through their attitudes and perceptions. Economic status According to several tax theoretical models, there is a positive correlation between income level and tax evasion, meaning that tax evasion tends to grow as income level increases (Andreoni *et al*, 2018). This suggested expansion to the model would potentially contribute significantly to the tax compliance literature by explicitly highlighting certain behaviors inherent in individual taxpayers. Additionally, it would aid researchers in assessing the impact of tax administration on the increase of public income. The Fischer model offers a structure for comprehending the impact of socioeconomic and psychological factors on taxpayers' choice to comply.

Mayer and Salovey (1995), Elizabeth Rozell, and Wesley Scroggins (2018) have argued that Emotional Intelligence pertains to the capacity to effectively regulate emotions by being motivated to take appropriate actions in order to achieve desired outcomes. Emotional intelligence has an impact on taxpayers' willingness to pay taxes (Goleman, 2005). The theory focuses on three key variables: the tax administration variable, the tax enforcement variable, and the Human Resource revitalization variable. These variables serve as the foundation for the researcher's investigation.

2.2.2 Optimum Income Tax Theory

Mirrlees (1971) was the first to develop the idea of optimal income taxation, which has since been explored by other researchers such as Sorensen (2019), Creedy (2019), and O'Brien (2019). In a socio-economic system that upholds equality, income taxes are considered a crucial policy tool. Progressive redistributive taxes is often associated with an individual's income, as some suggest. Given that an individual's economic results are considered indicative of their economic potential, Mirrlees acknowledged that complete equality of society marginal utilities of income is no longer desirable. This is because the tax system designed to attain such equality would need to completely ban undesirable activities. The above statement raises many inquiries on the nature of regulations intended to govern optimal income taxation, the structure of tax schedules, and the influence of inequality on the development of tax plans (Creedy, 2019).

According to the optimal taxation theory, the process of designing and putting into action a tax system that, given certain economic conditions, reduces the amount of distortion and inefficiency that occurs in the market equilibrium is essential. Choosing the tax that will lead to the greatest possible increase in the welfare function of society while taking into consideration a certain set of constraints is the fundamental premise of optimal taxation. According to Mankiw, Weinzierl, and Yagan (2019), the development and implementation of the ideal tax requires an understanding of how to maximize the number of outcomes from a diverse population in a manner that is socially optimal. This is the case in the event that it is not possible to obtain the most favorable result initially and one must instead work toward the second best option. According to Boadway (2022), the theory of optimal income taxation has reached a point of complete development, and there are a number of extremely positive assessments of the subject that can be acquired.

In the classical paradigm introduced by Mirrlees (1971), the theory examines how a benevolent planner, who can only see the pre-tax labor income of individuals with different incomes but similar preferences, might maximize a utilitarian social welfare function. In recent years, the classical framework has been expanded in several ways.

Sorenson (2018) states that recent developments in this theory have greatly facilitated its application, perhaps aiding in the analysis of current global tax policy trends. O'Brien (2019) observes that classical political economists developed a normative theory of tax policy that favored a principles-based approach, asserting that an effective tax system should possess certain desirable traits. According to this idea, the tax system should be efficient, transparent, fair, economical, flexible, widely accepted, and free from corruption. Evidence shows that if the current tax system does not alleviate the social welfare problems associated with different income levels, it becomes necessary to question the viability of maintaining such a system and consider the possibility of making changes. This idea aided the researcher in analyzing the impact of tax enforcement on the rise of public income (Mwakisambo, 2019).

2.2.3 Adams Smith Canons of Taxation Theory

In the year 1776, Adam Smith was the first person to first articulate the concepts or canons of taxation. Specifically, the concepts of taxation theory that Adam Smith outlined in his book "The Wealth of Nations" serve as the foundation for this study. According to this theory, a tax system that is designed on the basis of an appropriate set of principles is considered to be a good tax system. The canons of taxes may be thought of as a collection of principles and ideas that serve as the basis for an efficient taxation system. The Canon of Equality, the Canon of Certainty, the Canon of Convenience, and the Canon of Economy are the four principles of taxes that Adam Smith has established. These concepts are together referred to as the Main Canons of taxation (Mankiw, *et al*, 2019).

The 51st CIAT General Assembly focused on the concept of equality as a fundamental principle of taxes. Adam Smith's notion was evident from an economist's standpoint. The term equality in this context does not imply that every individual should contribute an identical and uniform sum of taxes. What the concept of equality entails in this context is that those with more wealth should contribute a greater proportion of their income towards taxes, while those with lower wealth should contribute a lesser proportion. This is because the tax amount should be commensurate with the taxpayer's capabilities. It is a vital notion that promotes social equality throughout the nation. The 51st General Assembly of the International Center for Tropical Agriculture (CIAT) took place in 2018 (Mankiw, *et al*, 2019).

The principle of equality asserts that there should be fairness, in the form of equal treatment, in the matter of tax payment. One of its primary functions is to act as a tool for attaining equal wealth distribution within an economy, in addition to its role in promoting social justice. What about "equity?" could be the first thing that comes to mind. Will it be our responsibility as tax administrators to ensure that those with higher incomes pay a greater proportion of their income in taxes than those with lower incomes? Possibly, but not by conveying the tax legislation according to our own preferences. A contemporary tax policy in the majority of governments should guarantee "equality" and "equity" by means of tax legislation. Undoubtedly, there is a valid argument to be made about whether indirect taxes, such as Value-Added Taxes (VAT), as opposed to direct taxation, such as Corporate and Personal Income Tax (CIT, PIT), disproportionately benefit the wealthy more than the poor. Regardless of your financial level, there is a maximum quantity of cereal bowls that you may have for breakfast. Furthermore, the argument becomes much more compelling when considering the substantial proportion of income derived by Value Added Tax (VAT) in several nations (Mwakisambo, 2019).

Nevertheless, in the majority of legal systems, the concerns of regressive and equality-based tax matters are resolved by the implementation of exemptions on value-added tax (VAT) for essential food goods and medications, with the provision of other social and entitlement programs. The notion of injustice may also be used to direct taxes. Consider people who submit a Personal Income Tax declaration on a yearly basis, for instance. Married individuals often have a tax advantage over single taxpayers, even if both parties earned the same amount of income in a given tax year (Trochim, 2023).

The individual deductions that you are eligible for are greater than those that are available to a single taxpayer when you are married and submit a combined tax return with your spouse. This concept might be referred to as "unmarried equality." There is a debate over the need to dissociate child-centered tax policy from marital status in order to provide fair treatment for all taxpayers who have children. What if you are in a marriage with someone of the same sex? The inability to take advantage of the benefits of filing a joint tax return with your spouse is a consequence of the fact that many nations do not recognize this status as a legally recognized status (Trochim, 2023).

However, these concerns and criteria are formed and applied in the tax legislation for the aim of promoting the general welfare of society. Each governing body picks its own interpretation of the greater social good and integrates it to some degree in their tax laws.

During this process, the overall welfare of society is the primary focus. The 51st General Assembly of the International Center for Tropical Agriculture (CIAT) took place in 2018 (Piancastelli & Thirlwall, 2021).

In a society that is both free and prosperous, citizens typically adhere to tax levies if specific conditions are fulfilled. Firstly, political processes allow citizens to have a say in the extent and manner in which they are taxed. Second, public authorities are responsible for the efficient management of the resources that are produced by the tax system. In conclusion, the vast majority of residents are of the opinion that the distribution of tax burdens and benefits is consistent with fairness and impartiality. In our capacity as tax administrators, it is our duty to ensure that all parts of our taxpayer population are subjected to the same and fair application of tax regulations. This text discusses the measures and activities implemented by some tax authorities to ensure that tax laws are applied fairly and equally to all taxpayers, regardless of their economic circumstances (Adam Smith International, 2018). This theory aims to aid the researcher in analyzing the impact of human resource revitalization on the rise of public income (Trochim, 2023).

2.3 Conceptual review

Understanding the theoretical framework is crucial for researchers as it provides guidance in selecting the variables to measure and identifying the statistical linkages to investigate in order to comprehend the study's variables. Trochim (2023) provides a comprehensive framework for contextualizing data in relation to the topics being studied.

2.3.1 Tax administration on public revenue growth

Revenue administration encompasses the gathering and administration of domestic income, including taxes, customs charges, revenues generated by state-owned firms, and other types of income. The tax administration sector is sometimes seen as being susceptible to corruption owing to the intricate nature of tax legislation, the significant discretionary authority held by tax authorities, and the little penalties imposed. Corruption weakens a nation's tax system and its ability to collect money, leading to substantial losses in income and reduced financing for public services. The reduction in the ratio of taxes to GDP not only takes place, but it also causes long-term damage to the economy. This is because it leads to the expansion of the underground economy, the distortion of the tax structure, the undermining of the ethical behavior of taxpayers, and the erosion of public confidence in the institutions of the government (Piancastelli & Thirlwall, 2021).

The distinction between administration and policy has been included into the administration of each nation's administration in its entirety. When talking about the role that the KRA plays in the From Waweru's perspective, it is essential to make a distinction between tax administration and tax policy. It is essential to keep in mind that the Kenya Revenue Authority (KRA, 2020) is in charge of the administration of taxes in Kenya, while the Ministry of Finance (Treasury) is responsible for the formulation of tax policy. In and of itself, the emphasis placed on increasing tax revenue via the use of technological innovations in tax administration is a tax policy; to depict it as anything else would be to misrepresent the options that are available to the Kenyan government (Piancastelli & Thirlwall, 2021).

The allocation of financial resources, time, and attention towards the Kenya Revenue Authority (KRA) imposes a substantial opportunity cost on the Kenyan government, given the budgetary constraints of the Kenyan economy. These resources have not been allocated to other areas due to the prioritization of tax administration. Furthermore, the Kenyan government and the Kenyan Revolutionary Army (KRA) are being persuaded to consider the possibility of investing significant sums of money on further advancements to the ability of the KRA. In other countries, such as Spain, Mexico, Canada, Singapore, and New Zealand, according to a statement that Waweru released this year, the use of information technology to assist in the administration of taxes has resulted in a considerable improvement in the administration of taxes, (Green, 2019).

Put simply, corporations have an obligation to pay taxes to the government, and in return, the government has a responsibility to provide infrastructure and services to these enterprises. In order to further formalize Kenya's economy, the government must go beyond the basic task of ensuring more tax compliance among individuals and enterprises. Although this approach is more practical, it is improbable that the government will have more resources in the near future. This is because the necessary infrastructure to support the formalization of the informal sector is expected to be as expensive, if not more, than the initial increase in tax revenue resulting from the formalization. In addition, a significant portion of the revenue shortfall targeted by the Authority is attributed to tax exemptions granted to government allies and entrenched corruption by government officials, making it inaccessible to the KRA. The global world is well aware of this issue, as stated by the Kenya Ministry of Planning and Development in 2019.

Furthermore, the substitution of trade taxes with domestic taxes may not be practically viable. However, if such a substitution were achievable, it would certainly result in a very regressive action. Considering the limited feasibility of relying only on direct taxing to compensate for the decreased income, it is probable that the Kenyan government would resort to implementing a Value Added Tax (VAT) system. Despite the challenges associated with extending the Value Added Tax (VAT) as previously said, the process of collecting VAT is more simpler and more straightforward compared to direct taxes. Nevertheless, a rise in the value-added tax (VAT) rate would heighten the motivation for enterprises to remain in the informal sector and evade the tax. This might undermine tax compliance and hinder efforts to broaden the revenue base. In addition, value-added tax (VAT) negatively impacts those who spend a larger amount of their income, particularly those who purchase essential products that fall within the formal sector. Consequently, VAT undermines the living standards of the most economically disadvantaged individuals in society (Stotsky *et al*., 2020).

For the purpose of enhancing the protection of revenue collection and the delivery of services to the general public and taxpayers, the KRA has set up effective systems and administrative procedures. Electronic transactions, queries, and applications for KRA activities are some of the online services that are made available by the system. TRE, TRPBCL, TPS, EIM, DBM, TCA, PPP and TCR are some of the components that are included in the systems and administrative procedures that have been updated. According to KRA (2016), the increase in tax revenues may be attributed to the major contributions made by each of these causes.

2.3.2 Tax enforcement on public revenue growth

According to Daniel (2019), auditing is defined as the process by which an authorized auditor conducts an impartial evaluation and assessment of a company's financial statements. This evaluation and assessment is carried out in accordance with the conditions of engagement that have been agreed upon by the auditor or auditors. It is crucial to acknowledge that every person or entity that fits within the specified income categories is required to pay taxes, either willingly or by legal obligation. The difficulties of returns and evaluation emerged within this procedure. Every person or entity that is responsible for paying income tax for a certain assessment year must provide the tax authority with a report of their income and any other pertinent information that is necessary for the tax assessment. Furthermore, the fulfillment of the returns by the Tax Authority is a prerequisite for this.

Both the coercive technique and the persuasive approach are used in the process of tax enforcement (Honegham, 2018). These two approaches are different from one another and are used to urge compliance with tax rules. In contrast to the persuasive strategy, which advocates for constructive interaction with taxpayers, the coercive approach encourages the employment of aggressive measures. There has been an insufficient amount of attention paid to grasping the cumulative effects of these opposing approaches. Tax authorities in both developed and developing nations often face the challenge of encouraging individuals to comply with tax legislation (Silvani, 2018). Such a challenge may be found in both countries. In order to handle this challenge, the authorities in charge of taxation have devised a number of compliance techniques and tactics, the majority of which are dependent on the characteristics and circumstances of the taxpayer. According to the dangers that they pose and the amount of revenue that they bring in for the tax system, the strategies that are used to address tax compliance for small and large enterprises are distinct from one another (Baer, 2022).

The adoption of tax audits is a policy that has shown to be quite effective in discouraging actions that involve tax avoidance. Two elements have the potential to impact the level of tax auditing that is conducted: the number of taxpayers selected for auditing and the level of scrutiny that is applied to the inspection. It is possible to easily quantify the first component by dividing the total number of tax payers by the number of tax payers who have been subjected to an audit. Quantifying the latter, on the other hand, is challenging due to the absence of data that is readily accessible to the public about the current state of tax audits. It is common practice for the first component to be the determining factor in the degree of tax auditing for the sake of practical comparability.

According to Kircher (2018), a tax audit is the process by which tax authorities examine the tax report of an individual or business to determine whether or not the individual or company has done so in accordance with the state's applicable tax laws and regulations. According to Kircher (2018), a tax audit is a process that is carried out by the National Internal Revenue Service (IRS) in order to evaluate the correctness of the data that are stated on the tax return of an individual. The ability of a tax-paying company to submit tax returns that are accurate, thorough, and satisfactory in accordance with the tax laws and regulations of the government to the appropriate authorities for the purpose of tax assessment is what is meant by the term "tax compliance." It's possible that the audit policies of the tax authorities will have a substantial influence on the production choices of businesses. It is dependent on whether businesses participate in competition or cooperation as to whether or not these repercussions would ultimately reveal themselves. Not only does a well-designed audit program have the potential to assure improved compliance with rules, but it also has the potential to result in higher net revenue.

Surplus budgets result in increased production and allocation of resources into audits, which may have further positive consequences within a broader economic framework. Through a well crafted audit program, authorities may generate information externalities that partly counterbalance the informational advantages held by industry insiders. The audit policy may establish a connection to production choices, since these decisions in the product market are based on the anticipated net profits after taxes. Frank (2018) suggests that it may be feasible to subtly influence companies to improve their efficiency (Beron, 2020).

The goals here are to make it less difficult for the authorities to acquire the money it needs to fund its budget, to keep the economy and finances stable, to have taxpayers file accurate returns, to make sure people pay their fair share, to make sure everyone follows the rules, to encourage taxpayers to voluntarily pay more, and to constitute sure the government gets its money (Kwon, 2019). According to Silvani (2018), tax compliance comprises two distinct approaches to the pursuit of tax compliance: A combination of coercive and persuasive methods. The coercive approach promotes the use of forceful measures, whereas the persuasive approach argues for cooperative engagement with taxpayers. Insufficient focus has been given to comprehending the collective impacts of these contradictory methodologies. Encouraging adherence to tax regulations is an often encountered obstacle for tax authorities in both developed and developing nations.

Tax authorities have developed several compliance tactics and strategies to address this difficulty, which mostly relies on the taxpayer's characteristics and scale. According to Baer (2022), the approaches that are used to address tax compliance in small and large firms differ in accordance with the risks that they provide and the amount of revenue that they generate to the tax system. The majority of tax revenues obtained by the tax system come from big corporate taxpayers, who are also referred to as large taxpayers. These taxpayers play an essential part in the system's ability to achieve its revenue targets. Large taxpayers are distinguished from ordinary taxpayers not only by the enormous tax revenues they create, but also by the risks and complications they place on the tax system. This is because large taxpayers generate a greater amount of tax revenue than normal taxpayers. For the purpose of ensuring that affluent taxpayers comply with tax rules, tax authorities all over the globe have created wealthy Taxpayer Offices, also known as rich taxpayer offices. These offices utilize a strategy that emphasizes persuasion rather than coercion (Donnelly & Heneghan, 2018).

