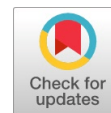


Contribution of Electronic Tax Stamps on Accurate Filing of Excise Tax Returns in Kilimanjaro Region, Tanzania

Salum J. Sulanda, Nyanjige Mayala, Ladis Komba



Abstract: Taxation is, by and large, the most important source of government revenue in nearly all countries. As such, countries worldwide have been embracing electronic means of collecting taxes. This study aimed to assess the contribution of Electronic Tax Stamps (ETS) to the accurate filing of excise in the Kilimanjaro Region of Tanzania. The revenue generation theory (RGT) guided the study and adopted a concurrent research design with a mixed research approach. The population for the study was 60 registered businesses for ETS in Kilimanjaro Region. The sample size was determined by census sampling techniques as the population for the study was small and manageable. Data collection used a questionnaire and a critical informant interview guide. Validity was ensured through content validity, where reading the literature on ETS was used. Then, experts from the University also read the instrument and gave their opinions. A Cronbach Alpha Coefficient test was used for the instrument's reliability, where a 0.799 coefficient was obtained. Descriptive statistics were used to analyze the data collected and presented in tables, while content analysis was used to create themes for the key informants. The study findings indicated that ETS significantly contributes to the accurate filing of excise tax returns in the Kilimanjaro Region. It is concluded that the ETS system has resulted in accuracy in filing and reduced tax evasion, simplified tax payment processes, and increased business compliance. The study recommends that there should be a comprehensive tax reform strategy. The government and policymakers should develop and implement a comprehensive tax reform strategy that includes electronic tax stamps as one component that covers more businesses.

Keywords: Electronic Tax Stamp, Excise Tax, Accurate Filing, Tax Returns, Revenue Collection.

I. INTRODUCTION

Taxation is, by and large, the most important source of government revenue in nearly all countries [2]. According to the most recent estimates from the International Centre for

Tax and Development, total tax revenues account for more than 80% of total government revenue in about half of the countries in the world – and more than 50% in almost every country. A tax is a compulsory financial charge or levy imposed on a taxpayer (an individual or legal entity) by a governmental organization to fund government spending and various public expenditures on regional, local, or national [10]. A failure to pay promptly (non-compliance), along with evasion of or resistance to taxation, is punishable by law [26].

According to the Tanzania Revenue Authority (TRA), an excise tax/duty is an indirect tax imposed upon goods during manufacture, production, importation, or distribution. It is usually proportional to their quantity or value [27]. Excise tax is a tax or duty charged on specific goods and services manufactured locally or imported at varying rates. These goods and services are known as excisable goods. It is charged in both exact and ad-valorem rates. Items charged under specific rates include Wine, spirits, beer, soft drinks, mineral water, fruit juices, recorded Digital Video Disc (DVD), Video Compact Disc (VCD), Compact Disc (CD) and audio tapes, cigarettes, tobacco, petroleum products, and Natural gas while items charged under ad-valorem rates include; Money transfer services, electronic communication services, pay to view television services, imported furniture, motor vehicles, plastic bags, specified aircraft, firearms, selected cases, cosmetics, and medicaments [27] [31].

Excises (or exemptions from them) are also used to modify consumption patterns in a particular area (social engineering). For example, a high excise discourages alcohol consumption relative to other goods [22]. The proceeds from hypothecation could be used to cover the costs of treating illnesses related to alcohol use disorder. Similar taxes may exist on alcoholic goods, tobacco, and pornography, and they may be collectively referred to as "sin taxes" [12].

Tax stamps are used by regulators in approximately many countries globally in an attempt to protect specified product tax revenues [9]. Stamps are issued by official bodies to indicate that a tax, duty, or fee has been paid or prepaid (or, in some cases, that tax is due). Usually, a manufacturer, importer, or producer will buy stamps from the government at the rate specified and used intended, which are then affixed to each excisable good to show that excise tax has been paid. The stamps are designed in designed sizes and forms. e.g., Spirits and Wines may be affixed across a seal of a bottleneck to be destroyed when the bottle is opened. Tanzania Revenue Authority [26] introduced electronic tax stamps (ETS) in 2019 to replace the physical paper stamps heavily linked to tax evasion and counterfeiting incidents.

Manuscript received on 25 August 2024 | Revised Manuscript received on 28 September 2024 | Manuscript Accepted on 15 November 2024 | Manuscript published on 30 November 2024.

