

# Examining Withholding Tax on Goods and Services: Challenges and Remedial Approaches in Tanzania's Public Institutions

Jasson Kabika Domitian<sup>1\*</sup>, Evelyne Sylvester Mwambije<sup>2</sup>

<sup>1,2</sup>Assistant Lecturer, Institute of Tax Administration, Tanzania Revenue Authority, Dar es Salaam, Tanzania

**Abstract:** This study aimed to assess the challenges and prospects of withholding tax (WHT) on goods and services in Tanzania, employing both qualitative and quantitative methods. The analysis revealed a concerning trend, with a significant gap between potential and actual withholding tax, which has consistently widened annually from 2017/18 to 2023/24. On average, WHT agents managed to withhold only 25% of the legally expected tax on payments for goods, while for services, the gap between potential and actual withholding tax ranged from 98.70% to 100%. Key challenges identified were: ambiguities in tax laws regarding professional services, dissatisfaction with the credibility of withholding tax deductions, limited proficiency of withholding tax agents in TRA systems and other government digital payment systems, absence of designated withholding tax officers within public institutions, inadequate audit coverage, delay in issuing withholding tax certificates, and lack of coordination between TRA, withholding agents and public institutions. The study proposes several measures to address these issues, including enhancing TRA staff competence and WHT agents in other ICT systems such as MUSE and TAUSi to improve information management, implementing continuous and frequent WHT audits, adopting a proactive approach to compliance, differentiating WHT rates for local contractors (local fundi) and revisiting the WHT legal framework to accommodate the specific circumstances of local contractors.

**Keywords:** Goods, Public Institutions, Services, Withholding Tax (WHT).

## 1. Introduction

The need to generate additional tax revenue is essential for developed world and even more critical for emerging economies striving to expand public expenditure, lessen dependence on foreign aid, and minimize reliance on borrowing. Reflecting this, as a strategic and efficient mechanism to ensure a systematic and timely inflow of funds into government coffers, most governments, through their tax authorities, [1], [2], [3] identified the withholding tax regime as the optimal mechanism for capturing the portion of income tax on payments for which the recipients may not or are not required to file return. The withholding tax (WHT) system ensures a consistent revenue stream for the government by facilitating the advance collection of taxes. It enhances the efficiency of tax authorities in revenue mobilization and

enforcement.

The withholding tax has been defined in the Tanzania Income Tax Act of 2004; [Cap.332 RE.2019], as a mechanism whereby any resident person that makes a payment in respect of goods supplied or services rendered by a resident person or a non-resident in the course of conducting business shall withhold income tax at a rate specified under paragraph 4(c) of the First Schedule of the Income Tax Act. Section 83 (3), as highlighted in subsection (1) (c) (ii) of the Act, provides a further definition of professional services. Moreover, Section 86 (1) (d) and 87 of the Act define final and non-final withholding tax, both of which are covered in this study.

Literature, including the work of [3], asserts that the implementation of a withholding tax system on personal income tax by the U.S. state government resulted in an immediate and sustained 29 Percent increase in income tax revenue. Additionally, the system improved the tax compliance as the non-filing decreased significantly, considering the tax rates kept constant. This literature relates to the findings identified by Slemrod and [4], [5], and [6]. [7], asserted that, despite tax authorities placing greater emphasis on withholding tax leading to an increasing number of inspections into its settlement various challenges persist. Taxpayers and remitters frequently struggle to navigate the complexities of the pay and refund mechanism, often facing confusion regarding its fundamental principles. These challenges include the failure to ascertain whether a payment falls within the scope of withholding tax, the inability to verify the payee's status as the beneficial owner, insufficient documentation to justify exemptions or reduced withholding tax rates, and a lack of verification regarding the applicable thresholds for the pay and refund mechanism.