According to Alm (2019), the coercive philosophy, also known as the deterrent or stick-based strategy, is prevalent in the small and medium taxpayer's division. This method involves taxpayers complying with their tax duties out of fear of punishment for disobedience. Typically, increased chances of being audited and harsh fines serve as incentives for individuals to comply with tax regulations. The term "probability of discovery" refers to the likelihood that the authorities in charge of taxation will find the noncompliance or evasion of a person and take appropriate measures to deal with the situation. According to Massimo (2023), the only thing that may possibly keep individuals from paying their taxes is the possibility of getting caught, even if it is a little one. In most cases, people desire to entirely avoid paying their taxes. Tax audits are one of the effective investigative procedures that are used by tax authorities. Increasing the possibility of discovery will result in an increase in tax compliance. In point of fact, according to Silvani's (2018), tax audits are seen to have both a direct deterrent influence on taxpayers who are actually audited and an indirect deterrent impact on taxpayers who are not examined.

Tax audits have a limited but favorable impact on tax compliance. The harshness of punishments has a significant impact on tax compliance. The concept posits that the apprehension of sanctions deters individuals from engaging in tax noncompliant conduct. Implementing an efficient mechanism to punish individuals who avoid taxes is a crucial step in promoting adherence to tax regulations (Kircher, 2018). Taxpayers are more inclined to adhere if failure to comply may lead to significant fines. The persuasive or collaborative method posits that providing respectful treatment to taxpayers and including them in the taxation process might potentially increase tax compliance. Coercive instruments compel individuals to fulfill their tax obligations using external measures, such as tax penalties. On the other hand, persuasive instruments encourage compliance by exerting psychological impact on taxpayers, such as providing taxpayer services. A pertinent inquiry that arises is which set of tools has more significance in comprehending small and medium tax compliance and the rationale behind it (Beron, 2020).

2.3.3 Human resource revitalization on public revenue growth

In the event that widespread corruption occurs inside the tax system, the consequences and repercussions that result are highly serious. It has the effect of lowering the state's revenue, which in turn makes it more difficult for the state to fulfill its obligations. When compared to the amount of bribes that were received, the losses in revenue and the related cutbacks in governmental expenditures are sometimes disproportionate. Recent research have shown that corruption diminishes public tax collections (Tanzi & Davoodi, 2020).

Mauro (2016) demonstrate a strong and inverse relationship between the proportion of government expenditure allocated to education relative to the Gross Domestic Product (GDP) and the corruption index. High levels of corruption result in a decline in spending on education, with a direct correlation between the extent of corruption and the amount of money allocated to education. According to the coefficient of the research, an increase of one standard deviation in the corruption index is associated with a rise of 0.5% in the share of GDP that is allocated to education spending by the government. Furthermore, according to Koster (2018), the research indicates that some areas of expenditure, including transfer payments, social insurance, and welfare payments, are substantially and negatively associated to the corruption index. This is the conclusion that can be drawn from the findings of the study.

Employment ethics, a branch of business ethics according to Crane and Matten (2019), applies to the adoption of universal moral standards in the management of workers' compensation and working situations. As is the case with sports ethics and medical ethics, it begins with a concentration on human connections and how we engage with other people. The individual ethical problems that arise inside the workplace and the more comprehensive considerations that are made about the social responsibility of corporations are two components that may be separated from one another. In the first, we discussed the right behavior that responsible individuals need to demonstrate toward other workers as well as our employer. Inquiries about personal integrity may be made regarding the completion of expense forms in an exact manner, the use of work telephone or internet resources while avoiding the temptation of bribery, or the demonstration of acts of compassion and caring towards our coworkers. When it comes to the formation of high standards of corporate ethics, the presence of a personal ethics culture is a necessary requirement. Consequently, a number of companies have already implemented an ethical code of conduct in order to control the behavior of their employees (Rajar & Shah, 2007).

It is fundamentally difficult to extrapolate ethical ideas from human behavior to business behavior because of the inherent complexity of the process. As is the case in other domains of moral decision-making, one of the early challenges in business ethics is that moral judgments are made by an impersonal organization rather than by an identifying individual. This is a difficulty that has been present until recently. In contrast to other aspects of management, ethics places more of an emphasis on what ought to be rather than what is now in existence. This presents an additional seeming barrier. Essentially, it encompasses subjective assessments and divergences in viewpoints rather than just objective determinations (Kavanagh *et al*, 2018).

Researchers widely agree that corruption has a substantial detrimental effect on tax collections. The findings of research carried out in developing countries indicate that a significant amount, more than fifty percent, of tax money is still not accounted for by government treasuries. This is a consequence of both tax evasion and corporate corruption. Despite the fact that some researchers on corruption have proposed that corruption has the potential to increase the efficiency of tax revenue collection by encouraging tax officers to work harder and discouraging tax evasion, other experts have pointed out that the presence of corruption ultimately results in a reduction of tax revenues over the course of time (Fjeldstad & Tungodden, 2021).

A training institute for the Kenya Revenue Authority (KRATI) was formed by the Kenya Revenue Authority (KRA) in order to address unethical and corrupt behaviors that were taking place inside the school. Studies in management, customs administration, and tax administration are the primary areas of concentration at KRATI, which is a specialist training institution. KRATI is now working along with the Centre for Customs and Excise studies at the University of Canberra on a project that is currently being carried out. The Kenya Revenue Authority and the Centre have entered into a memorandum of understanding (MOU) that has resulted in the establishment of this cooperation, which includes the implementation of educational and training programs together (Mauro, 2016).

2.4 Empirical Review

2.4.1 Tax administration

A study was carried out by Muturi (2017) with the purpose of investigating the impact that taxes have on the generation of revenue in a number of different sectors, including income tax, excise duty, import duty, and sales/value-added tax. A detailed quantification of the impact of tax modifications on the responsiveness of the Income tax and the Value-Added tax was the objective of the study. Additionally, the research attempted to evaluate the impact of reforms on the flexibility of the tax system. The study looked at the relationship between tax changes and revenue production by using secondary data that had been published before. Regression analysis was employed to estimate buoyancy and elasticity during complete reform, as well as before and after piecemeal/policy changes. The regression analysis indicated that the overall tax in Kenya exhibited inelasticity across the three years. However, it demonstrated buoyancy during the pre-reform and piecemeal reform periods (Muturi, 2017).

As Gachanja (2018) pointed out in his research on the influence of tax reforms and economic circumstances on tax collections in Kenya, the country's tax modernization program was initiated in 1986 with the intention of achieving a number of goals, one of which was to enhance revenue collection. The purpose of this study was to investigate the influence that changes in taxation and economic circumstances have on the amount of money collected in Kenya during tax compliance. In this study, a correlational research approach was used. The website of the Central Bank of Kenya, the website of the Kenya

National Bureau of Statistics, the website of Transparency International, and the website of the World Bank were among the secondary sources from which data was collected. The data collection period spanned from 2018 to 2020.

Since 2018, the trend studies have shown that there has been a consistent improvement in the corruption index in Kenya, which has been accompanied by an increase in the amount of information collected via taxes. The results of the OLS regression analysis showed that the independent variables were responsible for explaining 91.6% of the amount of variance in tax revenues. The correlation between reforms and tax revenues was negative and substantial, indicating that reforms had a detrimental effect on tax revenues. Conversely, tax revenues were positively and significantly influenced by factors other than reforms. Additionally, corruption had a favorable impact on tax revenues, although this impact was found to be minor. The research found that tax changes have had a detrimental effect on tax revenues in Kenya, although economic circumstances have had a favorable influence on revenues (Gachanja, 2018).

Muriithi and Moyi (2023) did a study of Kenya's tax system as part of their research. The purpose of this analysis was to assess the effectiveness of the system within the context of changes to the tax system. Although the findings suggest that the modifications to the tax system had a positive impact on the entire tax system as well as on the tax burdens of individuals, the results also reveal that the impacts of the reforms were not always predictable. The adjustments had a more substantial impact on direct taxes in comparison to indirect taxes, which indicates that revenue loss continues to be a serious problem for indirect taxes with regard to the government.

The Kenya Revenue Authority's responses to the challenges encountered throughout the implementation of customs reforms and modernization were the subject of a study that was carried out by Ondieki (2018) of Kenya. The research aimed to determine the manner in which KRA executed the CRM program, the obstacles encountered during its implementation, and the Authority's response to those obstacles. The report identified the primary obstacles faced by KRA as aversion to change, insufficient expertise, inadequate resources, and a deficient telecommunications infrastructure.

The available information from previous endeavors also indicates that implementing such a computerization approach is improbable to provide significant results. There are two reasons for this: Computerization efforts in western parts of Kenya have a longstanding record of failure. Otherwise, the program will not be completed, which will result in a company having two administrative systems that are incompatible with one another (Muriithi & Moyi, 2023). The contract will either be assigned to an improper firm or it will stay incomplete. In the event that this occurs, it is certain that the more recent system will be discontinued. The United States government first dreamed of the computerized passport system in the aftermath of the Embassy Bombings in 2018. However, the system is now entangled in one of the most serious corruption scandals in Kenya, which serves as a great example of this problem. The work that was undertaken in 1989 to automate the customs system in Kenya offers as an example that is pertinent to the later subject. In addition, it is not established if an improved Key Result Area (KRA) will lead to an increase in the amount of money collected in taxes. The resources allocated towards expanding capacity have not yielded substantial increments in tax income. It is essential to establish the existence of such increments before further expenditure is justified (Allingham & Sandmo, 2022).

In order to strengthen the protection of revenue collection and the provision of services to the general public and taxpayers in an expedient manner, the KRA has established efficient systems and administrative techniques. Electronic transactions, queries, and applications for KRA activities are some of the online services that are made available by the system. TRE, TRP, BCL, TPS, EIM DBM, TCA, PPP and TCR are some of the components that are included in the systems and administrative procedures that have been updated. Each and every one of these elements has had a substantial role in adding to the overall increase in tax revenues. The source of this information is the Kenya Revenue Authority (KRA) in the year 2021.

2.4.2 Tax Enforcement

Auditing is the process of conducting a thorough and objective evaluation of a company's financial statements by a designated auditor. This evaluation is done in accordance with the auditor's agreed-upon conditions and in line with legal regulations and professional standards. It is crucial to acknowledge that every person or entity that fits within the specified income categories is required to pay taxes, whether they choose to do so willingly or not. The difficulties of returns and evaluation emerged within this procedure. Every person or entity that is subject to income tax for a certain tax year must provide the tax authority with a report of their income and any other pertinent information that is necessary for the tax assessment process (Allingham & Sandmo, 2022).

In addition to this, the Tax Authority must successfully complete the returns in order for this to be possible. It is the big corporate taxpayers, also referred to as large taxpayers, who are responsible for the majority of the tax revenues collected by the tax system and who play an essential part in the system's ability to achieve its revenue targets. In addition to the considerable tax revenues that they create, large taxpayers are distinguished from normal taxpayers not only because of the risks and difficulties that they place on the tax system, but also because of the substantial tax revenues that they generate. For the purpose of ensuring that affluent taxpayers comply with their tax obligations, some tax authorities have created wealthy taxpayer offices, often known as LTOs. These offices utilize a strategy that emphasizes persuasive measures rather than coercive ones, aiming to encourage compliance.

Within the category of small and medium taxpayers, it is prevalent to adopt a coercive philosophy, often known as the deterrence or stick-based strategy. Under this method, taxpayers comply with their tax duties due to the fear of being penalized for non-compliance (Allingham & Sandmo, 2022). Increasing the chance of discovery may be accomplished by improving tax compliance and using tax audits as one of the successful strategies used by tax authorities. Tax audits are known to have a direct deterrent impact on taxpayers who are audited, as well as an indirect deterrent effect on taxpayers who are not audited. Both of these effects are known from previous research.

It is a highly successful policy that is intended to deter tax evasion, and that policy is the tax audit. There are two aspects that may be considered when determining the level of tax auditing: the number of taxpayers who are selected for auditing and the amount of scrutiny that is applied to the inspection. It is possible to easily quantify the first component by dividing the total number of tax payers by the number of tax payers who have been subjected to an audit. Quantifying the latter, on the other hand, is challenging due to the absence of data that is readily accessible to the public about the current state of tax audits. It is common practice for the first component, which functions as a standard yardstick for practical comparison, to be the determining factor in the degree of tax audit (Slemrod, 2020).

According to Kircher (2018), tax audits are the process by which the relevant tax authorities examine the tax report of a person or business to determine whether or not the individual or organization has complied with the requirements and laws that are applicable to taxes in the state. According to Kircher (2018), a tax audit is a process that is carried out by the Internal Revenue Service (IRS) in order to evaluate the correctness of the data that are stated on the tax return of an individual. The ability of a tax-paying company to submit tax returns that are accurate, thorough, and satisfactory in accordance with the tax laws and regulations of the government to the proper authorities for the purpose of tax assessment is what is meant by the term "tax compliance." It is possible that the audit policies of the tax authorities will have a substantial influence on the production choices of businesses. The nature of these affects is contingent upon whether enterprises engage in competition or collusion. Hence, a well-designed audit policy may not only ensure better compliance but also lead to increased net income (Slemrod, 2019).

Tax audits have a limited but favorable impact on tax compliance. The harshness of punishments has a significant impact on tax compliance. The concept revolves on the notion that the fear of fines serves as a deterrent against engaging in tax non-compliance activities. Implementing an effective mechanism to punish individuals who avoid taxes is a crucial step in promoting tax compliance (Kircher, 2018). Taxpayers are more inclined to adhere if failure to comply may lead to significant fines. The persuasive or collaborative method posits that providing respectful treatment to taxpayers and allowing them to participate in the taxation process might potentially increase tax compliance. Coercive instruments compel individuals to fulfill their tax obligations using external measures, such as tax penalties. On the other hand, persuasive instruments encourage compliance by exerting psychological impact on taxpayers, such as providing taxpayer services. A pertinent inquiry that arises is which set of tools has more significance in comprehending small and medium tax compliance and the rationale behind it (Beron, 2018).

By ensuring that taxpayers submit returns that are satisfactory, reducing tax avoidance and evasion, enforcing tax laws, increasing voluntary compliance by taxpayers, and collecting and remitting the amount that is owed to the government, compliance helps the government collect the necessary tax revenue for the budget, maintain economic and financial order and stability, and ensure this. There are two distinct sets of ways to tax enforcement: coercive and persuasive approaches. Both of these approaches include tax compliance. On the other hand, the persuasive strategy encourages collaborative collaboration with the taxpayers, while the coercive approach argues for harsh measures. The combined impacts of various methods that are in conflict with one another have received very little consideration. According to Silvani (2018), tax authorities in both industrialized and developing countries often face the challenge of getting taxpayers to comply with tax legislation.

Tax authorities have developed several compliance tactics and strategies to address this difficulty, which mostly relies on the taxpayer's characteristics and scale. The strategies that were used to resolve tax compliance issues for small and big businesses were distinct from one another according to the risks that they impose and the earnings that they bring in for the tax system (Baer, 2022). The majority of tax revenues obtained by the tax system come from big corporate taxpayers, who are also referred to as large taxpayers. These taxpayers play an essential part in the system's ability to achieve its revenue targets. Large taxpayers are distinguished from ordinary taxpayers not only by the enormous tax revenues they create, but also by the risks and complications they place on the tax system. This is because large taxpayers generate a greater amount of tax revenue than normal taxpayers. The big Taxpayer Office was established by the authorities in charge of taxes in order to ensure that big taxpayers comply with their tax obligations. This was accomplished via the use of a strategy that tended to depend more on persuasive tools than on coercive ones (Donnelly & Heneghan, 2018).

The efficiency of Kenya's tax system was evaluated by Muriithi and Moyi (2023) in the context of the tax changes, with a particular emphasis on the pre- and post-reform periods. As part of the analysis, they evaluated the degree to which individual taxes and the entire tax system are elastic. Their results revealed that tax changes had a good influence on the overall tax structure as well as on the management of individual tax returns, despite the fact that the impact of the reforms was not always consistent. It seems that revenue leakage is still a significant issue for indirect taxes, since the changes had a greater effect on direct taxes than they did on indirect taxes (Muriithi & Ronge, 2015).

2.4.3 Human Resource Revitalization

Imam and Jacobs (2017) argue that institutional corruption is a significant factor contributing to the low tax revenue in the Middle East. Their findings indicate that if corruption decreases, government tax revenues have the potential to increase. Corruption adversely affects public investment. According to Mauro's (2007) research, there is strong evidence indicating that corruption has a negative impact on overall investment (both private and public). However, the link between corruption and public investment is not well established. The author acknowledges that these results might be attributed to the sample's limited size and exclusive representation of poor nations. The source cited is Jacobs (2020).