*Correspondence Author(s)

Salum J. Sulanda*, Department of Domestic Revenue, Mwenge Catholic University, P.O.BOX 1226 Moshi (Tanzania), East Africa. Email ID: sulandasalum@gmail.com ORCID ID: [0009-0009-4263-0303](https://orcid.org/0009-0009-4263-0303)

Dr. Nyanjige Mayala, Department of Economics and Business Studies (DEBS), Mwenge Catholic University (MWECAU), P. O. BOX 1226, Moshi (Tanzania), East Africa. Email ID: nyanjigem@yahoo.co.uk ORCID ID: [0000-0003-4468-3950](https://orcid.org/0000-0003-4468-3950)

Dr. Ladis Komba, Department of Economics and Business Studies (DEBS), Mwenge Catholic University (MWECAU), P. O. BOX 1226, Moshi (Tanzania), East Africa. Email ID: laadiskomba@gmail.com ORCID ID: [0009-0006-1244-4583](https://orcid.org/0009-0006-1244-4583)

© The Authors. Published by Lattice Science Publication (LSP). This is an open access article under the CC-BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>)

The ETS allows TRA to track the movement of excisable goods from the manufacturer to the consumer. The system uses a unique identification code (UID) embedded in each stamp. The UID tracks the movement of goods, generates reports, and detects counterfeit goods. The ETS system has been successful in reducing tax evasion and counterfeiting. In 2020, TRA collected TZS 1.7 trillion (US\$750 million) in excise duty from goods affixed with ETS. The figure increased by 20% from the previous year [27].

The Regulations identify an electronic tax stamp as an adhesive label that uses advanced digital coding technology and is printed or affixed directly on the product packaging of excisable goods [26]. By using electronic tax stamps, the tax to be paid is identified timely after the consumption of the tax stamp. Therefore, the taxpayer knows what to pay after the excisable goods' manufacturing, importation, or production is completed. Accordingly, electronic tax stamps contribute to increasing business costs and charging high taxes from taxpayers' point of view by using the required stamps, and on the other hand, achieving the government's objective of ensuring tax is paid.

Electronic stamps have contributed to excise tax collection in several ways. Electronic stamps make it more difficult for counterfeiters to produce fake products, as they need to replicate the unique features of the stamps. The implementation of ETS has contributed to a decline in illicit trade, resulting in increased tax revenue [17]. Additionally, ETS enables governments to monitor the movement of goods throughout the supply chain from production to retail. ETS prevents tax evasion and diverts goods to the illicit market [24]. Electronic stamps make it easier for consumers to verify that the products they buy are genuine and that the appropriate taxes have been paid. ETS fosters trust between consumers and governments [18]. Generally, electronic stamps have been a valuable tool for governments to collect excise taxes by ensuring the filing process is correct and secure. They have helped to reduce illicit trade, improve supply chain visibility, and increase transparency. As a result, they have contributed to increased tax collection and government revenue. The current study aims to assess ETS's contribution to the accurate filing of excise tax returns in the Kilimanjaro Region, Tanzania.

II. STATEMENT OF THE PROBLEM

The Government of Tanzania has been losing revenue from excise taxes on excisable goods when physical paper stamps were used [15]. Regarding the importance of excise tax in revenue collection, it is essential to prevent evasion through accurate filing so that this type of tax is collected accurately and on time [14]. Electronic tax stamps for excisable goods were introduced to replace the physical paper stamps that were heavily linked to incidents of tax evasion through inaccurate filling emanating from human errors. The excise tax also requires close monitoring to avoid tax declaration through the manual system, which produces fake stamps. The introduction of electronic tax stamps reflects a vital opportunity to improve service delivery and increase tax compliance by solving issues associated with incorrect filing of the required tax dues. What needs to be added to the literature is how electronic stamps help in the accurate and timely filing of excise duty in Tanzania's process of collecting excise tax. The system is relatively new when compared to traditional stamps. This study is intended to assess the

contribution of electronic tax stamps on the accurate filing of excise tax in the Kilimanjaro region by addressing the gap that is viewed in the whole process of excise tax collection.

III. THEORETICAL LITERATURE REVIEW

The Revenue Generation Theory (RGT) was used to inform the study. The development of ideas around revenue generation is rooted in the broader field of public finance, which examines the role of government in the economy, including how governments raise and spend money. Influential economists such as Adam Smith, John Maynard Keynes, and others since the 18th century have contributed to understanding taxation and government finance. However, no single theory is attributed to a particular person or moment. The theory assumes that governments aim to design tax systems that minimize economic distortions and promote efficiency. Ideally, tax policies should not hinder economic activities, and the tax structure should be as neutral as possible to avoid unintended consequences. RGT also assumes that public support and compliance with tax laws are essential for effective revenue generation. If taxpayers believe the tax system is fair and transparent, they are more likely to comply voluntarily, reducing the need for costly enforcement measures.