As cited in [9], along with [10] highlighted the withholding tax system as a cost-effective mechanism benefiting both taxpayers and revenue authorities. It streamlines tax transactions while also mitigating the risk of unpaid taxes that may arise when taxpayers accurately report their income but are unable to fully pay their tax obligations. Their findings further emphasized that the withholding tax system plays a crucial role in fiscal planning and budgeting by ensuring a consistent inflow

\*Corresponding author: [sonjay025@gmail.com](mailto:sonjay025@gmail.com)

of revenue into government coffers.

[11] Emphasized that the withholding tax system serves as a crucial mechanism for tax authorities to collect accurate taxpayer information. This facilitates the identification of non-filers by enabling tax authorities to compare the amount of tax credit claimed by taxpayers with the data submitted by withholding agents. Nevertheless, in Scandinavian nations, the withholding tax system has enhanced the efficiency of tax agencies, leading to the development of pre-filing initiatives. This system enables taxpayers to access their previously settled tax information online through tax authorities' digital services, allowing them to crosscheck their data before submitting their final returns [12].

[3] Found that the introduction of the withholding tax system in cost Rica led to a 20 – 50 percent increase in reported taxable income. Moreover, the study highlighted that the significant compliance impact of withholding tax justified its widespread adoption, particularly in context with low tax compliance. [13], asserted that the implementation of the withholding tax system, particularly on interest in South Africa, faces several challenges including lack of clarity regarding the parties responsible for withholding and non-compliance among withholding agents. The study conducted by [14] emphasized that, although the withholding tax system in Uganda has been highly successful in generating revenue from goods and professional services, several challenges persist. Notably, the lack of integrated business operations accounted for 38.8 percent, while poor invoicing procedures contributed to 37.5 percent, among other.

Tanzania adopted withholding tax (WHT) as a fundamental component of its tax payment framework, as stipulated in part VII of the income Tax Act, 2004. The withholding tax regime mandates entities to withhold tax on various income categories, including employment earnings, investment returns, services fees, and goods. This adoption underscores Tanzania's commitment to enhancing tax collection mechanisms, promoting compliance, and ensuring steady flow of revenue to the government. Pursuant to Section 83 of the Income Tax Act, 2004, public institutions are required to withhold income tax on payments made for goods procured and services rendered. However, the provision distinguishes their obligations: private entities are mandated to withhold tax solely on services, whereas public entities must withhold tax on both goods supplied and services received.

Despite the continuous rise in government expenditure reflecting increased disbursements for procured goods and services, the remittance trend of withholding tax by both government and private entities has shown a significant disparity. Data from the Tanzania Revenue Authority indicates that, over the past seven years (from 2017/18 to 2023/24), withholding remittances have maintained a steady average contribution of just 5.3 percent of total gross income. This stands in stark contrast to the consistently upward trajectory of government expenditure. Notwithstanding the observed poor performance in withholding on goods and services, no study has been conducted within Tanzania's public sectors to provide insight into this issue.

The observed disparity in withholding tax collection on

goods and services underscores significant operational and administrative challenges, particularly in ensuring proper compliance and timely remittance of withholding tax. For instance, the government's development budget increased from Tzs10, 525.0 Billion in 2022/21 to Tzs13, 823.30 Billion in fiscal year 2020/21 to TZS 13,823.30 Billion in the fiscal year 2021/22, marking 31 percent growth [15]. In 2022/23, it further surged to TZS 15,006.0 Billion yet withholding collections remained disproportionately low at TZS 1.12 Billion, just 0.008% of the budget. This stark contrast underscores significant inefficiencies in withholding tax compliance and remittance. Strengthening enforcement and administrative mechanisms is crucial to addressing these gaps. This study aimed to identify challenges, opportunities and propose practical measures to enhance the operational efficiency and compliance mechanisms of withholding tax in Tanzania.

## 2. Literature

This section analyses various empirical literature regarding the study. The reviewed literature are diverse, encompassing variables associated with the study and serves to highlight the gaps within the existing body of knowledge.