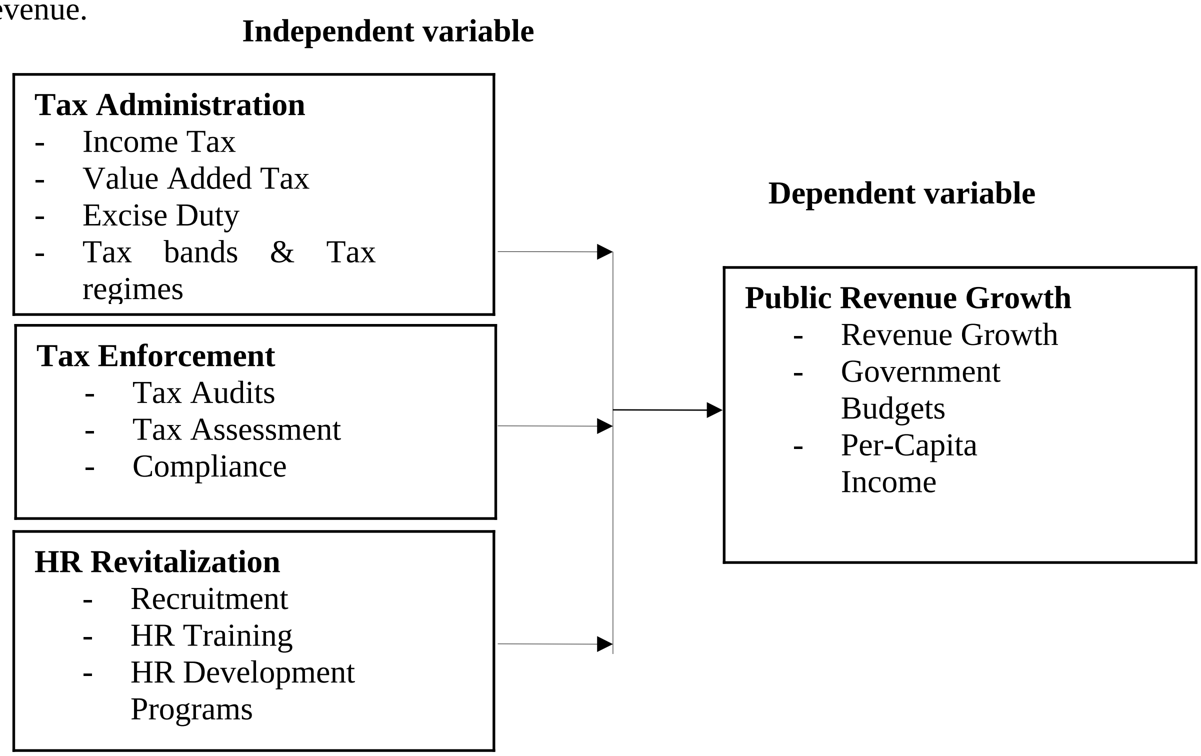
The ratio of the government's spending on education to the gross domestic product (GDP) is shown to have a substantial and negative link with the corruption index, as stated by Mauro (2016). There is a clear association between the degree of corruption and the amount of money that is given to education, and high levels of corruption lead to a decrease in spending on education which in turn leads to a fall in expenditure. An increase of one standard deviation in the corruption index is associated with an increase of around 0.5% in the proportion of GDP that is allocated to education spending by the government, according to the analytical coefficient. Additionally, his research demonstrates that other areas of expenditure, such as transfer payments, social insurance, and welfare payments, are associated with the corruption index in a manner that is both strong and inverse. According to Piancastelli and Thirlwall (2021), the reference is from their work.

In this study, Sanyal *et al.* (2020) demonstrate that when corrupt tax officials are involved, tax revenues may decrease when the income tax rate increases. In addition to this, they investigate the ways in which various remuneration schemes influence the behavior of corrupt tax officials as well as the total quantity of public corruption. In accordance with Goerke (2016), businesses have the capacity to circumvent legal limits on their industrial activities and avoid paying taxes on their revenues if they engage in bribery with government authorities. His data reveals that there is no correlation between tax evasion and corrupt acts that occur at the business level. However, the consequences of tax evasion on the budget lead to a decrease in corruption. Policy actions that modify the benefits or drawbacks of corruption have a non-random effect on tax evasion behavior. In their study, Acconcia *et al.* (2023) examine a basic economic system in which individuals who prioritize their own interests may be motivated to avoid paying taxes and dodge punishment by offering bribes to public authorities responsible for tax collection.

According to Crane and Matten (2019), employment ethics is a subfield of business ethics that may be defined as the application of basic moral concepts in the management of workers' compensation and working conditions responsibilities. In a manner similar to that of sports or medical ethics, it originated from a concern with human ties and the manner in which we treat other people. There are two parts that are included in this: individual ethical difficulties that arise in the workplace, and more comprehensive concerns about the duty of corporations to their communities. In the first, we discussed the right behavior that responsible individuals need to demonstrate toward other workers as well as our employer. Among them are queries about personal integrity in the process of filling out cost forms, the utilization of workplace telecommunication or internet resources while avoiding the allure of bribery, and the demonstration of deeds of benevolence and thoughtfulness toward our colleagues. Personal ethics are essential for the establishment of high standards of corporate ethics. Consequently, several firms already use an ethical code of conduct to direct employee behavior (Obiero & Genga, 2018).

2.5 Conceptual Framework

The administration of taxes, the enforcement of taxes, and the rejuvenation of human resources are classified as independent variables. The increase of public revenue is the dependent variable, and the revenue that moderates the relationship is the growth of public revenue.



Adopted from Ondieki (2020)

Figure 2. 1: Conceptual Framework

2.6 Research Gaps

Ondieki (2020) conducted research on the Kenya income Authority's reactions to the difficulties faced in implementing tax policy changes on public income. The report identified the primary obstacles faced by KRA as aversion to change, insufficient expertise, inadequate resources, and a deficient communications infrastructure. Nevertheless, the research primarily focused on the implementation of the CRM program by KRA, the difficulties encountered during the implementation, and the Authority's response to these obstacles. The study did not evaluate the influence that changes in tax policy have on the amount of money that is generated. Through an investigation of the influence that changes to tax policy have on the efficiency of the Kenya Revenue Authority (KRA), the current study attempted to address a gap that had previously been identified in the existing body of research.

The purpose of the study that was carried out by Mokua (2018) was to investigate the impact that changes in taxation have on the amount of revenue that is generated by the income tax as well as the value-added tax. The purpose of the study was to accurately quantify the impact that changes in taxation have on the responsiveness of the income tax and the value-added tax, as well as to evaluate the influence that the reforms have had on the flexibility of the tax system. According to the findings of the regression study, the total tax in Kenya demonstrated inelasticity throughout the course of the three years, while displaying buoyancy during the pre-reform and piecemeal reform periods. Nevertheless, the study relied on data that had previously been published in order to investigate the association between changes in taxation and the creation of income. Therefore, the research did not include any unique data that was acquired via questionnaires. Because of this constraint, the amount of empirical data that was available for the investigation was constrained. The purpose of this research project was to explore the association between changes in tax policy and the performance of the Kenya Revenue Authority (KRA). Primary data techniques were used in the form of a questionnaire gathered from participants.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research method is defined as the general plan that a researcher employs in the course of performing a research study, as stated by Leedy and Ormrod (2021). Including the identification of research gaps, the research design, the size of the target population sample, the mechanism for selecting the sample, the instruments used for data collection, and the process for administering and analyzing the data can be found in this chapter, which provides an overview of the methodology that was utilized in the study.

3.2 Study Area

The research took place at the Kenya Revenue Authority offices situated in the Western counties of Kenya, encompassing Kakamega County, Bungoma County, and Busia County.

3.3 Research Design

A survey was used for data collection in the research. This allowed the researcher to thoroughly investigate the events in order to make generalizations about a larger population, which was appropriate for determining the effects of taxes on the rise of tax revenue. According to Mugenda and Mugenda (2018), a descriptive research design is distinguished by its adaptability and complete analysis of all aspects of a problem, which allows it to capture all of the characteristics of the population that is being studied. The major purpose of using the descriptive design approach is the degree of accuracy shown by the variables. In light of the fact that descriptive design places a strong focus on performing in-depth research in order to uncover the relationship between variables, its implementation is absolutely warranted. Descriptive research is limited to the discovery of factual information and may lead to the development of fundamental concepts and answers to critical challenges. It encompasses more than just gathering information and includes actions such as measurement, categorization, examination, and explanation (Kothari, 2018). The researcher deemed this design suitable due to the study's goal, topical scope, researcher engagement, data collection timeframe, kind of data, and the intended analysis.

3.4 Target Population

According to Mugenda and Mugenda (2018), the term "population" refers to all of the characteristics that are included inside a certain research field of interest. In the context of sampling for the purpose of measurement, a population is a group of individuals or things from which samples are picked. All of the instances that satisfy the criteria that have been given, such as people, events, or things that are of interest to the researcher, are referred to as the target population.

One hundred and twenty employees from the Western counties of the Kenya Revenue Authority were included in the designated population. The following workers were included in the target audience: risk managers, officers in charge of internal audits, officers in charge of information and communication technology, officers in charge of finances, officers in charge of office administration, officers in charge of logistics, managers of compliance and quality, and managers of human resources. The attention of this specific demographic was motivated by the fact that KRA requires exceptionally proficient personnel to fulfill their individual responsibilities and accomplish vision 2030.

Table 3. 1: Sampling Frame

Officer Category/Counties office	**Kakamega**	**Bungoma**	**Busia**	**Total**
Risk managers	1	1	1	3
Internal Audit officers	6	5	6	3
Information communication technology officer	2	2	1	5
Finance Officers	2	2	2	6
Administrative Officers,	10	10	12	16
Logistic Officers,	6	6	7	12
Compliance and Quality managers	5	5	6	7
Human Resource Managers	1	1	1	3
Accountants	7	6	6	19
Total	40	38	42	120

Source: KRA Offices Western Counties of Kenya 2022)

3.5 Sampling technique

An accurate and exhaustive list of all of the people who comprise the population that is being sampled need to be included in a representative sample frame on the other hand, Cooper and Schindler (2018) state that the sample frame should only include a complete and precise list of all of the people who are a part of the population. The sample frame for this research was obtained from the counties offices of KRA in the three counties. Purposive sampling was used due to the fact that the majority of the workers had the essential information required for the investigation. All individuals below were consequently used.

Krejcie and Morgan formular was be used to determine the population

$$S = \frac{X^2 NP(1-P)}{d^2 (N-1) + X^2 P(1-P)}$$

Where

S is the desired sample size

X^2 is the table value of chi-square for one degree of freedom at desired confidence level which is 1.96x 1.96= 3.841

N is the population size

P is the population proportion assumed to be 0.5 since this was provide maximum sample size and d is the degree of accuracy expressed as a proportion 0.05

$$S = \frac{3.8416 \times 120 \times 0.5 (1-0.5)}{0.05^2 (120-1) + 3.8416 \times 0.5(1-0.5)} = 92 \text{ Respondents.}$$

3.6 Data collection instruments and Procedures

3.6.1 Data collection instruments

In the process of conducting interviews or surveys, the devices that are used to collect information from persons are referred to as data collection instruments. In order to achieve the objectives of the study, the data collected from the questionnaire was used to respond to the research questions. since of the constraints of both time and resources, the collection of data was carried out via the use of a questionnaire. This was done since the questionnaire is a technique that is both extremely efficient and simple to gather data. A questionnaire is a form or document that has been methodically designed and has a series of questions that have been purposefully formulated. The purpose of a questionnaire is to collect responses from participants or research subjects in order to gain data or information (Kumar, 2011). According to Polit and Beck (2019), questionnaires are categorised as structured instruments that consist of a predetermined set of questions, with a predetermined language for both the questions and the possible responses.

The Kenya Revenue Authority's top management, middle level management, and operational personnel were all surveyed using questionnaires that had structured questions based on a Likert scale with five points. The data acquired was collected from all three countiesal offices.

3.6.2 Data Collection Procedure

In order to carry out the study, the researcher made an application to NACOSTI for permission. The personal attitude of the researcher did not have any influence whatsoever on the responses that the respondents provided to certain questions. A questionnaire was individually distributed to each individual who took part in the research study by the researcher. In order to guarantee that all of the questionnaires that were sent to the respondents were received, the researcher took painstaking precautions. Consequently, in order to do this, the research project maintained a detailed record of the questionnaires that were first sent out and then received. The investigator began by providing all of the individuals who were going to take part in the study with an explanation of their expected purpose, as well as the importance of providing honest information via a cover letter that was attached to the questionnaire.

3.7 Reliability and validity of instruments

Furthermore, according to Connelly (2018), the findings of the research show that a pilot study sample should consist of ten percent of the sample size that is anticipated for the larger parent study. A pilot study was carried out at the KRA offices located in the Kisumu counties in order to carry out an evaluation of the dependability of the data collection instruments. After receiving responses from a limited number of individuals who fit the demographic that was being targeted, a subset of ten surveys was chosen. It will be easier for the researcher to determine the credibility of the data obtained via the questionnaires if they have this information.

3.7.1 Validity of instruments

It was claimed by Shuttleworth (2019) that it is vital to verify a questionnaire once the items that make up the questionnaire have been produced. When evaluating the items, we took into consideration how clear they were, how acceptable the language and words that were utilized were, and how relevant each question was to the subject that was being studied. In order to maintain data consistency in this research, steps were used during data collection to prevent respondents from discussing their responses to particular questions, thereby minimizing any interference that may compromise the correctness of the findings. The research used content validity as a means to assess the extent to which data obtained using a certain instrument accurately reflected the content or domain of a particular idea. The researcher sought assistance from research specialists who have conducted many studies on tax reform strategies to ensure content validity using their expert judgment views. The researcher engaged in discussions with high-ranking KRA executives to ensure that the study also yields advantages for the Kenya Revenue Authority.

3.7.2 Reliability of Research Instruments

The Cronbach's alpha statistic was used in order to evaluate the reliability of the measures included within the questionnaire (Cronbach, 2023). During the course of this investigation, the questionnaire was administered to a representative sample of ten respondents in order to evaluate its usefulness and efficiency. A questionnaire was given to a portion of the participants who were selected at random in order to evaluate the reliability of the investigation. In an effort to reduce the possibility of response bias, these respondents were not included in the final study sample. In order to determine the dependability, the Cronbach's alpha coefficient was taken into consideration. A Cronbach's alpha score that is closer to 1 indicates a higher degree of dependability associated with the internal consistency of the data. A suggested value for the coefficient of the newly created questionnaire is 0.7.

3.8 Data Analysis and Presentation

Analyses of descriptive statistics were performed on the data. All of the raw data were subjected to descriptive statistics, which included the likes of the mean, the standard deviation, and the percentage. We made use of the statistical methods of correlation and linear regression in order to draw conclusions. SPSS version 21 for Windows was the specific version of the computer program that was used in the research project. Percentages facilitated the researcher in depicting the dispersion of measurement (Mugenda and Mugenda, 2018). Inferential statistics involves the examination, comprehension, and determination of conclusions based on obtained findings (Nassiuma and Mwangi, 2014). An estimation was conducted using multiple regression and correlation analysis to anticipate the impact of tax policy changes (independent variables) on the increase of public income in Kenya (dependent variable).

The following model was used.

Capturing the influence of tax policy reforms on public revenue growth

$Y = \beta 0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X3 + \varepsilon$

Where;

Y= Public revenue growth$\beta 0$=Constant

βi=Coefficient for Xi=(i=1,2,3)

X_1=Tax Administration

X_2=Enforcement

X_3=Human Resource revitalization

ε=error term.

3.8.1 Normality Test

This involves assessing data normality, with the Koromogorov-Smirnoff and Shapiro-Wilk tests employed to ascertain the normality of the data. The significant values above 0.05 confirm data as normal.

3.8.2 Multicollinearity

Describes a scenario in which two or more variables have a strong correlation. The variance inflation factor (VIF) was used. When the variance inflation factor is below 10, there is no multicollinearity.

3.8.3 Homoscedasticity Test

This is a test to measure the variability or dispersion of data. A P–P plot, also known as a probability plot or percent plot or P value plot, is used to assess the degree of conformity between the gathered data. This may be accomplished by graphing two cumulative distribution functions on the same plot.

3.8.4 Autocorrelation Test

The detection of autocorrelation is accomplished by the use of the Durbin Watson (DW) test. This test is well renowned for its ability to identify autocorrelation. A Durbin-Watson

(DW) value of zero indicates the presence of positive autocorrelation, while a DW value of 4 indicates a significant amount of negative correlation. A value of ADW between 1.5 and 2.5 indicates the absence of association. The presence of autocorrelation may be reduced by accurately specifying the functional form of the model.

3.9 Ethical Considerations

The purpose of this thesis was to collect as much information as possible about the influence that changes in tax policy have had on the increase in public income in the western areas of Kenya. A guarantee was given to the participants by the researcher that the information they gave would be treated with the greatest discretion and secrecy. A questionnaire and the topic of the thesis will be included in a labeled envelope that will be sent to the employee. After they have finished filling out the questionnaire, they should put a seal on it in order to maintain confidentiality inside the company and to protect themselves from the possibility of being persecuted by the human resource department. In a random fashion, the researcher sent the questionnaire to the respondents, and they were given a deadline of one week to produce their responses. In the next step, the questionnaires were gathered, and the data was analyzed. For the purpose of this investigation, the questionnaire was administered in both a physical and digital format.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1. Introduction

The findings, conclusions, and discussions that were gained from the study that was carried out to investigate the influence that changes in tax policy have had on the growth of public revenue in Kenya are presented in this chapter. Using descriptive analysis, Pearson correlation, and regression analysis, this chapter presented empirical results and outcomes. These were obtained via the application of methods. After the data was collected via the use of questionnaires, it was encoded and analyzed using the Statistical Package for the Social Sciences (SPSS) version 26.0. The analysis was performed according to each independent variable within the dataset. Following that, the outcomes were conveyed and shown via the use of statistical tables and models.

