

# **The role played by tax practitioners on value added tax (VAT) compliance in Tanzania**

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The main objective of the study was to evaluate whether Tax Practitioners enhance Taxpayers' Value Added Tax compliance in Tanzania. Specifically Tax practitioner's knowledge in VAT laws, reliability of their advice given to taxable persons and the level of accuracy observed on VAT returns prepared by tax practitioners were assessed. Factors that influence taxpayers' decision to engage tax practitioners were also evaluated. The study is a sample survey conducted in Dar es Salaam region covering 72 VAT registered taxpayers, 34 Tax officials and 5 Tax practitioners. Result from the study show that tax practitioners have sufficient knowledge in VAT laws; exhibit high skills and professional competency; and advice their clients accurately. VAT returns prepared by Tax practitioners are more accurate than those returns prepared by the taxpayers themselves. Further results show that factors which forced the VAT registered taxpayers to use tax practitioners includes among others lack of tax and accounting knowledge, complexity of tax laws and objectively to have the most correct VAT returns. The study recommends the enhancement of tax education program as it will increase the taxpayer's ability to understand the tax system thus enabling them to have clear conscience in carrying out their responsibilities. Simplification of tax laws, improvement of taxpayer services and recognition of tax practitioners as the key stakeholders in building voluntary VAT compliance. Lastly further research areas have been identified.