[16], found that a significant number of respondents perceived withholding tax as an excessive financial burden, which acts as a deterrent to business operations. The study highlighted several challenges in the effective collection of withholding tax, including insufficient taxpayer education, the geographical distance of the Ghana Revenue Authority (GRA) office from the taxpaying public, high illiteracy rates among traders, difficulties in locating taxpayers, inadequate logistical support, and poor record-keeping practices. In light of these findings, this study seek to examine the challenges associated with withholding tax and explore potential opportunities for system improvement within the context Tanzania.

In the context of the digital economy, [17] suggested a standalone gross-basis final withholding tax on services in business-to-business contexts, aimed at addressing the tax challenges arising from digitalization. While Báez and Brauner focused on withholding tax in the digital economy, this study broadened the scope to encompass both goods and services supplied to both private and public intuitions in Tanzania, thereby offering a more comprehensive analysis of withholding tax mechanism across diverse economic sectors.

[18], Examined compliance with withholding tax laws in Tanzania, with a particular focus on rent transactions with the financial sector. The study revealed that a significant number of taxpayers, particularly small business owners, struggled to comprehend the complexities of tax regulations, resulting in a widespread non-compliance. Additionally, the procedural intricacies of the law created enforcement challenges, ultimately shifting the tax burden to other taxpayers. However, the scope of David's study was limited to withholding tax on rent. Building upon this foundation, this study extended the analysis to encompass withholding tax on goods and a broader range of services.

[19] Conducted on international comparative analysis on dividend withholding tax, with a particular emphasize on South

Africa. The study highlighted that the imposition of dividend withholding tax, coupled with the absence double taxation agreements, could serve as a disincentive for both existing and prospective investors. While Tshikovhi's study provided critical insights into the implications of withholding tax on dividends, its scope remained confined to the private within the South Africa context. Building this foundation, this study expanded the focus by examining the withholding tax on goods and services in relation to both public and private institutions.

The European Union Code of Conduct on Withholding Tax suggests pragmatic measures to enhance the efficiency of withholding tax procedures, with a particular emphasis on streamlining refund mechanism and relief at source [20] while this framework offers valuable insights into improving withholding tax administration, its applicability largely shaped by the EU's economic and regulatory context. Consequently, its relevance to Tanzania. Particularly in the taxation of public institutions, remains uncertain. This study aimed to address the gap by examining the challenges and dynamics of withholding tax on goods and services in Tanzania.

A study conducted in Ethiopia by [21], examined the challenges associated with business income tax administration, highlighting issues such as unethical practice among tax collectors, the prevalence unregistered traders, and widespread tax evasion. Although the primary focus on of the study was on business income tax, it also addressed withholding tax as part of the broader tax collection framework. This connection aligns with the scope of this study.

[22] Examined the effects of introducing withholding and third part reporting on tax collections in the U.S state personal income tax. The study found that introducing withholding tax led to an immediate and permanent increase in income tax revenues by 29 percent. While this study is based in the U.S., the findings suggest that withholding tax could have similar effects in other jurisdictions, though this may differ from tax collected from the government entities in Tanzania.

The study on behavioral effects of withholding tax on individual tax compliance By [23], revealed that taxpayers reporting behavior was significantly influenced by withholding amounts, compliance increased in cases of over-withholding and declined when under-withholding occurred. Similarly, [24] analyzed withholding tax non-compliance in dividend taxation within the German Stock market, particularly in the context of cum-ex transactions. Their findings indicated that non-compliance was primarily driven by collusive tax fraud, highlighting systemic vulnerabilities in withholding tax enforcement. However, while these studies provide valuable insights into withholding tax compliance, their focus remains on individual income and stock market transactions. This study extended the examination on withholding tax in the context of goods and services in Tanzania.

### 3. Methodology

The study adopted a descriptive design to illustrate existing characteristics, trends and relationships. A combination of qualitative and quantitative approaches were used to analyze challenges in administering withholding tax on goods and

services in Tanzania. Thematic analysis provided in-depth insights into withholding challenges and opportunities, focusing on the legal framework, administrative procedures, and enforcement mechanisms. Quantitative data from government financial statements and withholding remittances to the Tanzania Revenue Authority (2017/18-2023/24) [24] were analyzed. Trend analysis was employed to assess and predict withholding performance over time.