4.2 Response Rate

For the purpose of data collection, a total of 92 questionnaires were disseminated in the field, and 70 of those questionnaires were returned with their answers filled. This shows that there was a response rate of 76.1%, which is a positive sign for the generalizability of the research findings to a larger population. It was claimed by Richard (2015) that a minimum response rate of sixty percent is not only desirable but also realistic. The achieved response rate of 76.1% in this research is considered satisfactory as it above the threshold of 60%.

4.3 Reliability and Validity of Research Instruments

4.3.1 Reliability Test

Reliability was assessed to quantify the extent to which research tools will provide consistent outcomes (Mohajan, 2017). The data underwent reliability testing to assess factors such as data sources, data gathering techniques, potential biases, and the degree of correctness. The reliability test determined the degree of consistency of the findings across time. The research used the internal consistency approach to assess dependability, namely by calculating Cronbach's Alpha (α). The criterion of 0.7, as indicated, was used to determine the consistency of the tool. If the Cronbach's Alpha is equal to or better than 0.7, the tool is considered consistent. Otherwise, the tool is subject to evaluation and adjustments. The reliability test results are shown in Table 4.1.

Table 4. 1: Reliability of Research Instruments

Variable	No of Items	Items deleted	Cronbach Alpha	Reliable
Tax administration	8	0	0.765	Yes
Tax enforcement	7	0	0.825	Yes
Human resource revitalization	7	0	0.804	Yes
Public revenue growth	8	0	0.705	Yes
Total	30	**0**	0.77475	**Yes**

Source: Field Data (2023)

With a questionnaire consistency of 0.7, the internal consistency between the items of the instrument was very strong. Consequently, the tool was kept in its original state without any further modifications.

4.3.2 Validity Test

According to Yong and Pearce (2023), factor analysis is a statistical approach that decreases the dimensions of a collection of observable variables in order to investigate the hidden structure that exists within those variables. According to Nguyen and Holmes (2019), the basic principle of measurement theory known as unidimensionality asserts that a collection of components that make up an instrument measure a single item in common inside the instrument. In order to investigate the relationships that exist between two variables, it is essential for the variable in question to be unidimensional. This means that the many questions that are used to gather data must all evaluate the same features. The findings of the Kaiser-Meyer-Olkin (KMO) test and Bartlett's test of sphericity are shown in Table 4.2. Both of these tests were used in the exploratory factor analysis (EFA) that was conducted. The Kaiser-Meyer-Olkin (KMO) measure is a statistical instrument that assesses the degree to which the observed items in a dataset are impacted by the underlying causes of those items. A higher number indicates a larger proportion of variation in the items that were observed that may be ascribed to the underlying causes. This value can vary from 0 to 1, with higher values suggesting a greater percentage of variance. According to Tavakol and Dennick (2011), a low KMO value indicates that component analysis would not be appropriate because of the existence of large deviations in correlation patterns. These deviations are shown by a high sum of partial correlations in comparison to the total number of correlations.

Table 4. 2: KMO and Bartlett's Test

Variable	(KMO) Measure of Sampling Adequacy	Bartlett's Test of Sphericity		
		Approx. Chi-Square (X^2)	Degrees of freedom	p-value
Tax administration	0.550	205.334	28	0.000
Tax enforcement	0.682	275.760	21	0.000
Human resource revitalization	0.602	301.274	21	0.000
Public revenue growth	0.585	194.955	28	0.000

Source: Field Data (2023)

The value of the KMO varied from 0.820 for the rise in public income to 0.885 for the enforcement of taxes, which indicates a high figure that is close to 1 and would be regarded acceptable. The sphericity test developed by Bartlett is used to determine whether or not there is a statistically significant connection between the various indications that have been discovered. Given that the correlation matrix of the indicators is not an identity matrix, which would imply that the indicators are unrelated to one another, it is clear that there is a significant link between them (Pallant, 2018). This may be seen as evidence of the high association. A Chi-square statistic with a range of 405.687 to 624.987 and a p-value of 0.000 was obtained by the use of the Bartlett's test in this inquiry. The fact that the correlation matrix of the indicators is not an identity matrix is shown by a p-value that is less than 0.05, which is the significance threshold. This suggests that there is a strong correlation between the indicators, which is consistent with what was anticipated by a proper factor analysis.

A factor analysis was used in the article in order to cut down on the number of factors that did not take into consideration the influence that advances in tax policy have on the growth of public revenue accumulation. The following is a list of the factor loadings that were given by Hair et al. (2018) and Tabachnick and Fidell (2007): 0.32 (poor), 0.45 (fair), 0.55 (good), 0.63 (very good), or 0.71 (excellent). In spite of this, academics believe that a threshold of 0.4 or 0.5 is sufficient for the sake of explanation. Utilizing SPSS version 26, a confirmatory factor loading study was performed on the indicators of the various constructs.

Table 4. 3: Factor Loadings for Financial Performance Initial Extraction

	Initial	**Extraction**
What is the extent to which KRA reforms influence public revenue growth in Kenya	1.000	.693
What is the extent to which KRA reforms influence Government budgets as an aspect of public revenue growth in Kenya	1.000	.796
What is the extent to which KRA reforms influence Per-capita income as an aspect of public revenue growth in Kenya	1.000	.725
What is the extent to which KRA reforms influence Gross fixed capital formation as an aspect of public revenue growth in Kenya?	1.000	.735
What is the extent to which KRA reforms influence Gross savings rate as an aspect of public revenue growth in Kenya	1.000	.656
As a consequence of tax policy, to what degree do KRA changes contribute to increased tax collections, which in turn leads to an increase in public revenue?	1.000	.707
The degree to which KRA changes result in an improvement in the gross savings rate in conjunction with the rise of public income as a consequence of tax policy is the question that has to be answered.	1.000	.754
The degree to which KRA changes make it easier to meet public service objectives in conjunction with the expansion of public income as a consequence of tax measures that have been implemented	1.000	.715

Extraction Method: Principal Component Analysis.

Within the framework of factor analysis, communalities are statistical measures that indicate the degree to which a particular test item is connected to all of the other test items. The varmax rotation strategy, first proposed by Kaiser in 1958, was developed to minimize the discovery of factors that have an impact on all variables. The use of this technique was motivated by the widely held belief in construct validation that a clear and unambiguous (rotated) structure exists (Tanasă, Horomnea, & Ungureanu, 2022). This indicates that each component demonstrates a finite number of significant loadings. Following varimax rotation, each original variable gets associated with one of the factors, exhibiting a significant value. As a result, the variability of the loadings is maximized, as seen in Table 4.4 below.

Table 4. 4: Rotated component Matrix For Financial Performance

Rotated Component Matrix[a]	Component		
	1	**2**	**3**
To what degree do the reforms of the Kenya income Authority (KRA) impact the increase of public income in Kenya?	.781		
In terms of the increase of public income in Kenya, to what degree do the reforms of the Kenya income Authority (KRA) effect the budgets of the government?	.871		
How much of an impact do the reforms of the Kenya Revenue Authority (KRA) have on the per-capita income as a component of the expansion of public revenue in Kenya?	.833		
To what degree do the reforms of the Kenya Revenue Authority (KRA) have an impact on the creation of gross fixed capital as a component of the increase of public revenue in Kenya?		.834	
How much of an impact do the reforms of the Kenya Revenue Authority (KRA) have on the Gross Savings Rate as a component of the increase of public revenue in Kenya?	.735		
The degree to which KRA changes contribute to enhanced tax collections and growth in public income as a consequence of tax policy in the country is the question that has to be answered.			.832
To what degree do the changes of the KRA result in an increase in the gross savings rate, which is accompanied by an increase in public income as a consequence of change in tax policies?			.817
What is the degree to which KRA changes make it easier to accomplish public service objectives while simultaneously increasing public income as a consequence of tax policies?		.832	

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 4 iterations.

In this dissertation, test items with factor loadings over 0.4 were considered to have excellent quality. The aforementioned criteria were chosen for further examination. Tabachnick and Fidell (2007) recommend retaining factors in further analysis if their factor loadings above 0.40, whereas factors with loadings below 0.40 should be omitted. The company's financial performance was evaluated via the examination of eight structures, with each component within these constructs undergoing further analysis. The results for the other variables are documented in Appendix 4**.**

Table 4. 5: Summary of Factor Analysis

Factors	**No of Items**	**Overall Factor Loading**	**Item(s) Dropped**
Tax administration	8	0.8168	0
Tax enforcement	7	0.7166	0
Human resource revitalization	7	0.7944	0
Public revenue growth	8	0.7967	0
Total/Overall	30	0.781125	**0**

Source: Field Data (2023)

An overarching overview of the factor analysis conducted on all variables. All the elements were kept according to the standard criterion of a minimum acceptable factor loading of 40%. The explained variance exceeded 60%, with an overall value of 69.9%, indicating a high level of convergence validity. The sample adequacy was achieved, as shown by a Kaiser-Meyer-Olkin (KMO) value over 0.5, with an overall value of 0.773. According to Wasiams et al (2022), a Kaiser-Meyer-Olkin (KMO) value of 0.50 is considered an acceptable level of sample adequacy. Higher values over 0.5 are considered even more desirable.

4.4 Demographic Data Analysis

The study sought to establish the background information of the respondents. The information included designation and working experience. The results are as shown in Table 4.6.

Table 4. 6: Characteristics of the Respondents

Designation	Frequency	Percent
Finance Officers	28	40.0
Logistic Officers	17	24.3
Internal Audit officers	8	11.4
Risk managers	7	10.0
Compliance and Quality managers	5	7.1
Information communication technology officer	5	7.1
Total	**70**	**100.0**

Source: Field Data (2023)

From table 4.6, 40.0% (28) of the respondents were finance officers, 24.3% (17) were logistic officers, 11.4% (8) were internal audit officers, 10.0% (7) were risk managers, 7.1% were compliance and quality managers as well as information communication technology officer.

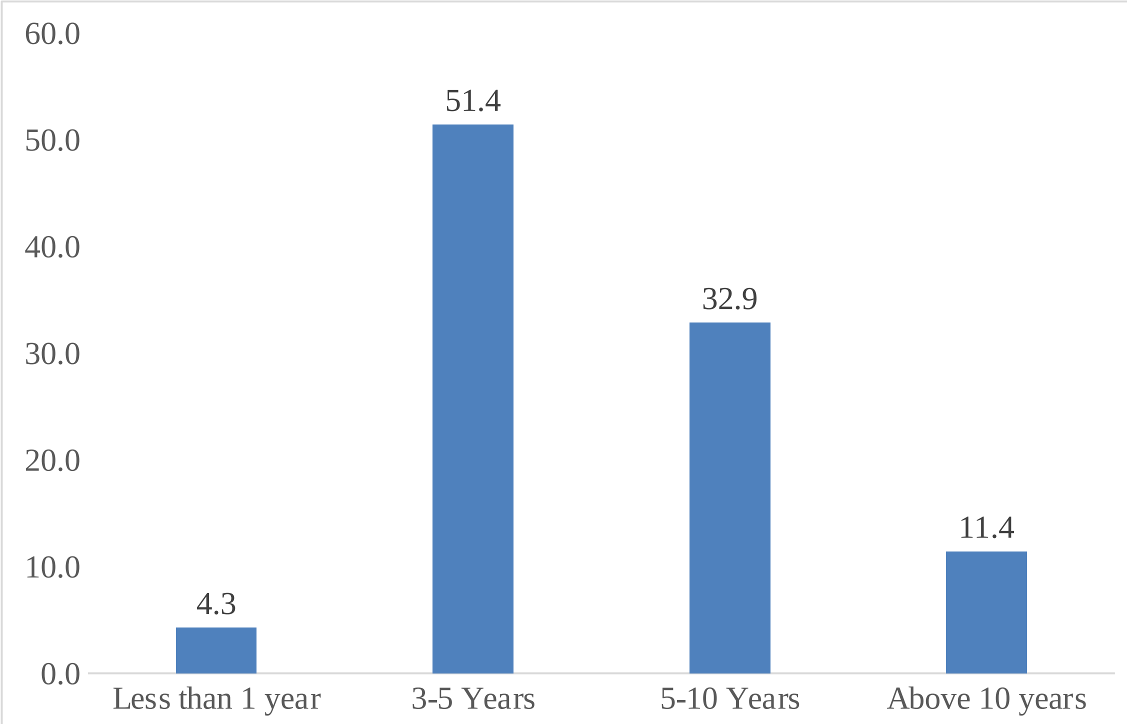


Figure 4. 1: Working Experience

From 4.1, 4.3% of the respondents had working experience less than 1 year, 51.4% had working experience between 3 and 5 years, 32.9% of the respondents had working experience between 5 and 10 years and 11.4% had working experience of above 10 years.

4.5 Analysis of Descriptive Data

These data are descriptive in nature and are derived from the summarization of replies to structured questions about the impact of tax policy changes on the development of public revenue in the western counties of Kenya. Values on the Likert scale range from five to one, and the replies are based on that scale; that is; where 5-Very Great Extent, 4-Great Extent, 3= Moderate Extent, 2= Little Extent and 1= No Extent.

4.5.1 Tax administration

According to the summary provided in table 4.7, these are descriptive data that are used to establish whether or not the administration of taxes has an effect on the rise of public income in the western area of Kenya.

Table 4. 7: Descriptive Statistics: Tax administration

N=70; ***5***-Very Great Extent, ***4***-Great Extent, ***3***-Moderate Extent, ***2***-Little Extent and ***1***-No Extent, ***S.D***-Standard Deviation

	Question	5	4	3	2	1	Mean	STD
1.	To what degree do the improvements in the tax administration at the Kenya income Authority (KRA) effect the increase of public income in Kenya?	2.9 (2)	48.6 (34)	44.3 (31)	2.9 (2)	1.4 (1)	3.49	0.68
2.	What is the degree to which tax bands in the Kenya income Authority (KRA) impact the increase of public income in Kenya?	2.9 (2)	27.1 (19)	57.1 (40)	8.6 (6)	4.3 (3)	3.16	0.79
3.	What is the degree to which tax payer regimes and recruiting policies have an impact on the increase of state income in Kenya?	0 (0)	44.3 (31)	47.1 (33)	2.9 (2)	5.7 (4)	3.30	0.79
4.	What is the degree to which the policies regarding the administration of tax returns in the KRA have an impact on the increase of public income in Kenya?	0 (0)	31.4 (22)	57.1 (40)	8.6 (6)	2.9 (2)	3.17	0.70
5.	To what degree do the policies regarding tax remittances and payments at the Kenya income Authority (KRA) impact the increase of public income in Kenya?	5.7 (4)	67.1 (47)	25.7 (18)	0 (0)	1.4 (1)	3.76	0.62
6.	The question is, to what degree does the value-added tax on turnover impact the increase of public income in Kenya?	1.4 (1)	65.7 (46)	31.4 (22)	0 (0)	1.4 (1)	3.66	0.59
7.	What is the degree to which the rates of the Value-Added Tax (VAT) impact the	1.4	54.3	37.1	2.9	4.3	3.46	0.774

increase of governmental income in Kenya?	(1)	(38)	(26)	(2)	(3)

Among the participants in the survey, 2.9% (2) strongly agreed and 48.6% (34) agreed that tax administration improvements in the Kenya income Authority (KRA) had a significant impact on the increase of public income in Kenya. Conversely, 44.3% (31) of the participants somewhat agreed, 2.9% (2) slightly agreed, and 1.4% (1) did not agree at all that tax administration improvements in the Kenya income Authority (KRA) had an impact on the rise of public income in Kenya. The respondents had a high level of agreement with the statement, as shown by a mean of 3.49 and a negligible standard deviation of 0.68.

According to the data shown in the table, 2.9% (2) of the participants strongly agreed and 27.1% (19) agreed to a significant degree that the tax bands established by the Kenya income Authority (KRA) have a substantial impact on the increase of public income in Kenya. Conversely, 57.1% (40) of the participants somewhat agreed, 8.6% (6) slightly agreed, and 4.3% did not agree at all that tax bands in the Kenya income Authority had an impact on the rise of public income in Kenya. The respondents exhibited a moderate level of agreement with the statement, as shown by a mean of 3.16 and a negligible standard deviation of 0.79.

The survey findings indicated that 4.3% (3) of the participants strongly agreed, while an additional 44.3% (3) agreed that Tax audit measures implemented by the Kenya income Authority (KRA) had a significant impact on the increase of public income in Kenya. Conversely, 44.3% (31) of the participants somewhat agreed, while 7.1% did not agree at all, that the tax audit procedures implemented by the Kenya income Authority (KRA) had an impact on the rise of public income in Kenya. The respondents exhibited a high level of agreement with the statement, as shown by a mean of 3.74 and a negligible standard deviation of 0.44.

The survey findings indicate that 44.3% (31) of the participants strongly agreed that Taxpayer Regimes and recruiting strategies had a significant impact on the increase of public income in Kenya. Conversely, 47.1% (33) of the participants somewhat agreed, 2.9% (2) slightly agreed, and 5.7% (4) did not agree at all that Taxpayer Regimes and recruiting strategies have an impact on the increase of public income in Kenya. The respondents had a modest level of agreement on the statement, as shown by a mean of 3.30 and a negligible standard deviation of 0.79.

