

CUSTOMS DUTY REVENUE AND NATIONAL TAX COLLECTIONS IN RWANDA A CASE STUDY OF RWANDA REVENUE AUTHORITY

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ABSTRACT

The purpose of this research was the demonstration of customs duty on government revenue collections in Rwanda. The objectives of the research include; to examine the impact of customs duty on government revenue collections; to find out the level of customs duty towards the government revenues collections in Rwanda; to identify the challenges faced by Rwanda Revenue Authority (RRA) in collecting customs duty in Rwanda; to identify ways in which RRA uses to create compliance taxpayers about customs duty in Rwanda. The research contributed on the knowledge of the effectiveness of customs duty into government revenues collection. The researcher shared experience with other researchers in the field of impact of customs duty on national revenue collections and understanding on the challenges related to customs duty collection. This research generated knowledge about customs duty and its impact on government revenue collections. The research result will serve as a guide for future researchers who intend to research on the same issue. Both qualitative and quantitative data were gathered in order to establish the relationship between the independent and dependent variables. The research was carried out in RRA. The data were collected from the sample population size of seventy staff of RRA from sections that deal with customs duty collection and planning. Stratified random approach was used to select staff of RRA during this research. After collecting data, the researcher organized answered questionnaires, edit and sort them for the analysis stage. The data was presented using frequencies and percentages of responses from the answered questionnaires. Taxation is essential for sustainable development; supports the basic function of a sustainable state and sets the context for economic growth. The data analysis has shown that customs duty collected account a small proportion on total revenue collections even if RRA still faces many challenges in collecting customs duty. Rwanda through RRA should develop an efficient and effective personal and corporate tax system that is transparent and fair to all taxpayers, to make reforms that streamline taxation for growth and development and facilitate doing business, hence promoting investment in the country.