#### A. Data sources and Sample Size

The study used both primary and secondary data, with qualitative responses measured on three-point agreement scale. Stakeholders were interviewed on three key areas of withholding tax administration: the legal framework, administrative procedures, and enforcement mechanisms. A sample of 100 withholding tax agents together with taxmen were selected from 228 public institutions across Tanzania mainland and Zanzibar using R statistical software (version 4.3.0) with finite population correction.

## 4. Results and Discussions

This section presents the findings on the challenges and remedial approaches of withholding tax on goods and services in Tanzania. It offers a comprehensive analysis of four key areas of tax administration: legal requirements, administrative procedures, enforcement mechanisms, and the trend analysis of the expenditures, potential and Actual withholding tax.

#### A. Legal Framework Challenges

The findings regarding the legal framework governing Tanzania's withholding tax regime highlight several issues. Perceptions of the legal regime indicate that most withholders have only a limited understanding of the legal provisions governing withholding tax. While withholding tax rates are generally understood due to pre-set rates, concerns over fairness arise due to the disparity between goods and service. Services providers are charged 5%, whereas suppliers of goods are only charged 2%. The credibility of withholding deductions also emerged as a concern, as small vendors, who are not legally mandated to file tax returns, struggle to benefit from withheld tax in the form of tax credits. Additionally, respondents highlighted the lack of a formal definition for small local contractors (commonly referred to as 'local fundi') in tax laws, creating ambiguity in their tax obligations. Furthermore, the scope of withholding tax application is frequently misunderstood by certain institutions acting as withholding agents, particularly those not substantially funded by the government, leading to misinterpretations of their tax liabilities.

The findings highlighted deficiencies within the legal framework governing withholding tax, with the majority of stakeholders expressing dissatisfaction across all key regulatory aspects. Notably, 69% of respondents disagreed that the legal provisions are clear and comprehensible, indicating widespread uncertainty and a lack of understanding. Only 19% found the framework to be clear, while 12% remained neutral, highlighting the need for greater clarity in tax regulations. Regarding perceptions of withholding tax rates, 61% of

Table 1  
Legal framework challenges

Responses	Disagree	Neutral	Agree
Perception on the clarity and awareness of legal regime	69%	12%	19%
Perceptions on withholding rate	61%	14%	25%
Withholding regimes with respect to differentials	58%	18%	24%
Credibility of withholding deducted	67%	16%	17%
The Local Contractor regime	64%	15%	21%
Scope of application of withholding tax	63%	17%	20%
Accessibility of legal provisions	62%	14%	14%

Source: Field (2025)

stakeholders expressed dissatisfaction, aligning with concerns about the fairness of the rate disparity 2% for goods suppliers versus 5% for service providers. While 25% agreed that the rates are reasonable, this may be attributed to sectoral differences, and 14% remained neutral due to insufficient knowledge. Similarly, concerns regarding inconsistencies in withholding tax regimes were prominent, with 58% disagreeing with the current rate structure, 24% supporting its fairness, and 18% remaining undecided.

The credibility and effectiveness of the withholding tax system were also questioned, with 67% of respondents raising concerns. Many vendors, particularly those exempt from filing tax returns, struggle to claim tax credit on withheld amounts, resulting in financial disadvantages. Only 17% believed the system was effective, while 16% remained neutral. Additionally, 64% of stakeholders highlighted the absence of a clear definition for “local fundi” (local Contractors) in tax laws, leading to compliance ambiguities. In contrast, 21% believed this omission had no impact, and 15% were undecided. The scope of withholding tax applications was another key issue, with 63% of respondents suggesting that misinterpretation is widespread, particularly among institutions not substantially funded by the government. Many mistakenly believe they are exempt despite legal provisions indicating otherwise. Lastly, accessibility to legal provisions emerged as a significant challenge, with 62% of stakeholders struggling to obtain, interpret, or apply withholding tax regulations effectively. Only, 14% found the provisions readily accessible, underscoring the need for improved dissemination and education. Findings from [25]; [26]; [27], and [28] highlighted on the legal challenges in withholding tax, particularly legal framework ambiguities and withholding tax differentials, which was commonly cited as nuisance among taxpayers and was found to be the case in this study.