Regarding the impact of Tax returns management rules on public revenue growth in Kenya, a significant proportion of the respondents (31.4% or 22 individuals) strongly agreed. Conversely, 57.1% (40) of the participants somewhat agreed, 8.6% (6) slightly agreed, and 2.9% (2) did not agree at all that the Tax returns management procedures in KRA had an impact on the rise of public income in Kenya. The respondents had a moderate level of agreement with the statement, as shown by a mean of 3.17 and a negligible standard deviation of 0.70.

The survey revealed that 5.7% (4) of the respondents strongly agreed and 67.1% (47) agreed that Tax remittance/payment regulations in KRA have a significant impact on the increase of public income in Kenya. of addition, 25.7% (18) of the participants somewhat agreed, while 1.4% (1) did not agree at all that the tax remittance/payment procedures of the Kenya income Authority (KRA) had an impact on the rise of public income in Kenya. The respondents had a high level of agreement with the statement, as shown by a mean of 3.76 and a negligible standard deviation of 0.62.

The findings indicated that 1.4% (1) of the participants strongly agreed and 65.7% (46) agreed to a significant degree that VAT Tax On Turn Over had an impact on the increase of public income in Kenya. In addition, 31.4% (22) of the participants somewhat agreed, while 1.4% (1) did not agree at all, that the VAT Tax On Turn Over had an impact on the increase of public income in Kenya. The respondents exhibited a high level of agreement with the statement, as shown by a mean of 3.66 and a negligible standard deviation of 0.59.

Finally, a mere 1.4% (1) of the participants strongly agreed, while 54% (38) agreed significantly, that VAT tax rates have a substantial impact on the rise of public income in Kenya. Furthermore, 37.1% (26) of the participants somewhat agreed, 2.9% (2) slightly agreed, and 4.3% (3) did not agree at all that VAT tax rates had an impact on the rise of public income in Kenya. The respondents had a modest level of agreement with the statement, as shown by a mean of 3.46 and a negligible standard deviation of 0.774.

4.5.2 Tax enforcement on Public Revenue Growth In Western Counties of Kenya

According to the information shown in table 4.8, these are descriptive data that are intended to assess the degree to which tax enforcement is responsible for the rise of public income in the western area of Kenya.

Table 4. 8: Descriptive Statistics: Tax enforcement

N*=70;* ***5****-Very Great Extent,* ***4****-Great Extent,* ***3****-Moderate Extent,* ***2****-Little Extent and* ***1****-No Extent,* ***S.D****-Standard Deviation*

	Question	**5**	**4**	**3**	**2**	**1**	**Mean**	**SD**
1.	Does the level of tax enforcement in the Kenya income Authority (KRA) have an impact on the rise of public income in Kenya?	5.7 (4)	21.4 (15)	61.4 (43)	8.6 (6)	2.9 (2)	3.19	0.79
2.	To what degree do tax audits have an impact on the rates of growth in Kenya's governmental revenue?	2.9 (2)	21.4 (15)	60 (42)	12.9 (9)	2.9 (2)	3.09	0.76
3.	What is the extent to which Tax Assessment influence public revenue growth in Kenya	4.3 (3)	58.6 (41)	31.4 (22)	0 (0)	5.7 (4)	3.56	0.83
4.	What is the extent to which tax Compliance influence public revenue growth in Kenya	0 (0)	31.4 (22)	62.9 (44)	0 (0)	5.7 (4)	3.20	0.71
5.	What is the extent to which Audit department in KRA influence public revenue growth in Kenya	0 (0)	51.4 (36)	37.1 (26)	7.1 (5)	4.3 (3)	3.36	0.80
6.	What is the extent to which Tax collection enforcement policies in KRA influence public revenue growth in Kenya?	2.9 (2)	65.7 (46)	28.6 (20)	0 (0)	2.9 (2)	3.66	0.68
7.	What is the extent to which C influence public revenue growth in Kenya	0 (0)	71.4 (50)	25.7 (18)	0 (0)	2.9 (2)	3.66	0.63

Among the participants in the survey, 5.7% (4) strongly agreed and 21.4% (15) agreed that tax enforcement at the Kenya income Authority (KRA) had a significant impact on the rise of public income in Kenya. Conversely, 6.4% (43) of the participants somewhat agreed, 8.6% (6) slightly agreed, and 2.9% (2) did not agree at all that tax enforcement by the Kenya income Authority (KRA) had an impact on the rise of public income in Kenya. The respondents exhibited a modest level of agreement with the statement, as shown by a mean of 3.19 and a negligible standard deviation of 0.79.

According to the data provided in the table, 2.9% (2) of the respondents strongly agreed and 21.4% (15) agreed that Tax Audits have a significant impact on the increase of public income in Kenya. Conversely, 60% (42) of the participants expressed a moderate level of agreement, 12.9% (9) expressed a little level of agreement, and 2.9% (2) expressed no agreement about the impact of Tax Audits on the increase of public income in Kenya. The respondents had a modest level of agreement with the statement, as shown by a mean of 3.09 and a negligible standard deviation of 0.76.

The survey findings indicated that 4.3% (3) of the participants strongly agreed, and an additional 58.6% (41) agreed to a significant level, that Tax Assessment had a substantial impact on the rise of public income in Kenya. Conversely, 31.4% (22) of the participants somewhat agreed, while 5.7% (4) did not agree at all that Tax Assessment had an impact on the increase of public income in Kenya. The respondents had a high level of agreement with the statement, as shown by a mean of 3.56 and a negligible standard deviation of 0.83.

Based on the survey findings, 31.4% (22) of the participants strongly believed that tax compliance has a significant impact on the increase of public income in Kenya. Conversely, 62.9% (44) of the participants somewhat agreed, while 5.7% (4) did not agree at all that tax compliance had an impact on the rise of public income in Kenya. The respondents exhibited a modest level of agreement on the statement, as shown by a mean of 3.20 and a negligible standard deviation of 0.71.

Regarding the impact of the Audit department of KRA on the rise of public income in Kenya, a significant majority of respondents (51.4% or 36 individuals) strongly agreed.

Conversely, 37.1% (26) of the participants somewhat agreed, 7.1% (5) slightly agreed, and 4.3% (3) did not agree at all that the Audit department in KRA had an impact on the rise of public income in Kenya. The respondents exhibited a modest level of agreement with the statement, as shown by a mean of 3.36 and a negligible standard deviation of 0.80.

Nevertheless, the survey revealed that 2.9% (2) of the participants strongly agreed and 65.7% (46) agreed to a significant amount that the enforcement tactics for tax collection in the Kenya income Authority (KRA) had a substantial impact on the rise of public income in Kenya. In addition, 28.6% (20) of the participants somewhat agreed, while 2.9% (2) did not agree at all, that the Tax collection enforcement policies in KRA had an impact on the rise of public income in Kenya. The respondents exhibited a high level of agreement with the statement, as shown by a mean of 3.66 and a negligible standard deviation of 0.68.

The findings indicated that 71.4% (50) of the participants strongly believed that tax objectives had a significant impact on the increase of governmental income in Kenya. In addition, 25.7% (18) of the participants somewhat agreed, while 2.9% (2) did not agree at all, that tax objectives had an impact on the rise of public income in Kenya. The respondents had a high level of agreement on the statement, as shown by a mean of 3.66 and a negligible standard deviation of 0.63.

4.5.3 Human resource revitalization on Public revenue growth in western counties of Kenya

There are descriptive statistics on the extent to which Human resource revitalization determines the public revenue growth in western counties of Kenya as summarized in table 4.9.

Table 4. 9: Descriptive Statistics: Human resource revitalization

N=*70;* ***5***-*Very Great Extent,* ***4***-*Great Extent,* ***3***-*Moderate Extent,* ***2***-*Little Extent and* ***1***-*No Extent,* ***S.D***-*Standard Deviation*

	Question	**5**	**4**	**3**	**2**	**1**	**Mean**	**SD.**
1.	Does the revitalization of human resources in the Kenya income Authority (KRA) have an impact on the rise of public income in Kenya?	5.7 (4)	38.6 (27)	44.3 (31)	8.6 (6)	2.9 (2)	3.36	0.83
2.	What is the extent to which Staff recruitment in KRA influence public revenue growth in Kenya	8.6 (6)	27.1 (19)	47.1 (33)	11.4 (8)	5.7 (4)	3.21	0.96
3.	What is the extent to which KRA Human Resource development programmes influence public revenue growth in Kenya	14.3 (10)	44.3 (31)	34.3 (24)	0 (0)	7.1 (5)	3.59	0.99
4.	What is the extent to which KRA recruitment influence public revenue growth in Kenya??	5.7 (4)	38.6 (27)	45.7 (32)	5.7 (4)	4.3 (3)	3.36	0.85
5.	What is the extent to which a KRA advertisement before recruiting new staff personnel influence public revenue growth in Kenya	2.9 (2)	40 (28)	45.7 (32)	7.1 (5)	4.3 (3)	3.30	0.82
6.	What is the extent to which KRA staff trainings in accordance with emerging issues influence public revenue growth in Kenya	10 (7)	55.7 (39)	31.4 (22)	0 (0)	2.9 (2)	3.70	0.77
7.	What is the extent to which KRA Trainings on both external and internal employees influence public	10 (7)	42.9 (30)	44.3 (31)	0 (0)	2.9 (2)	3.57	0.79

revenue growth in Kenya

Among the participants in the survey, 5.7% (4) strongly agreed and 38.6% (27) agreed that the revitalization of human resources in the Kenya income Authority has a significant impact on the increase of public income in Kenya. Conversely, 44.3% (31) of the participants somewhat agreed, 8.6% (6) slightly agreed, and 2.9% (2) did not agree at all that the revitalization of human resources in the Kenya income Authority had an impact on the rise of public income in Kenya. The respondents exhibited a modest level of agreement with the statement, as shown by a mean of 3.36 and a negligible standard deviation of 0.83.

According to the provided data, 8.6% (6) of the participants strongly agreed and 27.1% (19) agreed that Staff recruitment in KRA has a significant impact on the rise of public income in Kenya. 47.1% (33) of the respondents somewhat agreed, 11.4% (8) slightly agreed, and 5.7% (4) did not agree at all that staff recruitment in KRA had an impact on public revenue growth in Kenya. The respondents exhibited a moderate level of agreement with the statement, as shown by a mean of 3.21 and a substantial standard deviation of 0.96.

The survey findings indicate that 14.3% (10) of the participants strongly agreed, and an additional 44.3% (31) agreed significantly, that KRA Human Resource development programs have a substantial impact on the rise of public income in Kenya. Conversely, 34.3% (24) of the participants somewhat agreed, while 7.1% (5) did not agree at all, that KRA's Human Resource development programs had an impact on the rise of public income in Kenya. The respondents had a high level of agreement with the statement, as shown by a mean of 3.59 and a considerable standard deviation of 0.99.

The survey findings indicate that 5.7% (4) of the participants strongly agreed, and an additional 38.6% (27) agreed to a significant degree, that KRA recruiting had a substantial impact on the rise of public income in Kenya. Conversely, 45.7% (32) of the participants somewhat agreed, 5.7% (4) slightly agreed, and 4.3% (3) did not agree at all that KRA recruiting had an impact on the rise of public income in Kenya. The respondents had a modest level of agreement with the statement, as shown by a mean of 3.36 and a negligible standard deviation of 0.85.

Regarding a KRA advertising aimed at hiring new workers, it was found that 2.9% (2) of the respondents strongly agreed and 40% (28) agreed to a significant degree that it would contribute to the expansion of public income in Kenya. Conversely, 45.7% (32) of the participants somewhat agreed, 7.1% (5) slightly agreed, and 4.3% (3) did not agree at all that a KRA advertising prior to hiring new staff members had an impact on the rise of public income in Kenya. The respondents exhibited a modest level of agreement on the statement, as shown by a mean of 3.30 and a negligible standard deviation of 0.82.

The survey revealed that 10% (7) of the respondents strongly agreed and 55.7% (39) agreed that KRA staff trainings, aligned with growing concerns, had a significant impact on the increase of public income in Kenya. In addition, 31.4% (22) of the participants somewhat agreed, while 2.9% (2) did not agree at all that KRA staff trainings aligned with developing concerns had an impact on the increase of public income in Kenya. The respondents exhibited a high level of agreement with the statement, as shown by a mean of 3.70 and a negligible standard deviation of 0.77.

The findings indicated that 10% (7) of the participants strongly agreed, while 42.9% (30) agreed to a significant degree, that KRA Trainings for both external and internal personnel had a substantial impact on the rise of public income in Kenya. In addition, 44.3% (31) of the participants somewhat agreed, while 2.9% (2) did not agree at all, that KRA Trainings for both external and internal staff had an impact on the rise of public income in Kenya. The respondents had a high level of agreement with the statement, as shown by a mean of 3.57 and a negligible standard deviation of 0.79.

4.5.4 Public revenue growth in western counties of Kenya

These are descriptive statistics to find out the extent of public revenue growth in western counties of Kenya as summarized in table 4.10.

Table 4. 10: Descriptive Statistics: Public revenue growth

N=70; 5-Very Great Extent, 4-Great Extent, 3-Moderate Extent, 2-Little Extent and 1-No Extent, S.D-Standard Deviation

	Question	5	4	3	2	1	Mean	S.D
1.	What is the extent to which KRA reforms influence public revenue growth in Kenya	4.3 (3)	64.3 (45)	31.4 (22)	0 (0)	0 (0)	3.73	0.54
2.	What is the extent to which KRA reforms influence Government budgets as an aspect of public revenue growth in Kenya	1.4 (1)	75.7 (53)	22.9 (16)	0 (0)	0 (0)	3.79	0.45
3.	What is the extent to which KRA reforms influence Per-capita income as an aspect of public revenue growth in Kenya	0 (0)	74.3 (52)	25.7 (18)	0 (0)	0 (0)	3.74	0.44
4.	What is the extent to which KRA reforms influence Gross fixed capital formation as an aspect of public revenue growth in Kenya?	0 (0)	40 (28)	60 (42)	0 (0)	0 (0)	3.40	0.49
5.	What is the extent to which KRA reforms influence Gross savings rate as an aspect of public revenue growth in Kenya	2.9 (2)	52.9 (37)	42.9 (30)	1.4 (1)	0 (0)	3.57	0.58
6.	What is the extent to which KRA reforms lead to improved tax collections with growth of public revenue as a result of tax policies	1.4 (1)	70 (49)	28.6 (20)	0 (0)	0 (0)	3.73	0.48
7.	What is the extent to which KRA reforms results to improve gross savings rate with growth of public revenue as a result of tax policies	2.9 (2)	65.7 (46)	31.4 (22)	0 (0)	0 (0)	3.71	0.51
8.	What is the extent to which KRA reforms facilitate achievement of public service targets with growth of	2.9 (2)	50 (35)	47.1 (33)	0 (0)	0 (0)	3.56	0.555

public revenue as a result of tax policies	

Among the participants in the survey, 4.3% (3) strongly agreed and 64.3% (45) agreed that KRA changes had a significant impact on the rise of public income in Kenya. Conversely, 31.4% (22) of the participants somewhat agreed that KRA changes had an impact on the increase of public income in Kenya. The respondents exhibited a high level of agreement with the statement, as shown by a mean of 3.73 and a negligible standard deviation of 0.54.

According to the data provided in the table, 1.4% (1) of the participants strongly agreed, and 75.7% (53) agreed to a large degree, that KRA changes have a significant impact on government budgets as a means of increasing public income in Kenya. Conversely, 22.9% (11) of the participants somewhat agreed that KRA changes had an impact on Government finances, namely in terms of increasing public income in Kenya. The respondents had a high level of agreement with the statement, as shown by a mean of 3.79 and a negligible standard deviation of 0.45.

The survey findings indicated that 74.3% (52) of the participants strongly agreed that KRA changes had a significant impact on the rise of per-capita income, which is a component of public revenue in Kenya. Conversely, 25.7% (18) of the participants somewhat agreed that KRA changes had an impact on the per-capita income, which is a component of public revenue growth in Kenya. The respondents had a high level of agreement with the statement, as shown by a mean of 3.74 and a negligible standard deviation of 0.44.

The survey findings indicate that 40% (28) of the participants strongly agreed that KRA changes had a significant impact on the increase of Gross Fixed Capital Formation, which is a component of public revenue growth in Kenya. Conversely, 60% (42) of the participants somewhat agreed that KRA changes had an impact on Gross fixed capital creation, which is a component of public revenue growth in Kenya. The respondents exhibited a modest level of agreement with the statement, as shown by a mean of 3.40 and a negligible standard deviation of 0.49.

Regarding the impact of KRA changes on the Gross savings rate, a significant proportion of respondents (2.9% or 2 individuals) agreed to a very high degree, while a majority (52.9% or 37 individuals) agreed to a high degree. Conversely, 42.9% (30) of the participants somewhat agreed, while 1.4% (3) agreed to a lesser level, that changes by the Kenya income Authority (KRA) had an impact on the Gross savings rate, which is a factor in the increase of public income in Kenya. The respondents had a high level of agreement with the statement, as shown by a mean of 3.57 and a negligible standard deviation of 0.58.

The survey revealed that 1.4% (1) of the respondents strongly agreed and 70% (49) agreed that KRA changes significantly contribute to enhanced tax collections, leading to increased public income via effective tax policy. Furthermore, a significant proportion of the respondents (28.6% or 20 individuals) expressed a moderate level of agreement with the positive impact of KRA changes on tax collections. They believed that these reforms contribute to the increase of public income via the implementation of effective tax policies. The respondents exhibited a high level of agreement with the statement, as shown by a mean of 3.73 and a negligible standard deviation of 0.48.