[3][28][29][30], in support of the RGT, suggests that there is an optimal tax rate for maximizing government revenue. If taxes are too high, it can discourage economic activity and lead to lower overall tax revenue by people trying to evade the reality of the product values and incorrect filing of the required tax. In the current study, revenue collection is, among others, a function of the optimal level setting of the tax levels so that revenue collection can be optimized. The criticism of this theory on revenue generation is that it needs to be more specific to explain revenue generation in a particular context. Specifically, in the current study, the theory needs to categorically explain the situation of revenue collection regarding excisable goods or how accurate filing impedes the process of revenue collection.

However, the RGT remains a relevant theory that was highly influential, especially in the mid-20th century. Subsequent developments in economic thought have led to the development of other theories, such as monetarism, new classical economics, and new Keynesian economics [1]. These theories provide different perspectives on the role of government and the functioning of markets in the economy. Nonetheless, the principles of the RGT continue to inform discussions on fiscal and monetary policy, especially during periods of economic instability. As for the current study, the theory explains how the generation/collection of excise tax can be implemented by accurately filing the tax dues.

IV. EMPIRICAL LITERATURE REVIEW

The ETS system is based on technology adoption; many scholars have studied how it has contributed to accurate filing, coming with mixed results [8]. In the study of electronic taxation and tax compliance among some selected fast-food restaurants in Lagos State, using descriptive statistics and a sample of 156 restaurant owners, found that most tax stamps are produced on security paper.



It was further found that paper is regarded as secure if it is made under certain conditions and contains particular elements. Security paper is custom-made by specialist manufacturers for each application. It contains complex features to apply, integrate, or create that are specific to the security market and unique to each customer. The paper is invariably U.V. dull, enabling the application or integration of U.V. features that are a crucial security element for value documents. The study concluded that tax stamps' main paper-based security features are security fibers and dots for accurate filing of excise returns. However, security threads and watermarks can also be used. However, the study did not establish the magnitude of excise tax collection. The current study is intended to develop such magnitude.

[5], in the study on Ease of Paying Taxes: The Electronic Tax System in Nigeria, found that technologies that operate on the premise that they confer authentication through physical security and resistance to counterfeiting are better than the rest in the Nigerian markets. These physical authentication technologies are, however, increasingly being combined with a range of options for assigning a unique digital code to an item (a process called serialization) and then the ability to track that code (and the item attached to it) at various points throughout its travels along the supply chain (a process called track and trace). The study further acknowledges the common misconception that authentication and serialization are interchangeable. However, serialization authenticates nothing and needs to be combined with other technologies and systems architectures for easy and accurate filing of excise taxes. The current study is not focused on technologies but on the contribution of excise tax collection.

[11], in the study of the impact of e-filing usage on the job performance of tax agents in Malaysia tax stamps used for tobacco and alcohol, found that all cold beverages are marked with a unique 2D barcode, printed directly on the beverage containers during production, thereby circumventing the need for a paper stamp. The codes are ordered and paid for similarly to traditional tax stamp systems, but the delivery process differs. The study further found that codes are generated by a central database owned and controlled by the government agency and uploaded to the controller server of each beverage plant for subsequent transmission to all production lines. On the production lines, each container is marked with its unique code, scanned and activated, and transmitted back to the central database, together with an image of the container to which it has been applied. The study concluded that agencies could immediately visibly check into what has been produced and provide valuable information that they can cross-check against declared production figures, which eases the process of excise tax filing by the taxpayers and the tax authority in terms of administration and control. The current study will be done in Tanzania and look at the contribution of ETS to the accurate filing of the excise tax.

[25] conducted a cross-validation analysis using 250 Brazilian distributors to evaluate the performance of four different survey methods in estimating unlawful cigarette consumption. They found that implementing the excise tax protocol may lead to much more widespread adoption of cigarette tax stamps. Those ratifying states already with tax stamp Programmes in place will likely want to combine them with their track and trace obligations under the protocol. These obligations will tip some new states into adopting tax stamps for the first time versus those that decide to use direct marking schemes along the tobacco industry system for easy

monitoring and filing of excise tax nationwide. The current study is focused not only on cigarettes but also on several products in the study area. Thus, the coverage is enhanced in the current study. [21][23] the study focused on optimizing E-stamps' use in Indonesia. It employed a systematic literature review methodology to find that e-stamps empower users to finalize agreements and contracts online, eliminating the need for paper documentation. A solution like true-copy credentials streamlines this process, removing the hassle of acquiring e-stamps, saving time, and enabling swift document execution. The study further found that embracing electronic stamps finalizes all agreements and contracts online, eliminating the need for paper. True-copy credentials provide a seamless solution that streamlines the entire process by handling the procurement of e-stamps. As a result, users save valuable time and can swiftly proceed to execute documents without any hassles. The study, however, did not provide any findings on tax filing for the clients to the tax authority. The current research is directed to provide answers to the filing process by the taxpayers to the tax authority and reflection of revenue collection.