### B. Administrative Procedures Challenges

The study identified key administrative challenges in withholding tax compliance. A key concern was the limited proficiency of WHT agents in TRA systems and other government digital payment systems like MUSE, TAUSI and GePG, which impairs their ability to accurately verify withholding tax related data. This deficiency not only compromises data integrity but also hinders operational efficiency. Additionally, the absence of designated withholding tax officers within public entities exacerbates compliance risks, leading to oversight, delays, and potential inaccuracies in tax administration. Furthermore, the findings highlight a lack of continuous and frequent audit by TRA, raising concerns about

its capacity to proactively detect non-compliance and enforce withholding tax regulations effectively.

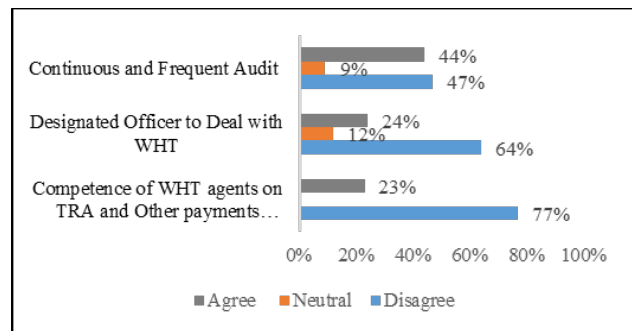


Fig. 1. Administrative procedures challenges

The findings from the questionnaire indicate that, on average, 77% of respondents coincide that withholding tax agents and some TRA staff demonstrate limited competence in using TRA’s system and other government digital payment systems. Only 23% of respondents affirm that withholding tax agents are adequately equipped with the necessary competence to operate revenue and other government digital payment systems. Additionally, on average, 64% of the respondents indicated that public entities acting as withholding tax agents would benefit from the appointment of a designated officer to manage withholding tax matters from the Tanzania Revenue Authority. Conversely, 24% believe that these entities do not require a designated officer, as targeted awareness training would suffice to enable them to function effectively as WHT agents. The remaining 12%, who expressed neither view, warrant further examination to address potential inefficiencies. The administrative challenges were further assessed by evaluating the frequency with which the TRA conducts audits on its withholding tax agents. The findings indicate that, on average, 44% of respondents affirm that audits are performed regularly and continuously, while 47% disagree that the audits are conducted as required. Additionally, 9% of respondents remain neutral on the issue. The findings align with those of [29] and [30], although Horn’s study focused on withholding tax on interest. Despite this difference, the challenges identified in both studies remain consistent. Similarly, the findings of [31], which emphasized silo operations, also reflects similar findings.

### C. Enforcement Mechanisms Challenges

The findings on enforcement mechanisms reveal critical challenges in the administration of withholding tax on goods and services within Tanzania’s public and private institutions. Key challenges include insufficient audit coverage, leaving a significant number of public institutions unaudited and

increasing the risk of undetected non-compliance. A lack of stakeholders' awareness results in tax deduction errors, further complicating compliance efforts. Additionally, infrequent visits in high-risk areas undermine enforcement efficacy, while delays in issuing withholding tax certificates disrupt verification processes and administrative efficiency. Moreover, system integration challenges between TRA, MUSE and TAUSI impede accurate data reconciliation, exacerbating enforcement difficulties.