The findings indicated that 2.9% (2) of the participants strongly agreed and 65.7% (46) agreed to a significant degree that KRA changes lead to an increase in the gross savings rate, as a consequence of tax policies resulting in the expansion of public income. Furthermore, 31.4% (22) of the participants expressed a moderate level of agreement with the positive impact of KRA changes on the gross savings rate. These reforms are expected to lead to an increase in public income via the implementation of tax policy. The respondents exhibited a high level of agreement with the statement, as shown by a mean of 3.71 and a negligible standard deviation of 0.5.

Finally, a total of 2.9% (2) of the participants strongly agreed, while 50% (35) agreed, that KRA changes significantly contribute to the attainment of public service objectives, leading to an increase in public income via tax policies. Furthermore, a significant proportion of the respondents (47.1% or 33 individuals) expressed a moderate level of agreement about the facilitation of public service aims via KRA changes. This facilitation is expected to lead to an increase in public income as a consequence of tax policies. The respondents had a high level of agreement with the statement, as shown by a mean of 3.56 and a negligible standard deviation of 0.555.

4.6 Assumptions of Multiple Regression Analysis Models

The linear regression assumption in this research included doing tests for normality using Q-Q plots, auto-correlation using Durbin-Watson, multi-collinearity using a specific test, and linearity using Pearson Correlation. The outcomes are as follow.

4.6.1 Normality Tests

As a result of its capacity to detect deviations from normality brought about by either skewness, kurtosis, or both, the Shapiro-Wilk test was used in order to evaluate the normality of the data obtained. On the basis of the Shapiro-Wilk Test (S-W), the assumption of normality was evaluated. It is an indication that the normalcy assumption has been violated if the significance level is reduced to less than 0.05. When the significance level is greater than 0.05, on the other hand, it indicates that the distribution is normal. One would have a difficult time arriving at a conclusion that can be relied upon if this assumption were not maintained. Furthermore, Ghasemi and Zahediasl (2022) state that when dealing with large samples (more than thirty or forty), it is not anticipated that the breach of the normality assumption would have substantial repercussions. It is thus possible to make use of parametric techniques when working with big samples, which typically consist of more than thirty or forty observations. The sampling distribution has a tendency to mimic a normal distribution in these kinds of situations, regardless of the form of the data that is being used.

Table 4. 11: Normality Tests

	Kolmogorov-Smirnov[a]			**Shapiro-Wilk**		
	Statistic	**Df**	**Sig.**	**Statistic**	**Df**	**Sig.**
Public Revenue Growth	.146	70	.001	.953	70	.010
Tax Administration	.172	70	.000	.810	70	.000
Human Resource Revitalization	.177	70	.000	.792	70	.000
Tax Enforcement	.198	70	.000	.735	70	.000

a. Lilliefors Significance Correction

Normality should be evaluated visually, according to Ghasemi and Zahedias (2022), who advocate this method. The divergence from normality was not as significant as the deviation from the approach to the line of fit, as seen in Figure 4.1, which depicts the normal Q-Q plot with the tax administration. Because of this, the data were quite close to the normal distribution, and as a result, they were suitable for use in a regression analysis. Data was confirmed normal through use of Q-Q plots.

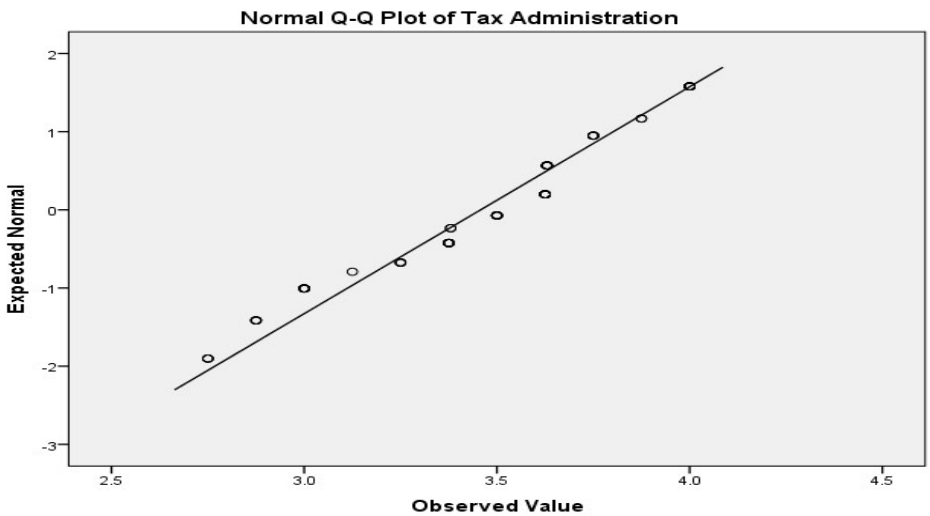


Figure 4. 2: Normal Q-Q Plot of Tax administration

The divergence from normalcy was not considerable, as shown by the normal Q-Q plot of tax enforcement in Figure 4.2. This was determined by comparing the approximation to the line of fit. For this reason, the data had a distribution that was very close to normal, and as a result, parametric tests like linear regression could be performed on them.

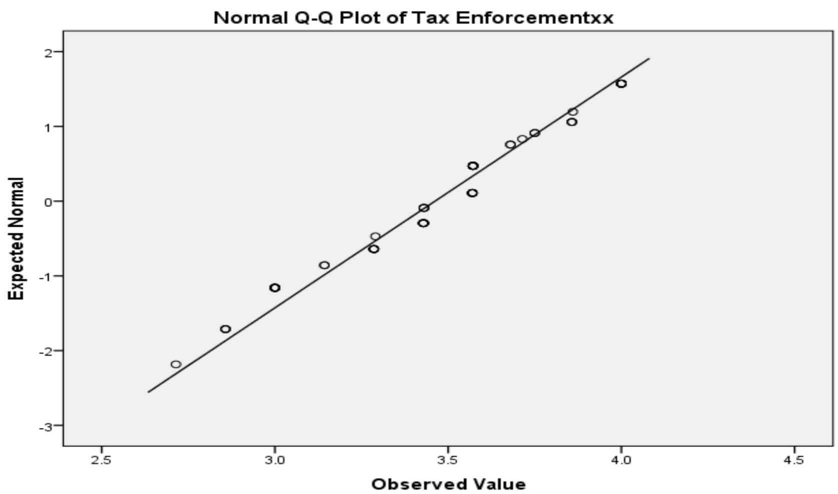


Figure 4. 3: Normal Q-Q Plot of Tax enforcement

As shown in Figure 4.3, the normal Q-Q plot of human resource revitalization showed that the deviation from normalcy was not as significant as the line of fit would have been if it were estimated. Because of this, the data had a distribution that was quite close to normal, and as a result, they were suitable for parametric tests like linear regression.

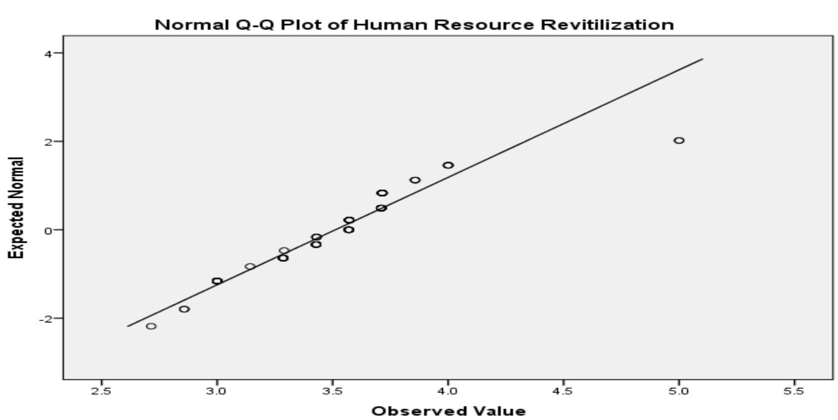


Figure 4. 4: Normal Q-Q Plot of Human resource revitalization

The deviation from normality was not as significant as the deviation from the line of fit, as shown in Figure 4.5, which depicts the normal Q-Q plot of the rise of public income.

Because of this, the data were quite close to the normal distribution, and as a result, they were suitable for use in a regression analysis.

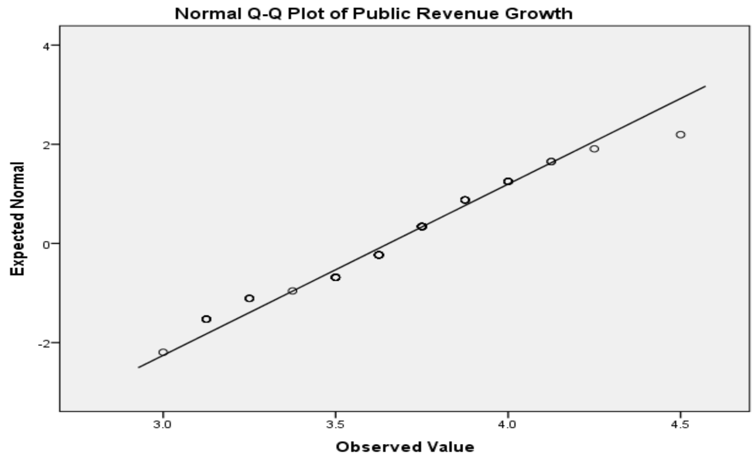


Figure 4. 5: Normal Q-Q Plot of Public revenue growth

4.6.2 multi-collinearity

The presence of multicollinearity hampers the capacity to accurately characterize any variable due to their connection. Researchers, as cited by Jingyu Li in 2023, have used a critical value rule of thumb, VIF=10, based on Besley's work in 2018, to assess excessive correlation. The VIF values in table 4.12 are all below 10, indicating the absence of any multi-collinearity issues among the research variables.

Table 4. 12: multi-Collinearity

Independent variable	Tolerance	VIF
Tax administration	.761	1.313
Tax enforcement	.798	1.253
Human resource revitalization	.843	1.186

4.6.3 Homoscedasticity of Tests

Figure 4.6 displays the results of the Homoscedasticity test, which examines if the independent variables have equal variance. If not, it indicates the presence of heteroscedasticity (Garson, 2022). A homoscedasticity test examines the variance of residuals in a regression model. According to Cappelleri and Bushmakin (2023), the P-P plot is a graphical representation that is used for the purpose of evaluating the homoscedasticity of a data distribution. The P-P plot of performance that is shown in Figure 4.6 reveals that there is a little deviation of the data points from the linear trend line. In light of the fact that the data employed in this investigation demonstrates homoscedasticity, the multiple linear regression model was chosen to be applied. Therefore, there is no issue of heteroscedasticity.

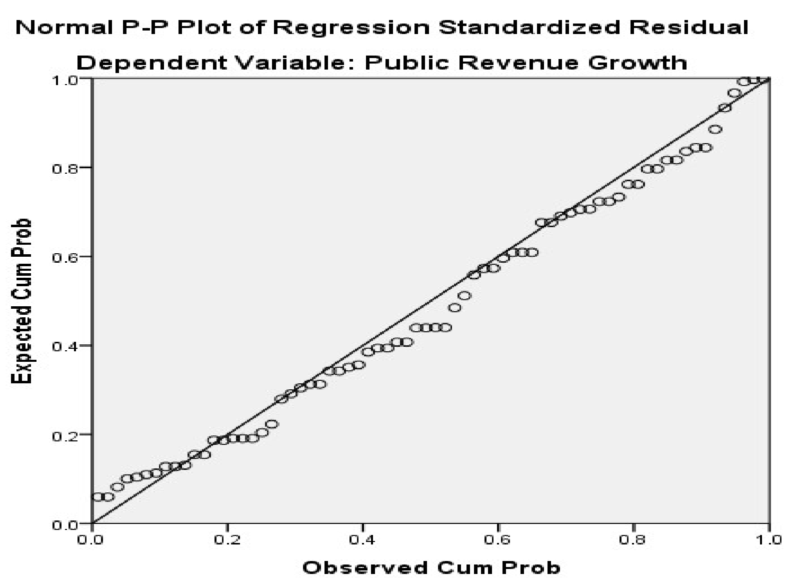


Figure 4. 6: Homoscedastic Test of Performance

Source: Field Data (2023)

4.6.4 Test of Independence (Autocorrelation)

An evaluation of the independence of error terms was carried out with the use of the Durbin-Watson test, which was successful in demonstrating that the observations are independent. To ensure that the residuals of the models did not display any signs of autocorrelation, the Durbin-Watson test was carried out. In regression analysis, the assumption of the residuals' independence is a key need (Akter, 2014). This is a crucial point to keep in mind. There is a presentation of the results in Table 4.13.

Table 4. 13: Autocorrelation Test for Regression

Variables	Std. Error of the Estimate	Durbin-Watson
Technological innovation	.18294	1.925

Source: Field Data (2022)

According to Table 4.13, the findings of the research revealed that the Durbin–Watson coefficient value was 1.925, which falls within the range of 1.5 to 2.5. This number suggested that there was no autocorrelation in the residuals of the data analyzed.

4.7 Pearson Correlation Results

Correlation coefficients are quantitative measures that indicate both the direction and intensity of the link between two variables. A value of 1 indicates a robust and positive correlation, whereas a value of 0 suggests no correlation, and a value of -1 indicates a significant negative correlation.

The data presented in Table 4.14 indicates that there is a positive correlation between the administration of taxes and the rise of public income in the western counties of Kenya. At a confidence level of 95%, this correlation is statistically significant since the coefficient is 0.724 and the p value is less than 0.05. This indicates that the correlation is statistically significant. Therefore, an increase in the administration of taxes would lead to a proportional increase in the growth of public revenue in the western counties of Kenya. The correlation coefficient for tax enforcement in the western counties of Kenya was 0.535 (P=0.000), which indicates that there is a significant positive link between tax enforcement and the rise in state revenue. Increasing the effectiveness of tax enforcement will result in an increase in the growth of public income in the western counties of Kenya. The revival of human resources and the growth in public revenue in the western counties of Kenya are shown to have a substantial and statistically significant association (0.462**, p=0.000). This correlation is strong enough to be considered a correlation. It seems from this that an increase in the revitalization of human resources would result in an increase in the amount of money that the government receives in the western counties of Kenya.

Table 4. 14: Multiple Correlation Matrix

		Tax Administration	Tax Enforcement	Human Resource Revitalization	Public Revenue Growth
Tax Administration	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	70			
Tax Enforcement	Pearson Correlation	.421**	1		
	Sig. (2-tailed)	.000			
	N	70	70		
Human Resource Revitalization	Pearson Correlation	.361**	.298*	1	
	Sig. (2-tailed)	.002	.012		
	N	70	70	70	
Public Revenue Growth	Pearson Correlation	.724**	.535**	.462**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	70	70	70	70

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Field Data (2023)

4.8 Linear Regression Analysis

The purpose of this study was to investigate the correlation between the rise of public revenue in the western area of Kenya and the direct effect of three independent variables: tax administration, tax enforcement, and human resource revitalization. This was calculated using SPSS version 26, which began by converting categorical data into continuous data in order to ensure that the linear regression analysis could be carried out correctly.

4.8.1 Linear Influence of Tax administration on Public Revenue Growth

A linear regression analysis was performed to ascertain the impact of Tax administration on the rise of public income in the western area of Kenya. The hypothesis I was tested using regression coefficient (B), analysis of variance (ANOVA), and t-test at a significance level of 0.05%. A 95% confidence interval was employed. The first investigation examined the subsequent null hypothesis:

> $H_0 1$: There is no significant influence of tax administration on public revenue growth in western counties of Kenya.

The results are as shown in Table 4.15.

Table 4.15: Regression Results of Tax administration on Public Revenue Growth

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.724[a]	.524	.517	.20235

a. Predictors: (Constant), Tax Administration

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.030	1	3.030	74.728	.000[b]
	Residual	2.757	68	.041		
	Total	5.787	69			

a. Dependent Variable: Public Revenue Growth

b. Predictors: (Constant), Tax Administration

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.063	.186		11.118	.000
	Tax Administration	.465	.054	.724	8.645	.000

a. Dependent Variable: Public Revenue Growth

Source: Field Data (2023)

The findings demonstrated a statistically significant and positive correlation between Tax administration and the rise of public income in the western area of Kenya. The tax administration was responsible for 52.4% (R2 = 0.524) of the variability in the rise of public income in the western area of Kenya. Hence, tax administration plays a crucial role in forecasting the increase in public income in the western area of Kenya.