V. METHODOLOGY

This study was done in Kilimanjaro Region, Tanzania, as the survey is located at the border between Tanzania and Kenya. The area has experienced importing products like Wine and spirits, which are qualified products to pay excise tax. Kilimanjaro region also has many entrepreneurs who process and produce excisable goods. The study adopted a concurrent research design with a mixed research approach. A concurrent design provides an accurate means of assessing information. It helps collect uniform and comparable data that captures respondents' similarities and differences across the sampled elements to enrich the study findings. By using mixed methods, it is possible to expand the scope and depth of the study rather than using only one approach. It allows for a more complete understanding by covering different aspects of a phenomenon. A mixed approach is also practical, allowing researchers to use the methods best suited to the research question. It provides flexibility in addressing different aspects of a problem most effectively.

The population of the study was 60 registered companies for ETS (as the unit of analysis was the entities), from which all 60 businesses were drawn as a sample size based on the small population. A questionnaire for ETS-registered taxpayers was used to obtain primary data. Key Informative Interviews (KII) were conducted with TRA Officials who work directly with this kind of taxpayer. Key informative interviews were used to obtain opinions and narrations that were not easily captured by questionnaires. Construct validity was ensured by reviewing the literature on excise stamps and monitoring tax revenue. Furthermore, content validity was ensured by involving the study's supervisor and other experts in the field. A pilot study was conducted to test whether the questionnaire was valid. The pilot study was tested on ten respondents from excise tax-registered clients in the nearby City of Arusha. Given the proximity of Kilimanjaro and Arusha and the shared characteristics of their taxpayers, it is reasonable to expect similarities in their tax behavior.



However, it is also essential to ensure that the respondents involved in the pilot study refrain from participating in the main study. A pilot study aims to identify any errors in the questionnaire and correct them before data collection. Thereby ensuring that the questionnaire is adequate for data collection [6]. Data was analyzed using descriptive statistics and a Likert scale set of questions and narratives based on the opinions of the key informants for the study. All ethical codes of conduct were observed from data collection, the involvement of the participants, analysis, and presentation of the findings as they occur.

VI. FINDINGS AND DISCUSSION

A. Demographic Characteristics of Respondents

Four demographic characteristics of respondents were assessed. Results are presented in Table 1.

Table 1: Demographic Characteristics of Respondents (N =60)

Age (Years)	Frequency	Percentage
20-30	3	5.00
31-40	18	30.00
41-50	17	28.34
51-60	11	18.33
61 and above	11	18.33
Mean	48.6	
SD	10.722	
Experience (years)		
1-5	19	31.66
6-10	21	35.00
11-15	9	15.00
> 15	11	18.33
Total	60	
Education level (Years)		
Mean	14.08	
SD	3.242	

Source: Field data, (2024)

Table 2: Contribution of ETS on Accurate Filing of the Excise Tax by Respondents (n=60)

Statements	5 S.A.		4 A		3 N		2 D		1 S.D.		Mean
	F	%	F	%	F	%	F	%	f	%	
ETS has improved transparency and reduced tax evasion.	22	36.66	20	33.33	5	8.33	6	10.00	7	11.66	3.33
ETS is an excellent way to increase government revenue	35	58.33	17	28.33	1	1.66	3	5.00	4	6.66	3.77
ETS has simplified the tax payment process for businesses	33	55	18	30	0	0.00	5	8.33	4	6.66	4.06
ETS has increased compliance among businesses	36	60	10	16.66	4	6.66	6	10.00	4	6.66	4.03
ETS has reduced the administrative burden on TRA.	26	43.33	22	36.66	9	15.00	2	3.33	1	1.66	4.03
The overall effectiveness of ETS in filing excise tax is good	31	51.66	18	30	4	6.66	4	6.66	3	5.00	4.03
Awareness and understanding among taxpayers on ETS tax filing is high	27	45.00	24	40.00	6	10.00	1	1.66	2	3.33	3.99

Source: Field Data, (2024)