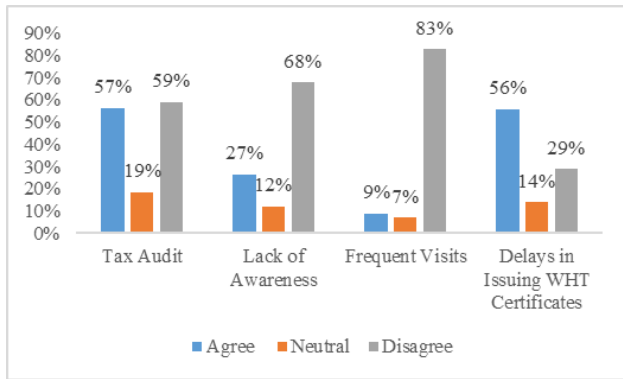


Fig. 2. Enforcement mechanisms challenges

The findings highlight significant challenges in withholding tax enforcement. Tax audits show mixed perceptions, with 57% agreeing that tax audit is effectively conducted, however, a high disagreement rate of 59% suggests concerns about their adequacy and coverage. Lack of awareness is a major issue, with 68% disagreeing that they have sufficient knowledge, which can lead to non-compliance and errors in tax deductions. Frequent visits by Tax Authority are notably lacking, as only 9% agreed they occur regularly, while 83% disagree, indicating an urgent need for more proactive enforcement. Moreover, delays in issuing withholding tax certificates remain a significant challenge, although 56% agree that efforts exist to address the issue, and 29% still express dissatisfaction suggesting room for improvement in administrative efficiency.

*D. Performance Trend of WHT on Goods and Services*

The analysis on the performance trend of Withholding Tax on goods and services was conducted to assess its fluctuations, influenced by the government expenditure and various patterns, including compliance levels, legal framework requirements, administrative procedures, and enforcement mechanisms. As indicated in Figure 3 below, a trend analysis of the government expenditure on goods and services, alongside withholding tax (WHT) from 2017/18 to 2023/24, reveals significant patterns in fiscal performance, highlighting the interrelationship between potential withholding tax and actual collected Withholding Tax as driven by the expenditure trends.

The results illustrated in Figure 3 indicate that government expenditure on goods and services has exhibited a generally increasing trend over the analysed period, albeit with notable fluctuations in 2019/20. Total expenditure increased from TZS10.57 trillion in 2017/18 to TZS15.00 trillion in 2023/24, with the downturn in 2019/20 potentially attributable to budget reallocations, macroeconomic contractions, or fiscal

consolidation measures. The consistent increase post 2019/20 underscores a sustained commitment to service delivery, economic stimulus initiatives, and increased procurement activities. Given this expenditure volume, the projected potential withholding tax (WHT) directly proportional to government spending rose from TZS2.87 trillion in 2017/18 to TZS7 trillion in 2023/24, theoretically reflecting an increase in taxable procurement activities. However, despite this upward trend in both government expenditure and potential WHT, the actual withholding tax collected has shown a contrasting and pattern, peaking at TZS53.11 million in 2018/19 before experiencing a significant decline to 19.05 million in 2021/22, followed by a marginal recovery in subsequent years. The growing gap between potential and actual WHT suggest fundamental inefficiencies in tax compliance, enforcement mechanisms, and administrative procedures, raising concerns over the effectiveness of revenue collection frameworks.

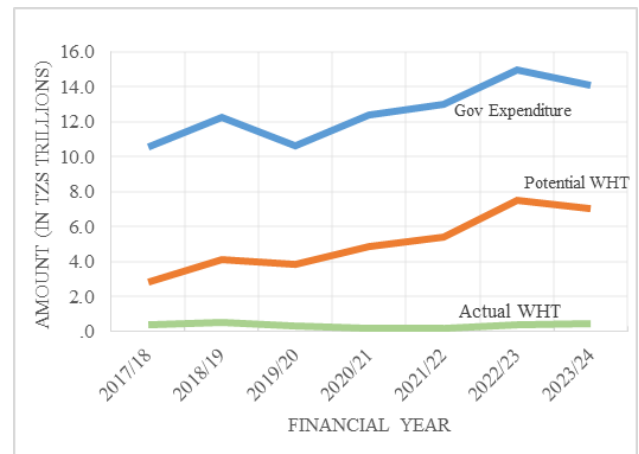


Fig. 3. Performance trend of WHT on Goods and services for 2017/18 - 2023/24 (TZS "Trillions")