The results indicated a positive, linear, and statistically significant link (p-value < 0.05) between tax administration and the rise of public income in the western area of Kenya. The regression coefficient (B) was 0.465, the ANOVA test yielded an F-value of 74.728, and the t-test value was 8.645. The results are represented in the following model:

$Y = \beta 0 + \beta_1 X_1 + \varepsilon$

Where Y= public revenue growth in western counties of Kenya,

β_0=1.280 (constant)

β_1= 0.465

X_1= Tax administration

Replacing in the equation above, the model becomes: $Y = 2.063 + 0.465X_1$

The constant was found to have a coefficient of 2.063 and a p-value of 0.000, as shown by the equation presented above. Taking everything into consideration, it can be deduced that the increase in public income in the western counties of Kenya would be 2.063 if there was no tax administration. Significant statistical evidence ($P<0.05$) indicates that there was a rise in the public income. A beta value of 0.465 was found for the administration of taxes, on the other hand. A one percent improvement in tax administration results in a huge 46.5% increase in public revenue in the western counties of Kenya, provided that all other parameters stay same. These results are consistent with the research conducted by Muturi (2017), which investigated the consequences of tax changes. In addition to determining the effect that these changes have on the elasticity of the tax system, the purpose of the research was to assess the impact that these reforms have had on the buoyancy of the income tax and the value-added tax. During the course of their investigation, Muriithi and

Moyi (2023) carried out an examination of the productivity of Kenya's tax structure within the context of changes to the tax system. As a consequence, the findings had a positive impact not just on the overall tax structure but also on the particular taxing of people, with direct taxes being more significantly impacted than indirect taxes.

4.8.2 Linear Influence of Tax enforcement on Public Revenue Growth

For the purpose of determining the impact that tax enforcement has on the expansion of public income in the western area of Kenya, a simple linear regression analysis was administered. For the second investigation, the following null hypothesis was put to the test:

H_0^2: There is no significant influence of tax enforcement on public revenue growth in western counties of Kenya.

The results are as shown in Table 4.16.

Table 4.16: Regression Results of Tax Enforcement and Public Revenue Growth

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.535[a]	.287	.276	.24641

a. Predictors: (Constant), Tax Enforcement

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.658	1	1.658	27.307	.000[b]
	Residual	4.129	68	.061		
	Total	5.787	69			

a. Dependent Variable: Public Revenue Growth

b. Predictors: (Constant), Tax Enforcement

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	2.645	.195		13.550	.000
	Tax Enforcement	.298	.057	.535	5.226	.000

a. Dependent Variable: Public Revenue Growth

Source: Field Data (2023)

The results demonstrated that there was a statistically significant positive relationship between Tax enforcement and public revenue growth in western counties of Kenya. Tax enforcement accounted for 28.7% ($R^2 = 0.287$) variations in the public revenue growth in western counties of Kenya. Hence, Tax enforcement is a significant predicator of public revenue growth in western counties of Kenya.

Results show that Tax enforcement had a positive, linear and significant (p-value is less than 0.05) relationship with the public revenue growth in western counties of Kenya {regression coefficient, B = 0.298, ANOVA, F = 27.307 and t-test value, t = 13.550}. The results are represented in the following model:

$Y = \beta_0 + \beta_2 X_2 + \varepsilon$

Where Y= public revenue growth in western counties of Kenya,

$\beta_0 = 2.645$ (constant)

$\beta_2 = 0.298$

X_2 = Tax enforcement

Substituting equation above with values, the model becomes: $Y= 2.645+ 0.298X_2$

Based on the above model, the constant coefficient was 2.645 with a significance level of P=0.000. This indicates that in the western area of Kenya, the growth of public income would increase by 2.645 in the absence of Tax enforcement. The increase in public income would be statistically significant (P<0.05). In addition, the beta coefficient for Tax enforcement was 0.298, with a p-value of 0.000. When all other factors remain same, a one percent improvement in effective tax enforcement will lead to a substantial 29.8% boost in state income in the western area of Kenya. The results are in agreement with the investigation that was carried out by Allingham and Sandmo (2022), who investigated the effectiveness of Kenya's tax system in respect to tax enforcement throughout the time periods before to and after the reform. A comprehensive analysis of the buoyancy and elasticity of individual taxes, as well as the overall tax system, was carried out in this study. Their findings suggested that the implementation of tax enforcement policies had a positive influence on both the overall tax system and the collection of individual taxes; however, the effects of these modifications were not uniformly distributed across the board.

4.8.3 Linear Influence of Human resource revitalization on Public revenue growth

In order to establish the impact that human resource revitalization has on the increase of public income in the western area of Kenya, a simple linear regression analysis was carried out. The third research examined the following null hypothesis:

> $H_0$3: There is no significant influence of human resource revitalization on public revenue growth in western counties of Kenya.

The results are as shown in Table 4.17.

Table 4.17: Regression Results of Human resource revitalization and Public Revenue Growth

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.462[a]	.213	.202	.25872

a. Predictors: (Constant), Human resource revitalization

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.235	1	1.235	18.452	.000[b]
	Residual	4.552	68	.067		
	Total	5.787	69			

a. Dependent Variable: Public Revenue Growth
b. Predictors: (Constant), Human resource revitalization

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	2.867	.186		15.427	.000
	Human resource revitalization	.229	.053	.462	4.296	.000

a. Dependent Variable: Public Revenue Growth

Source: Field Data (2023)

In the western area of Kenya, the findings indicated that there was a statistically significant positive association between the revival of human resources and the rise of public income. Human resource revitalization accounted for 21.3% ($R^2 = 0.213$) variations in the public revenue growth in western counties of Kenya. Therefore, human resource revitalization is a significant predicator of public revenue growth in western counties of Kenya.

Results show that human resource revitalization had a positive, linear and significant (p-value is less than 0.05) association with the public revenue growth in western counties of

Kenya {regression coefficient, B = 0.229, ANOVA, F = 18.452 and t-test value, t = 4.296}. The results are represented in the following model:

$Y = \beta 0 + \beta_3 X_3 + \varepsilon$

Where Y= public revenue growth in western counties of Kenya,

β_0= 2.867(constant)

β_3= 0.229

X_3= Human resource revitalization

Substituting equation above with values, the model becomes: $Y= 2.867+ 0.229X_3+\varepsilon$

Based on the given model, the constant has a coefficient of 2.867 and a p-value of 0.000. This indicates that without Human resource revitalization, the rise of public revenue in the western area of Kenya would increase by 2.867 units. The increase in public income in the western area of Kenya is statistically significant ($P<0.05$). In addition, the beta coefficient for Human resource revitalization was 0.229, with a p-value of 0.000. When all other factors remain same, a one percent increase in the revitalization of human resources will lead to a substantial 22.9% boost in public income in the western area of Kenya. The research is corroborated by Imam and Jacobs (2017), who assert that institutional corruption is a contributing factor to the low tax revenue. Their findings indicate that a decline in corruption might potentially lead to an increase in government income derived from taxing. Corruption adversely affects public investment. According to Mauro's (2007) research, there is strong evidence indicating that corruption has a significant negative impact on overall investment (both private and public). However, the link between corruption and public investment is not well established.

4.9 Multiple Regression Analysis

For the purpose of determining the combined influence of the study's independent variables (tax administration, tax enforcement, and human resource revitalization) on the dependent variable (public revenue increase in the western area of Kenya), a set of multiple regression analyses was carried out. Before the study was carried out, the assumptions that are required for multiple regression analyses were checked and made sure they were acceptable. Table 4.18 contains the findings of the multiple regression analysis that was performed.

Table 4. 18: Multiple Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.786[a]	.618	.601	.18294

a. Predictors: (Constant), Tax Enforcement, Human Resource Revitilization, Tax Administration

A multiple regression analysis is shown in table 4.18. This table displays the findings of the multiple regression analysis of the combined effect of the study's independent variables, which are tax administration, tax enforcement, and human resource revitalization. It is a good study model because the R squared (R^2) value of the model is 0.618, which indicates that the study explains 61.8% of the variance in public revenue growth in the western area of Kenya. Other variables that are not included in the hypothesized research model account for 30.2% of the variation; thus, the study model is a good study model.

Table 4. 19: Multiple Regression ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.578	3	1.193	35.634	.000[b]
	Residual	2.209	66	.033		
	Total	5.787	69			

a. Dependent Variable: Public Revenue Growth

b. Predictors: (Constant), Tax Enforcement, Human Resource Revitilization, Tax Administration

Furthermore, the analysis of variance (ANOVA) reveals that the mean squares and F statistics are statistically significant ($F(3,66)= 35.634$; significant at $p<.05$). This fact not only validates the model's suitability but also suggests that the independent variables of the study, namely Tax administration, Tax enforcement, and Human resource revitalization, exhibit substantial variations in their contributions to the growth of public revenue in the western counties of Kenya.

In conclusion, the values of the unstandardized regression coefficients, together with the standard errors, are shown in table 4.19. These results suggest that all of the study's independent variables are present (Tax administration; $\beta = 0.354$, $t = 6.325$ at $p<0.05$, Tax enforcement; $\beta = 0.094$, $t=2.285$ at $p<0.05$; Human resource revitalization; $\beta = 0.137$, $t = 2.896$ at $p<0.05$ significantly influenced public revenue growth in western counties of Kenya (dependent variable).

In this regard, the study’s final multiple regression equation is;

(v) $y =1.655+0.354X_1+0.094X_2+ 0.137X_3$

Where;

Y = public revenue growth in western counties of Kenya.

X_1 = Tax administration

X_2 = Tax enforcement

X_3 = Human resource revitalization

Table 4. 20: Regression Coefficients

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1 (Constant)	1.655	.197		8.421	.000
Tax Administration	.354	.056	.551	6.325	.000
Human Resource Revitilization	.094	.041	.189	2.285	.026
Tax Enforcement	.137	.047	.247	2.896	.005

a. Dependent Variable: Public Revenue Growth

Based on the findings that are reported in Table 4.20, we examine the results of the model and do a scan down to the column B that contains the unstandardized coefficients. In terms of the expansion of public revenue, each and every modification of tax policy had a substantial impact. The rise in public revenue would be 1.655, with a p-value of 0.000, if tax policy improvements were either not implemented at all or did not occur at all.

According to the findings of multiple regression coefficients, it can be seen that the administration of taxes has a substantial impact on the increase of public income in the western area of Kenya (β = 0.354 at $p<0.05$). When other aspects of the model are taken into consideration, the findings suggest that a one percent increase in tax administration led to a 35.4% improvement in the growth of public income in the western area of Kenya. These results are in agreement with.

The findings of the multiple regression coefficient reveal that the practice of tax enforcement has a substantial impact on the rise of public income in the western area of Kenya ($\beta = 0.094$ at $p<0.05$). When other aspects of the model are taken into consideration, the findings suggest that a one percent increase in tax enforcement practice led to a 9.4 percent improvement in the growth of public income in the western area of Kenya. These findings are comparable to those of

The findings of the multiple regression coefficient reveal that the revitalization of human resources does not substantially impact the rise of public income ($\beta = 0.137$ at $p<0.05$). When all of the other variables in the model are taken into account, the findings reveal that a one percent increase in the revitalization of human resources led to a 13.7 percent increase in the growth of public income in the western area of Kenya.

4.9.1 Stepwise Regression

The research also included stepwise regression, which involves taking each of the independent factors into consideration on its own. This was done in order to ascertain the relevance of each variable, as well as to establish which variable has the greatest impact on the rise of public income, as seen in Table 4.21.

Table 4. 21: Stepwise Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.724[a]	.524	.517	.20235	.524	74.728	1	68	.000
2	.767[b]	.588	.576	.18862	.065	10.494	1	67	.002
3	.786[c]	.618	.601	.18294	.030	5.220	1	66	.026

a. Predictors: (Constant), Tax Administration

b. Predictors: (Constant), Tax Administration, Tax Enforcement

c. Predictors: (Constant), Tax Administration, Tax Enforcement, Human Resource Revitilization

From Table 4.42 results using R^2 the value increases with addition of each of the independent variables Tax administration, Tax enforcement, presentation of budget information in financial statements adoption and Human resource revitalization. Based on the above values it shows that Tax Administration contributes 52.4% in explaining variance in public revenue growth, while the contribution of tax Enforcement is 6.5% while human resource revitilization contributed 3.0% to public revenue growth variance. It is evident that tax administration has the highest contribution followed by Tax enforcement while Human resource revitalization has the least contribution to public revenue growth.

4.8.2 Hypothesis testing

First**, study hypothesis one (H_{01})** stated that In the western area of Kenya, the administration of taxes does not have a substantial impact on the rise of governmental income. According to the findings of multiple regression analyses, the process of tax administration had a substantial impact on the expansion of public income in the western area of Kenya (β = 0.354 at $p<0.05$). **Hypothesis one is therefore rejected**. A one percent increase in tax administration was shown to contribute to a 35.4% improvement in the growth of public income in the western area of Kenya, according to the findings.

Secondly**, study hypothesis two (H_{02})** stated that when it comes to the expansion of public income in the western area of Kenya, there is no substantial impact that tax enforcement has. There is a substantial relationship between tax enforcement practice and the rise of public revenue in the western area of Kenya, according to the findings of multiple regression surveys (β = 0.094 at $p<0.05$). **Hypothesis two is therefore rejected**. According to the findings, a one percent increase in tax enforcement procedure led to a 9.4 percent gain in the growth of public income in the western area of Kenya.

Thirdly**, study hypothesis three (H_{03})** stated that In the western area of Kenya, the revival of human resources does not have a substantial impact on the increase of public income. Based on the findings of multiple regression analyses, it seems that the regeneration of human resources does not substantially influence the progression of public income (β = 0.137 at $p<0.05$). **Hypothesis three is therefore rejected**. According to the findings, a one percent increase in the revitalization of human resources led to a 13.7 percent increase in the growth of public income in the western area of Kenya.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The purpose of this chapter is to provide a summary of the most important results from the research as well as the conclusions on the impact of tax policy changes on the increase of public revenue in the western area of Kenya. In conclusion, the chapter emphasizes significant suggestions for more study.

5.2. Summary of Study Findings

This research was conducted with the primary purpose of determining the impact that changes in tax policy have had on the expansion of public income in the western counties of Kenya. The particular goals were to assess the effect of tax administration on the growth of public revenue, to investigate the influence of tax enforcement on the growth of public revenue, and to investigate the role of human resource revitalization on the growth of public revenue in the western area of Kenya. Data was obtained via the use of structured questionnaires, which were sent to 92 respondents from the counties of Kakamega, Busia, and Bungoma. The response rate for these questions was 76.1%. Tax Enforcement, Human Resource Revitalization, and Tax Administration were found to be responsible for 61.8% of the variance in public revenue increase in the western area of Kenya, according to the findings of the research, which were based on the overall purpose. The summary of specific objectives are as follows:

5.2.1 Tax administration and Public Revenue Growth in Western Counties of Kenya

According to the majority of those who participated in the survey, the amount to which tax remittance and payment rules in Kenya Revenue Authority (KRA) impact public revenue growth in Kenya (Mean = 3.76), as well as the extent to which VAT tax on turn over influence public revenue growth in Kenya (Mean = 3.66), are both highly significant. According to the findings of an inferential study, the administration of taxes has a substantial impact on the increase of state income in the western area of Kenya.

Through the utilization of Pearson correlation analysis, it was determined that there exists a noteworthy association between the implementation of tax administration and the expansion of public revenue ($R=0.724$, $P<0.05$). Through the use of simple linear regression, it was shown that tax administration was responsible for a considerable 52.4% of the variation in the increase of public income. An increase of one unit in the management of taxes would result in a significant rise of 0.354 in the growth of public income in the western area of Kenya. It may be deduced from this that an increase in the administration of taxes would lead to an improvement in the growth of public revenue in the western part of this country. These conclusions are backed by a number of empirical researches that investigate the link between tax administration and the increase of public income.

5.2.2 Tax Enforcement and Public Revenue Growth in Western Counties of Kenya

Based on the descriptive analysis, it was found that the majority of the respondents were in agreement that Tax Assessment has a significant impact on the increase of public income in Kenya (Mean = 3.56). To a similar degree, tax collection enforcement procedures at the Kenya Revenue Authority (KRA) have a significant impact on the growth of public revenue in Kenya (Mean = 3.66), and tax objectives furthermore have a significant impact on the growth of public revenue in Kenya (Mean = 3.66). According to the findings of an inferential study, the enforcement of taxes has a statistically significant impact on the expansion of public income in the western area of Kenya.

Based on the results of the Pearson correlation analysis, it was determined that there exists a noteworthy association between the implementation of tax enforcement disclosure and the development of public revenue ($R=0.435$, $P<0.05$). Through the use of simple linear regression, it was shown that the enforcement of taxes substantially accounted for 28.7% of the variation in the increase of public income. There would be a significant rise in the growth of public income in the western area of Kenya by 0.094 percent if there was a particular unit increase in the enforcement of taxes. This postulated that adequate tax enforcement would result to increase in public revenue growth in western counties of Kenya in the county.

5.2.3 Human resource revitalization and Public Revenue Growth in Western Counties of Kenya

According to the descriptive analysis, the majority of the respondents were in agreement that KRA Trainings on both external and internal personnel had a significant impact on the rise of public income in Kenya (Mean = 3.57). In a similar vein, KRA staff trainings that are tailored to developing challenges have a significant impact on the increase of public revenue in Kenya (Mean = 3.70), while KRA Human Resource development programs have a significant impact on the growth of public revenue in Kenya (Mean = 3.59). A substantial association between the revival of human resources and the increase of public income was found to exist in the western area of Kenya, according to the findings of an inferential study.

Through the utilization of Pearson correlation analysis, it was determined that there exists a noteworthy association between the implementation of human resource revitalization and the rise of public income ($R=0.462$, $P<0.05$). The results of a straightforward linear regression showed that the implementation of human resource revitalization was responsible for a substantial 21.3% of the variation in the increase of public income. There would be a 0.137 percentage point rise in the growth of public income in the western area of Kenya if there was a unit increase in the revitalization of human resources. It was hypothesized that an improvement in the revitalization of human resources would lead to an increase in the growth of public income in the western area of Kenya.