Table 2 provides results for the statements asked of the study respondents regarding the contribution of ETS on the accurate filing of excise tax collection in the Kilimanjaro Region. Results indicated that electronic tax stamps have improved transparency and reduced tax evasion in study areas, with a mean score of 3.33, above an average of 3. The results imply that respondents agreed with the statement. The findings also agree with [4], who found that ETS has improved transparency to both sides, the taxpayers and the TRA. As TRA is supposed to collect the correct amount of excise tax from the businesses registered for ETS through the electronic tax stamps, it has been possible for TRA to get

Table 1 presents the socio-demographic characteristics of the study participants. A total of 60 ETS-registered taxpayers were included in the study. Results indicated that 30.0% of the respondents were aged 31-40; they were mature and would possibly respond positively to using ETS in filing their tax dues. A few ETS taxpayers (3.0%) were aged 20-30. The data may indicate that individuals with a high level of experience or maturity often manage businesses subject to ETS

Furthermore, the study recorded that 35.0% of the respondents had experience in business between 6-10, those between 1-5 years were 31.66%, those between above 15 years were 18.33 (30.0%), and those between 11-15 were 15%. The data suggests that most business operators (ETS taxpayers) have experience in their respective industries and, consequently, in filing tax returns." Thus, adapting the electronic system may have few complications for them. The mean number of years spent at school for the ETS taxpayers is 14.08 years, which indicates that most of the ETS taxpayers have gone through a route of formal education where each individual should have gone at least to a diploma level of schooling onwards, which makes it easier for them to understand ETS and filing of tax returns.

B. Contribution of ETS on Accurate Filing of Excise Tax

The study respondents were asked to indicate their agreement or disagreement on ETS's contribution to accurate excise tax filing in the study area. The levels of agreement were 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, and 1 = Strongly Disagree. Results are indicated in Table 2.

what is supposed to be collected as the filing process is accurate for processing the stamps. Respondents to the study participants' claim that ETS is an excellent way to increase government revenue indicated a mean score of 3.77, which signifies agreement with the statement. Respondents also feel the government, through the TRA, is more effective in identifying and rectifying tax evasion than the previous paper-based system.



The amount of tax can prove this, as the taxpayers are charged based on the current electronic system.

The findings are supported by [13], who found that adopting Electronic Tax Systems has increased government revenue collection through the Kenya Revenue Authority in the Nairobi Region, Kenya. ETS contributed to more than 23% of the revenue collection, and one reason was that it facilitated accurate filing of the excise tax in the study area. The findings also are in agreement with the key informants where one of them said that:

'The excise tax collection has increased because filing accuracy has improved. As a result, tax is corrected to the highest level with precision in the process. The tax authority has reached targets as the process captures most of the required information on sport'. Interview conducted on 3rd February 2024.

Another critical informant informed us that;

Officials dealing with excise tax collection have been working quickly as the ETS system has helped them determine the excise tax level to collect accurately. It has also been easy to inform the taxpayers about their dues so that they can file the required tax. Interview conducted on 4th February 2024.

The key informants' confirmation implies an agreement with the tax authority that ETS has contributed to the continued increase in excise tax collection in the study area.

Respondents also agreed that electronic tax stamps had increased compliance among businesses in Kilimanjaro Region, with a mean score of 4.06. This high mean score represents a notable proportion of respondents (50%) and (30%) who agreed that electronic tax stamps have increased business compliance. The findings agree with that of [16], who found that electronic tax stamps are among the Factors influencing manufacturers' preference and use of the Morogoro Region. The study indicated that most respondents indicated that compliance with ETS helped them to operate their businesses with freedom and even plan for their tax dues.

Respondents also agreed with the statement that tax stamps reduce the administrative burden on the government through the TRA, with a mean score of 4.03. Most respondents believe that electronic tax stamps have simplified administrative processes for the government. The findings also agreed with that of the critical informants, where one of them said:

'The follow-up costs to the registered ETS taxpayers have consistently reduced, particularly with the filing of excise tax as the electronic stamps make it easy for taxpayers to sort themselves. As a result, the administrative burden has significantly lessened. Interview conducted on 4th April 2024.

The opinion given by the key informants on administrative costs being reduced by using ETS on excise tax collection confirms that the process has been made simple for the taxpayers to sort themselves out and for the tax authority to reduce the administrative costs of following up with taxpayers to settle their dues.

The overall effectiveness of electronic tax stamps in accurately filing tax returns in the Kilimanjaro Region indicated a mean score of 4.03. Results suggest that a significant portion of the respondents (81.66% combined) perceive the electronic tax stamps as either practical or very

effective in filing the excise tax in the study area. Even though a small proportion of the respondents are neutral or disagree with the statement, the results suggest a firm agreement in the perception that electronic tax stamps portray ineffective, inaccurate filing in the study area. The study's findings agree with those of [5], who found that ETS effectively paid excise tax in Nigeria. The findings also agree with that of [7], who found that the electronic tax system was very effective for internally generated revenue in the Nigerian emerging economy. The study findings further indicated that ETS was more effective in Ebonyi State Board than other Boards in the country.

