

**TAX NON COMPLIANCE IN PRIVATE EDUCATION
INSTITUTIONS IN UGANDA**

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ABSTRACT

Developed countries have had commendable success in improving their taxation policy systems over the years. However, developing countries face numerous tax policy challenges when they attempt to establish efficient tax systems. The increasing taxes imposed on education institutions make it clear that Uganda's tax policies urgently need to be reviewed to increase tax revenues in better efficient ways. This research was conducted to investigate the causes of tax noncompliance among the private education institutions in Rubaga division, Kampala district in Uganda. The study was guided by three main research objectives namely; to examine the main canons of taxation relevant to taxation of private education institutions, to examine the government policy on taxation of private education institutions and to investigate the challenges of tax compliance among the private education institutions in Uganda. The researcher used a qualitative cross-sectional research design and 20 respondents were selected as the sample size for 10 private education institutions. Primary data was analyzed explanatory. Findings revealed that canons of taxation were not employed well to a greater extent when taxing the institutions and this retarded growth and investments of private schools. The 30% income tax which was returned in the 2014/15 budget caused a lot of disparities and various amendments and propositions are being forwarded to government for amendment or to reconsider scrapping the tax. The study recommended that Uganda must approach the tax system not just with its traditional focus on revenue raised, but must reconceive tax policy analysis to encompass assessment of the effects of taxation on efficiency, fairness, incentives, and competitiveness as well as on compliance.