5.3 Conclusion

On the basis of the results of the investigation, the study comes to the conclusion that the Tax administration has an effect on the increase of public income in the western area of Kenya. Robust tax administration measures would result to growth of revenue this was in reference to Tax remittance/payment policies, VAT Tax On Turn Over and tax administration reforms. Therefore, the first null hypothesis was rejected.

The western area of Kenya is seeing a boom in public income that is favorably and considerably impacted by tax enforcement. Therefore, an increase in tax enforcement measures such as tax assessment, tax collection enforcement strategies, and the enforcement of tax goals will result in an increase in public income. In light of this, the second null hypothesis was found to be incorrect.

According to the findings of the research, the revitalization of human resources has a major impact on the advancement of public income in the western area of Kenya. Human Resource development programs, KRA staff trainings that are in line with growing concerns, and KRA Trainings on both internal and external personnel are not something that can be overlooked in order to bring about an increase in the growth of public income. Because of this, the third null hypothesis was shown to be incorrect.

5.4 Recommendations

The following suggestions were offered in regard to each of the research's objectives, and they were based on the results of this investigation.

The study recommended that KRA should focus on improving tax remittance and payment rules to ensure efficiency and effectiveness in revenue collection. This could involve streamlining processes, providing clearer guidelines, and leveraging technology for easier compliance. Further, the government should allocate resources to strengthen tax administration systems, including training tax officials, improving infrastructure, and implementing modern technology for better tax collection and management.

The study recommended that KRA should review and update tax remittance and payment rules to ensure they are clear, fair, and conducive to compliance. Simplifying processes and providing guidance to taxpayers can help improve revenue collection. Further, the study recommended that regular monitoring and evaluation of tax administration policies and practices. This ongoing assessment will help identify areas for improvement and refine strategies to optimize revenue collection efforts.

The study recommended that KRA should regularly assess the evolving challenges in tax administration and tailor training programs to address these specific issues. By staying proactive and responsive to changing circumstances, KRA can better equip its workforce to effectively manage emerging challenges and maintain high levels of revenue collection. Further, KRA should promote collaboration and knowledge sharing among its employees through platforms such as workshops, seminars, and internal forums. By encouraging the exchange of ideas and best practices, KRA can harness the collective expertise of its workforce to overcome challenges and drive innovation in tax administration.

5.5 Areas for Further Research

For the purpose of this research, the influence of tax policy modifications on the increase of public income in the western area of Kenya was explored. Tax administration, tax enforcement, and human resource revitalization were the three approaches to tax policy change that were taken into consideration in the research. Of the variation in public income growth, these behaviors were responsible for 61.8% of the variance, while other variables were responsible for 38.2% of the variance. According to the findings of the study, more research should be carried out on other tax policy modifications that have an effect on the increase of public income.

As part of the research project, three counties in the Western counties of Kenya were chosen to participate. It is recommended that more research be conducted on other counties in Kenya.

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APPENDICES

APPENDIX 1: INTRODUCTION LETTER

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY
Technology for Development

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MMUST)

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Directorate of Postgraduate Studies

Ref: MMU/COR: 509099

15TH August 2023

Eugine Manali Musali
MBA/G/01-55318/2020
P.O. Box 190-50100,
KAKAMEGA.

Dear, Mr. Musali

RE: APPROVAL OF PROPOSAL

I am pleased to inform you that the Directorate of Postgraduate Studies has considered and approved your Masters proposal entitled '***Tax Policy Reforms and Public Revenue Growth in Western Region of Kenya'*** and appointed the following as supervisors:

1. Dr. Maniagi Musiega - SOBE, MMUST
2. Dr. Reuben Ruto - SOBE, MMUST

You are required to submit through your supervisor(s) progress reports every three months to the Director Postgraduate Studies. Such reports should be copied to the following: Chairman, School of Business and Economics Graduate Studies Committee and Chairman, Business Administration and Management Science Department. Kindly adhere to research ethics consideration in conducting research.

It is the policy and regulations of the University that you observe a deadline of two years from the date of registration to complete your Master's thesis. Do not hesitate to consult this office in case of any problem encountered in the course of your work.

We wish you the best in your research and hope the study will make original contribution to knowledge.

Yours Sincerely,

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY
DIRECTORATE OF POSTGRADUATE STUDIES
P.O. Box 190 – 50100, KAKAMEGA (K)
Date:.................. Sign:..................

Prof. Stephen Odebero, PHD, FIEP
DIRECTOR, DIRECTORATE OF POSTGRADUATE STUDIES

APPENDIX 2: REQUEST LETTER TO KRA STAFF FOR QUESTIONNAIRE FILLING

Eugine Manani Musali

P. O. Box 190-50100

Kakamega

1st August, 2023

The Human Resource Manager,

Kenya Revenue Authority,

P.O. Box 48240-00100, Nairobi.

Dear Sir,

RE: <u>REQUEST FOR FILLING QUESTIONNAIRES</u>

I am now enrolled in Masinde Muliro University of Science and Technology, where I am pursuing a Master's degree in Business Administration. I am conducting a research project in the topic of tax policy changes and public revenue development in the western counties of Kenya. These questionnaires are being distributed with the intention of collecting data that will be used in the process of evaluating the impact that changes in tax policy have had on the growth of public revenue in Kenya. The information will be handled with the utmost discretion and confidentiality. For your assistance, do complete out the questionnaire that is attached to this message. I shall be grateful for your continued cooperation.

Yours Faithfully,

Eugine Manani Musali

APPENDIX 3: RESEARCH QUESTIONNAIRE

The completion of this questionnaire will allow for the collection of information about the influences of tax policy changes on the rise of public revenue in western areas of Kenya. The data was only going to be utilized for academic purposes, and it was going to be safeguarded with complete confidentiality. It is desired that you take part in the research by giving responses to the questions that are included within the sections as they are presented.

INSTRUCTIONS

Please give your comment in the designated field or mark the corresponding box (√) as applicable. For the sole purpose of this investigation, each and every piece of information that was presented here was to be treated as completely private and secret.

SECTION A: DEMOGRAPHIC INFORMATION

1. What is your designation:________________________________

2. How long have you been working with this Organization?

No.	Details	(Tick)
1	Below 1 Year	
2	1-3 Years	
3	3-5 Years	
4	5-10 Years	
5	Below 10 Years	

Use the below shown key to answer the questions. (Please tick in the appropriate cell against each question)

Key

1. Very Great Extent
2. Great Extent
3. Moderate Extent
4. Little Extent
5. No Extent

SECTION B: PUBLIC REVENUE GROWTH

S/ No.	**Question**	**5**	**4**	**3**	**2**	**1**
1.	What is the extent to which KRA reforms influence public revenue growth in Kenya					
2.	What is the extent to which KRA reforms influence Government budgets as an aspect of public revenue growth in Kenya					
3.	What is the extent to which KRA reforms influence Per-capita income as an aspect of public revenue growth in Kenya					
4.	What is the extent to which KRA reforms influence Gross fixed capital formation as an aspect of public revenue growth in Kenya?					
5.	What is the extent to which KRA reforms influence Gross savings rate as an aspect of public revenue growth in Kenya					
6.	What is the extent to which KRA reforms lead to improved tax collections with growth of public revenue as a result of tax policies					
7.	What is the extent to which KRA reforms results to improve gross savings rate with growth of public revenue					

	as a result of tax policies					
8.	What is the extent to which KRA reforms facilitate achievement of public service targets with growth of public revenue as a result of tax policies					

SECTION C: TAX ADMINISTRATION

S/ No.	Question	5	4	3	2	1
1.	What is the extent to which tax administration reforms in KRA affect public revenue growth in Kenya					
2.	What is the extent to which Tax bands in KRA influence public revenue growth in Kenya					
3.	What is the extent to which Tax payer Regimes and recruitment policies influence public revenue growth in Kenya					
4.	What is the extent to which Tax returns management policies in KRA influence public revenue growth in Kenya					
5.	What is the extent to which Tax remittance/payment policies in KRA influence public revenue growth in Kenya					
6.	What is the extent to which VAT Tax On Turn Over influence public revenue growth in Kenya					
7.	What is the extent to which VAT Tax rates influence public revenue growth in Kenya					

SECTION D: TAX ENFORCEMENT

S/ No.	Question	5	4	3	2	1
1.	What is the extent to which tax enforcement in KRA influence public revenue growth in Kenya					
2.	What is the extent to which Tax Audits influence public revenue growth in Kenya					
3.	What is the extent to which Tax Assessment influence public revenue growth in Kenya					
4.	What is the extent to which tax Compliance influence public revenue growth in Kenya					
5.	What is the extent to which Audit department in KRA influence public revenue growth in Kenya					
6.	What is the extent to which Tax collection enforcement policies in KRA influence public revenue growth in Kenya?					
7.	What is the extent to which tax targets influence public revenue growth in Kenya					

SECTIONE: HUMAN RESOURCE REVITALIZATION

S/No.	Question	5	4	3	2	1
1.	What is the extent to which human resource revitalization in KRA affect public revenue growth in Kenya					
2.	What is the extent to which Staff recruitment in KRA influence public revenue growth in Kenya					
3.	What is the extent to which KRA Human Resource development programmes influence public revenue growth in Kenya					
4.	What is the extent to which KRA recruitment influence public revenue growth in Kenya?					
5.	What is the extent to which a KRA advertisement before recruiting new staff personnel influence public revenue growth in Kenya					

6.	What is the extent to which KRA staff trainings in accordance with emerging issues influence public revenue growth in Kenya					
7.	What is the extent to which KRA Trainings on both external and internal employees influence public revenue growth in Kenya					

Thank you.

APPENDIX 4: FACTOR ANALYSIS

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.585
Bartlett's Test of Sphericity	Approx. Chi-Square	194.955
	Df	28
	Sig.	.000

Communalities		
	Initial	**Extraction**
What is the extent to which KRA reforms influence public revenue growth in Kenya	1.000	.693
What is the extent to which KRA reforms influence Government budgets as an aspect of public revenue growth in Kenya	1.000	.796
What is the extent to which KRA reforms influence Per-capita income as an aspect of public revenue growth in Kenya	1.000	.725
What is the extent to which KRA reforms influence Gross fixed capital formation as an aspect of public revenue growth in Kenya?	1.000	.735
What is the extent to which KRA reforms influence Gross savings rate as an aspect of public revenue growth in Kenya	1.000	.656
What is the extent to which KRA reforms lead to improved tax collections with growth of public revenue as a result of tax policies	1.000	.707
What is the extent to which KRA reforms results to improve	1.000	.754

gross savings rate with growth of public revenue as a result of tax policies		
What is the extent to which KRA reforms facilitate achievement of public service targets with growth of public revenue as a result of tax policies	1.000	.715
Extraction Method: Principal Component Analysis.		

Rotated Component Matrix[a]			
	Component		
	1	2	3
What is the extent to which KRA reforms influence public revenue growth in Kenya	.781		
What is the extent to which KRA reforms influence Government budgets as an aspect of public revenue growth in Kenya	.871		
What is the extent to which KRA reforms influence Per-capita income as an aspect of public revenue growth in Kenya	.833		
What is the extent to which KRA reforms influence Gross fixed capital formation as an aspect of public revenue growth in Kenya?		.834	
What is the extent to which KRA reforms influence Gross savings rate as an aspect of public revenue growth in Kenya	.735		
What is the extent to which KRA reforms lead to improved tax collections with growth of national public revenue as a result of tax policies			.832
What is the extent to which KRA reforms results to improve gross savings rate with growth of national public revenue as a result of tax policies			.817
What is the extent to which KRA reforms facilitate achievement of public service targets with growth of national public revenue as a result of tax policies		.832	
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 4 iterations.			

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.550
Bartlett's Test of Sphericity	Approx. Chi-Square	205.137
	Df	28
	Sig.	.000

Communalities		
	Initial	Extraction
What is the extent to which tax administration reforms in KRA affect public revenue growth in Kenya	1.000	.583
What is the extent to which Tax bands in KRA influence public revenue growth in Kenya	1.000	.261
What is the extent to which Tax audit policies in KRA influence public revenue growth in Kenya	1.000	.193
What is the extent to which Tax payer Regimes and recruitment policies influence public revenue growth in Kenya	1.000	.775
What is the extent to which Tax returns management policies in KRA influence public revenue growth in Kenya	1.000	.668
What is the extent to which Tax remittance/payment policies in KRA influence public revenue growth in Kenya	1.000	.635
What is the extent to which VAT Tax On Turn Over influence public revenue growth in Kenya	1.000	.804
What is the extent to which VAT Tax rates influence public revenue growth in Kenya	1.000	.736
Extraction Method: Principal Component Analysis.		

Rotated Component Matrix[a]		
	Component	
	1	2
What is the extent to which tax administration reforms in KRA affect public revenue growth in Kenya	.726	
What is the extent to which Tax bands in KRA influence public revenue growth in Kenya	.498	
What is the extent to which Tax audit policies in KRA influence public revenue growth in Kenya	.381	
What is the extent to which Tax payer Regimes and recruitment policies influence public revenue growth in Kenya	.880	
What is the extent to which Tax returns management policies in KRA influence public revenue growth in Kenya		.809
What is the extent to which Tax remittance/payment policies in KRA influence public revenue growth in Kenya		.699
What is the extent to which VAT Tax On Turn Over influence public revenue growth in Kenya		.895
What is the extent to which VAT Tax rates influence public revenue growth in Kenya	.845	
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.		
a. Rotation converged in 3 iterations.		

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.682
Bartlett's Test of Sphericity	Approx. Chi-Square	275.760
	df	21
	Sig.	.000

Communalities		
	Initial	**Extraction**
What is the extent to which tax enforcement in KRA influence public revenue growth in Kenya	1.000	.684
What is the extent to which Tax Audits influence public revenue growth in Kenya	1.000	.733
What is the extent to which Tax Assessment influence public revenue growth in Kenya	1.000	.646
What is the extent to which tax Compliance influence public revenue growth in Kenya	1.000	.614
What is the extent to which Audit department in KRA influence public revenue growth in Kenya	1.000	.821
What is the extent to which Tax collection enforcement policies in KRA influence public revenue growth in Kenya?	1.000	.763
What is the extent to which tax targets influence public revenue growth in Kenya	1.000	.727
Extraction Method: Principal Component Analysis.		

Rotated Component Matrix[a]		
	Component	
	1	**2**
What is the extent to which tax enforcement in KRA influence public revenue growth in Kenya		.816
What is the extent to which Tax Audits influence public revenue growth in Kenya		.854
What is the extent to which Tax Assessment influence public revenue growth in Kenya	.804	
What is the extent to which tax Compliance influence public revenue growth in Kenya		.757
What is the extent to which Audit department in KRA influence public revenue growth in Kenya	.904	
What is the extent to which Tax collection enforcement policies in KRA influence public revenue growth in Kenya?	.718	
ENFORCEMENT What is the extent to which tax targets influence public revenue growth in Kenya	.708	
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.		

a. Rotation converged in 3 iterations.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.602
Bartlett's Test of Sphericity	Approx. Chi-Square	301.274
	Df	21
	Sig.	.000

Communalities		
	Initial	**Extraction**
What is the extent to which human resource revitalization in KRA affect public revenue growth in Kenya	1.000	.728
What is the extent to which Staff recruitment in KRA influence public revenue growth in Kenya	1.000	.853
What is the extent to which KRA Human Resource development programmes influence public revenue growth in Kenya	1.000	.888
What is the extent to which KRA recruitment influence public revenue growth in Kenya?	1.000	.819
What is the extent to which a KRA advertisement before recruiting new staff personnel influence public revenue growth in Kenya	1.000	.704
What is the extent to which KRA staff trainings in accordance with emerging issues influence public revenue growth in Kenya	1.000	.947
What is the extent to which KRA Trainings on both external and internal employees influence public revenue growth in Kenya	1.000	.944
Extraction Method: Principal Component Analysis.		

Rotated Component Matrix[a]			
	Component		
	1	2	3
What is the extent to which human resource revitalization in KRA affect public revenue growth in Kenya	.575		
What is the extent to which Staff recruitment in KRA influence public revenue growth in Kenya			.857
What is the extent to which KRA Human Resource development programmes influence public revenue growth in Kenya		.612	

What is the extent to which KRA recruitment influence public revenue growth in Kenya?		.842	
What is the extent to which a KRA advertisement before recruiting new staff personnel influence public revenue growth in Kenya		.796	
What is the extent to which KRA staff trainings in accordance with emerging issues influence public revenue growth in Kenya	.928		
What is the extent to which KRA Trainings on both external and internal employees influence public revenue growth in Kenya	.967		
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 13 iterations.			

APPENDIX 5: NACOSTI LETTER

REPUBLIC OF KENYA

NACOSTI

NATIONAL COMMISSION FOR
SCIENCE,TECHNOLOGY & INNOVATION

Ref No: 291100

Date of Issue: **16/September/2023**

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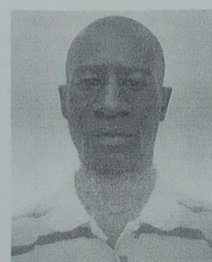

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