The other aspect asked of the study respondents was regarding awareness and understanding among taxpayers about electronic tax stamps. The study respondents agreed with a mean score of 3.99, indicating that taxpayers know and understand the ETS system for filing tax returns well. A clear understanding of the tax return filing process among taxpayers can lead to more accurate submission of excise tax returns. At different times, [19] and [20], in their study, found that awareness of the e-system of tax returns ensures accurate filing as taxpayers are aware of the components that are involved in the tax returns.

VII. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions

As the study's findings have indicated that a substantial proportion of participants perceived the system as effectively implemented, leading to improved accuracy in filing the excise tax returns, the study concludes that ETS is an effective mechanism for taxpayers to find their excise tax returns accurately. Thus, as the study findings indicated a direct contribution of the ETS on the accuracy of filing of excise tax returns in the study area, it is further concluded that the ETS system has resulted in accuracy and reduction of tax evasion, simplified tax payment processes, and increased compliance among businesses.

According to the study's respondents, electronic tax stamps have shown promise in enhancing transparency, revenue collection, and other positive potentials. According to the responses, ETS has increased government revenue by curbing tax evasion and improving compliance among larger organized businesses.

It is concluded that taxpayers understand the importance of ETS as an effective mechanism for accurately filing excise tax returns in the study area.

B. Recommendations

i. To Policy Makers and Government

The study recommends that there should be a comprehensive ETS tax strategy. The government and policymakers should develop and implement a thorough tax strategy that includes electronic tax stamps as one component that covers more businesses. By doing this, we can guarantee that the approach is aligned with broader tax policy objectives and is transparently shared with all interested parties.



It is also a recommendation of this study that there should be a launch of extensive public awareness campaigns to educate taxpayers and businesses about the benefits of electronic tax stamps. Trust-building and compliance promotion should be sustained efforts.

Furthermore, the study recommends that there should be more investment in training and capacity building for tax officials, equipping them with the necessary skills to operate and support the electronic tax stamp system effectively. The tax authority will benefit from maintaining updated training programs to keep pace with technological developments. The tax authority also should prioritize technological infrastructure development, particularly in regions with limited connectivity. Consider partnerships with private sector entities to expand digital infrastructure. Allocate adequate financial resources to support implementing and maintaining the electronic tax stamp system. Explore opportunities for public-private partnerships or seek external funding if necessary.

ii. To Business Owners

For business owners, there should be efforts to embrace the electronic tax stamp system to streamline tax processes and reduce errors. Understand that it contributes to transparency and fair taxation, benefiting the business environment in the long run. Business owners should see the need to invest in educating their staff about the electronic tax stamp system and its proper usage. Business owners should provide training as necessary to ensure compliance through the ETS. Furthermore, business owners should explore how the electronic tax stamp system can be integrated into their business processes to enhance efficiency and reduce compliance burdens.

DECLARATION STATEMENT

After aggregating input from all authors, I must verify the accuracy of the following information as the article's author.

- **Conflicts of Interest/ Competing Interests:** Based on my understanding, this article has no conflicts of interest.
- **Funding Support:** This article has not been sponsored or funded by any organization or agency. The independence of this research is a crucial factor in affirming its impartiality, as it has been conducted without any external sway.
- **Ethical Approval and Consent to Participate:** The data provided in this article is exempt from the requirement for ethical approval or participant consent.
- **Data Access Statement and Material Availability:** The adequate resources of this article are publicly accessible.
- **Authors Contributions:** The authorship of this article is contributed equally to all participating individuals.

REFERENCES

1. Aganbegyan, A. G. (2022). Keynes and Friedman's two main macroeconomic theories and their use in the economic policy of the world's major countries and Russia. *Studies on Russian Economic Development*, 33(5), 471-479. <https://doi.org/10.1134/S1075700722050021>
2. Allcott, H., Lockwood, B., & Taubinsky, D. (2019). Regressive Sin Tax, with an Application to the Optimal Soda Tax: *Quarterly Journal of Economics*, 4(1), 63-73. <https://doi.org/10.3386/w25841>
3. Asimakopulos, A. (2023). Tax incidence. In *A Guide to Post-Keynesian Economics* (pp. 61-70). Routledge. <https://doi.org/10.4324/9781003421702-5>