**5. Conclusion**

The results revealed a widening gap in Withholding Tax performance from 2017/18 to 2023/24, with the most significant shortfall observed in actual collections. On average, public institutions withheld only 25% of the legally expected tax on goods, predominantly due to non-compliance, negligence, poor enforcement, and inadequate inter-agency coordination. For Withholding Tax on services, the gap between potential and actual collections remained critically high, ranging from 98% to 100% throughout the period. This was found largely attributed to ambiguities in tax laws, particularly regarding the classification of professional services subject to withholding. These findings highlight the urgent need for stronger compliance measures, enhanced enforcement mechanisms, and clearer legal frameworks to bridge the tax gap, optimize revenue collection, and improve the overall effectiveness of the Withholding Tax system.

**6. Remedial Approaches**

Drawing insights from the study's findings, the following remedies are recommended to address the identified challenges



and enhance the efficiency and effectiveness of withholding tax (WHT) systems on goods and services in Tanzania.

#### A. Strengthen TRA Staff Expertise on Systems Like MUSE and TAUSi

In order to address this knowledge gap is crucial for enhancing TRA's capacity to manage Withholding Tax related information and ensuring the seamless operation of essential systems. Such as attachment for TRA staff in related institutions that operates mentioned the systems.

#### B. Improve Dedicated Oversight

The findings recommend the establishing a structured approach among withholding tax agents, appointing designated officers possessing the expertise to manage withholding tax complexities, ensuring transparency, compliance, and seamless process integration.

#### C. Regular Audits

A strategic shift in TRA's audit approach is essential, emphasizing proactive and regular Withholding Tax audits to enhance compliance. Frequent audits will strengthen oversight, enforcement, and taxpayer accountability. This approach fosters transparency and a culture of compliance through timely feedback.

#### D. Differentiated Rates

To address the noticed challenges, potential solutions include exploring differentiated rates for local contractors, providing training to facilitate lacking expertise, considering a centralized deduction mechanism for certain facilities, and issuing clear guidelines to support deductions.

#### E. Legal Clarity for Informal Contractors (Local Fundi)

The study recommends clarification of the tax laws on the deductibility and remission of withholding tax for informal contractors (local fundi). The commissioner could issue a practice notice for guidance, while a turnover based scheme may ensure fair taxation based on services providers' capacities. In addition, stakeholder and tax legislators may be engaged in seeking a consensus about the need for a special regime or categorization. Moreover, the study recommends incorporating the definition of "Local Fundi" into the Income Tax Act, explicitly recognizing them based on Vocational Education and Training Authority (VETA) registration.

#### F. Enhanced Communication and Compliance

To address this issue, it is recommended to improve awareness in the government institutions and public at large on withholding tax application, track foreign transactions, align procurement with tax laws, and strengthen enforcement mechanisms.

