

**FACTORS AFFECTING LOCAL REVENUE GENERATION IN LOCAL  
GOVERNMENTS: A CASE STUDY OF WAKISO DISTRICT**

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## ABSTRACT

The purpose of this study was to examine the factors affecting local revenue generation in Wakiso District local government. Local revenue collection generates income for the local government organization to finance the social services. Local collection source supports the performance of Wakiso District. The study was guided by the objectives which include: examining the nature of the local revenue sources, analyzing the trends of local revenues in Wakiso District Local Government in the last 4 years, assessing the factors affecting local revenue collection and possible ways of improving generation of local revenues by Wakiso Local Government. The study used a cross sectional study with both quantitative and qualitative approaches. Primary data was collected on 300 respondents using closed ended and open ended questionnaire and interviewed 7 respondents.

Results on the major source of local revenues revealed that business licenses, market fees property tax, fish levy, business licenses, fines, penalties, revenue from agricultural and forestry products market fees, bus stand and car parking. The trend of local revenue collection kept fluctuating over the period of time with the tremendous decrease of from 2016 to date which justifies the poor performance at Wakiso district due to inadequate financing of activities.

The dominant factors affecting changes in local revenue collection include: incompetent revenue assessors, poor planning on revenue management, lack of enough equipment, failure to carry out feasibility study and failure to notify people on time of their dues poor assessment of tax which adversely affect the volumes of revenue collection. However, low affordable tax rate influences compliance to local revenue payments in Local Government. Strategies included: introduction of new revenue sources and benchmarking of successful techniques, improving relations between the district and the tax payers and sensitization of the public to comply on payment of revenue.

The study recommend that local government should sensitize the public on relevance of paying revenues using local media, community meeting with local leaders and regularly carryout feasibility studies to map the revenue viable sectors to support the efficiency of local revenue collection.