4. August, M. (2023). *Electronic Tax Stamps and their Effect on Government Revenue Collection in Tanzania* (Doctoral dissertation, Institute of Accountancy Arusha (IAA)). Doi: <http://dspace.iaa.ac.tz:8080/xmlui/handle/123456789/2315>
5. Awai, E. S., & Oboh, T. (2020). Ease of paying taxes: The electronic tax system in Nigeria. *Accounting and taxation review*, 4(1), 63-73. <http://hdl.handle.net/11159/4456>
6. Brotherton, D. C. (2023). *Ethnographic activism and critical criminology*. 312 pp. Routledge. <https://doi.org/10.5553/TCC/221195072023013003002>
7. Chiamaka, E. O., Obinna, P. N., Friday, N. E., & Oraekwuotu, C. N. (2021). Electronic tax system and internally generated revenue in the Nigerian emerging economy: The study of Ebonyi State Board of internal revenue. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 11(2), 123-149. <https://doi.org/10.6007/IJARAFMS/v11-i2/10312>
8. Daniel, A. M., & Esther, I. O. (2019). Electronic taxation and tax compliance among some selected fast-food restaurants in Lagos State, Nigeria (Tax Payers Perspective). *Eur. J. Account. Audit. Financ. Res.*, pp. 7, 52-80.
9. Doug, G., & Allen, E., (2017): *The Development of Modern Revenue Controls on Alcoholic Beverages*. *World Customs Journal*. Volume 11 No. 2. <https://doi.org/10.55596/001c.115694>
10. Esteban, O., & Roser, M. (2016). *Taxation: Our World in Data*. [Online Resource]: Retrieved March 2020.
11. Hashim, N. H., Hamid, N. A., Sanusi, S., & Mohammed, N. F. (2022). The impact of e-filing usage on the job performance of tax agents in Malaysia. *International Journal of Business and Emerging Markets*, 14(1), 63-85. <https://doi.org/10.1504/IJBEM.2022.119427>
12. Janquera-Varela, R. F., Verhoeven, P., Shukla, B., Haven, R. & Moreno, B. (2017). *Strengthening Domestic Resource Mobilization: Moving from Theory to Practice in Low and Middle-Income Countries*. *Directions in Development*. Washington D.C.: World Bank. <https://doi.org/10.1596/978-1-4648-1073-2>
13. Kalomba, L. W., Nekesa, M., & Bonuke, R. (2020). *Effects of Electronic Tax Systems adoption on tax revenue collection by Kenya Revenue Authority in Nairobi Region, Kenya* (Doctoral dissertation, KESRA/Moi University).
14. Kiogora, V. (2022). *The Effect of Taxpayer Knowledge of Excise Tax Laws On Tax*.
15. Masunga, F. J., Mapesa, H. J., & Nyallo, M. A. (2020). Influence of e-tax system on tax revenue. Doi: <https://doi.org/10.32602/jafas.2020.027>
16. Mnjeja, L. E., Naho, A., & Mwonge, L. A. (2023). The Factors Influencing Manufacturers' Preference and Use of Electronic Tax Stamps (ETS) in Morogoro Region, Tanzania. *Open Journal of Social Sciences*, 11(10), 36-50. <https://doi.org/10.4236/jss.2023.1110003>
17. Munga, B., Shibia, A. G., & Onsomu, E. (2023). Appraisal of Kenya's excisable goods management system using interrupted time series analysis: A case of cigarettes and cigars excise tax revenue. *Preventive Medicine*, 167, 107408. <https://doi.org/10.1016/j.ypmed.2022.107408>
18. Ogli, Z. I. Y. (2023). Legal basis of taxation of land resources in our country. *The Peerian Journal*, 24, 41-46.
19. Paco, D. L. J. A., & Quezon, M. S. (2022). Tax awareness and compliance of micro and small enterprises. *Journal of Positive School Psychology*, 6264-6281. *Electronic Documents in Indonesia*. Cepalo, 6(2), 115-124. <https://doi.org/10.25041/cepalo.v6no2.2722>
20. Pandora, Febia S., & Edmon Makarim. (2022). "Implications Using Electronic Stamp Duty Authentic as Proof of Electronic Documents in Indonesia." *Cepalo* 6, no. (2) 115-124. <https://doi.org/10.25041/cepalo.v6no2.2722>
21. Paramudhita, R.R. H., & Obsatar Sinaga, H. (2022). Optimizing the Use of Electronic Stamps as Tax Revenue in E-commerce Businesses Linked to the Stamp Duty Law in Indonesia. *Central Asia & the Caucasus* (14046091), 23(1). Doi: <https://doi.org/10.37178/ca-c.23.1.159>
22. Pärna, K. (2020). Alcohol consumption and alcohol policy in Estonia 2000-2017 in the context <https://doi.org/10.1111/dar.13008>
23. Radea Respati Paramudhita, H., & Obsatar Sinaga, H. (2022). Optimizing the Use of Electronic Stamps as Tax Revenue in E-commerce Businesses Linked to the Stamp Duty Law in Indonesia. *Central Asia & the Caucasus* (14046091), 23(1). Doi: <https://doi.org/10.37178/ca-c.23.1.159>
24. Stakhov, B. (2019). Problems and prospects of excise taxation. *Oblik i finansi*, (1), 99-104. [https://doi.org/10.33146/2307-9878-2019-1\(83\)-99-104](https://doi.org/10.33146/2307-9878-2019-1(83)-99-104)