### References

- [1] Tanzania revenue Authority (TRA), Tax Collections statistics; <https://www.tra.go.tz/resource-center/14> (2017/18-2023/24),
- [2] Tanzania Revenue Authority, *Assessment of Performance of Withholding Tax on Goods and Services in Tanzania: The Case of Public Institutions*, Department of research and planning, Dar es salaam Tanzania, 2024.
- [3] Forum on Tax Administration Annual Report.
- [4] <https://www.oecd.org/content/dam/oecd/en/topics/policy-issues/taxadministration/forum-on-tax-administration-annual-report-2018-2019.pdf>, 2018-2019.
- [5] M. Hernandez, A. Brockmeyer, "Taxation, Information, and Withholding": Evidence from Costa Rica. World Bank Policy Research, Working Paper No. 7600.
- [6] S. Bagchi, and L. Dusek, "The effects of introducing withholding and third-party reporting on tax collections": Evidence from the U.S. state personal income tax, *Journal of Public Economics*, vol. 204(C), 204, art. No. 104537, 2021,
- [7] J. Slemrod, and T. Velayudhan, "Do firms remit at least 85% of Tax everywhere? New evidence from India," *Journal of Tax Administration*, 4(1), 24-37, 2018.
- [8] M. Waseem, "The Role of Withholding in the self-enforcement of Value-added Tax: Evidence from Pakistan", *The Review of Economics and Statistics*, 104(2):336-354.
- [9] E. Karlińska, "Withholding tax (WHT) – the most common problems", RSM International US California, 2022.
- [10] F. Guodaa, "Investigating the effectiveness of withholding tax laws and regulations enforcement within Boltanga Municipality", 2021.
- [11] B. Callen and H. Callen, "US. Patent Application" No.10/152,051, 2004.
- [12] H. Huizinga and S. Nielsen, "Withholding Taxes or Information Exchange: The Taxation of International Interest Flows", *Journal of Public Economics*-10.1016/S0047-2727(01)00171-2, 2003.
- [13] M. Viswanathan, "Tax compliance in a decentralizing economy", *Ga. St. UL Rev.*, 34, 283, 2017.
- [14] D. Bentley, "Timeliness principles of taxpayer protection: how they adapt to digital disruption. *eJTR*", 16, 679, 2018.
- [15] C. Horn, "Withholding Tax on Interest: Practical Difficulties for Withholding Agents", University of Johannesburg (South Africa) ProQuest Dissertations & Theses. 28281675, 2017.
- [16] B. E. Andele, "The Effect of Withholding Tax on the Level of Revenue of an Economy": A Case Study of Uganda Revenue Authority Katwe Makindye Division Kampala Uganda, 2019.
- [17] Ministry of Finance (MoF), Revenue and Expenditure Reports: <https://www.mof.go.tz/publication-groups/tax-expenditure-reports> , (2017/18-2023/24).
- [18] A. S. Atianeere, "Challenges of the Withholding Tax System in Ghana": A Case study of Upper Denkyira East Municipality (Doctoral dissertation), 2013.
- [19] A. Báez, and Y. Brauner, "Policy options regarding tax challenges of the digitalized economy: making a case for withholding taxes". Available at SSRN 3167124, 2018.
- [20] J. David, "The Law and Practice Relating to Withholding Tax in Rent Transactions in Tanzania", Doctoral dissertation, Mzumbe University, 2020.
- [21] F. S. Tshikovhi, "An international comparative study of dividend withholding taxes", University of Johannesburg (South Africa), 2018.
- [22] F. M. Nouwen, "The European Code of Conduct Group Becomes Increasingly Important in the Fight against Tax Avoidance", *More Openness and Transparency is Necessary*, 45, Intertax, Issue 2, pp. 138-149, 2017.
- [23] T. D. Tumoro, "Challenges of business income tax administration with specialempphasis on collection process in Ethiopia: The case of Hadiya zone, Hossana town". *Journal of Accounting and Taxation*, 12(3), 85-98, 2020.
- [24] C. A. Vossler, M McKee and M. D. Bruner, "Behavioral effects of tax withholding on tax compliance: Implications for information initiatives", *Journal of Economic Behavior & Organization*, 183, 301-319, 2021.
- [25] T. Buettner, C. Holzmann, F. Kreidl, & H. Scholz, "Withholding-tax noncompliance: the case of cum-ex stock-market transactions," *International Tax and Public Finance*, 27, 1425-1452, 2020.
- [26] B. Samuel, "The Legal Framework of Withholding Tax (WHT) Compliance among the Construction Companies in Kampala", *Kampala International University, School of law*, 2018.
- [27] United Nations (UN), "A global framework for financing sustainable development", Addis Ababa Accord, <http://www.un.org/esa/ffd/wp-content/uploads/2015/03/1ds-zero-draftoutcome.pdf>, 2015.
- [28] Deloitte, "Global corporate tax and withholding tax rates", <https://www2.deloitte.com/kz/en/pages/tax/articles/glob.al-tax-rates.html>, 2014
- [29] L. Kayaga, "Tax Policy Challenges Facing Developing Countries: A Case of Uganda", Queen's University Ontario-Canada, 2007.