25. Szklo, A. S., Iglesias, R. M., Stoklosa, M., Figueiredo, V. C., Welding, K., de Souza Junior, P. R. B., ... & Drope, J. (2022). Cross-validation of four survey methods used to estimate illicit cigarette consumption in Brazil. *Tobacco Control*, 31(1), 73-80. <https://doi.org/10.1136/tobaccocontrol-2020-056060>
26. TRA (2019). Electronic Tax Stamps: Taxpayer Service and Education Department: Dar es Salaam.
27. Varjan, P., Gnap, J., Đurana, P., & Kostrzewski, M. (2019). Research on the relationship between transport performance in road freight transport and revenues from excise duty on diesel fuel in selected European countries. *Transportation Research Procedia*, 40, 1216-1223. <https://doi.org/10.1016/j.trpro.2019.07.169>
28. Vikram Sandhu, Heena Atwal, Goods and Services Tax: Issues and Challenges in India. (2019). In *International Journal of Recent Technology and Engineering* (Vol. 8, Issue 2S10, pp. 758–760). <https://doi.org/10.35940/ijrte.b1135.0982s1019>
29. Thirunarayanasamy, Dr. M., & Karuppusamy, S. (2019). Impact of Goods and Services Tax on Business Units in Dindigul District. In *International Journal of Innovative Technology and Exploring Engineering* (Vol. 8, Issue 12, pp. 1170–1174). <https://doi.org/10.35940/ijtee.13893.1081219>
30. Dhongde, Prof. S. R., & Epper, Dr. V. (2020). Tax Saving Investment Strategies among Salaried Individuals in Aurangabad City. In *International Journal of Management and Humanities* (Vol. 4, Issue 10, pp. 113–118). <https://doi.org/10.35940/ijmh.j0984.0641020>
31. Patil, S. (2024). Socio-Economic and Demographic Factors Affecting Adoption of Electric Vehicles in India. In *Indian Journal of Economics and Finance* (Vol. 4, Issue 1, pp. 1–10). <https://doi.org/10.54105/ijef.a2561.04010524>

AUTHORS PROFILE



Salum J. Sulanda, works for the Tanzania Revenue Authority in the Department of Domestic Revenue. He has an Ordinary Diploma in Accountancy from the Institute of Financial Management, a Bachelor's Degree in Accounting and Finance from Moshi Cooperative University, and is currently a student at Mwenge Catholic University pursuing a Master's degree in Business Administration in Finance. He has seven years of experience working with the tax authority in different Departments.



Dr. Nyanjige Mayala, is a Senior Lecturer in the Economics and Business Studies Department at Mwenge Catholic University in Tanzania. She has a PhD in Investment Analysis, an MBA, and a Bachelor of Commerce and Management from Sokoine University of Agriculture and the University of Dar es Salaam, respectively. She has more than 15 years of experience in the field, working with international projects in most parts of Africa, and more than 10 years as an instructor in higher learning institutions in Tanzania.



Dr. Ladis Komba, is a Lecturer in the Department of Economics and Business Studies at Mwenge Catholic University in Tanzania. He has PhD in Marketing from KU Leuven in Belgium, an MBA and a Bachelor of Commerce and Management from the University of Dar es Salaam. He has worked as Secretary General at the Ministry of Works and as a Tanzania Ambassador in Uganda Consulate. He has also worked as Lecturer at the University of Dar es Salaam, Kampala International University and Mwenge Catholic University for more than 30 years.

Disclaimer/Publisher's Note: The statements, opinions and data contained in all publications are solely those of the individual author(s) and contributor(s) and not of the Lattice Science Publication (LSP)/ journal and/ or the editor(s). The Lattice Science Publication (LSP)/ journal and/or the editor(s) disclaim responsibility for any injury to people or property resulting from any ideas, methods, instructions or products referred to in the content.