



Updating our understanding of taxpayers' perceptions

How have perceptions of taxpayers' in Hargeisa changed over the past 12 months?

In 2018, Busara conducted qualitative and quantitative research to understand the perceptions of taxpayers in Somaliland. The second phase of this research was then conducted in March 2019 to investigate whether these perceptions had changed.

Population Sample:
27 businesses of a range of sizes and sectors in Hargeisa.

Data Collection: 20 interviews and 2 focus groups were conducted in Hargeisa between March 4th -14th



Key findings:

Taxpayers have seen improvements in customs procedures over the past 12 months, and want less face-to-face contact with collectors

Customs clearance times have improved - taking between 1-3 days. Taxpayers, especially small businesses, indicated the level of professionalism of collectors as an issue. Businesses favour ideas that minimise contact with tax collectors

There are clear demands for more information about what government is spending revenues on

The majority of businesses felt they did not have a clear idea what the government spends taxes on, and have shown a keen interest to know which projects and services the government (national and municipal) is providing.

Business owners have become less optimistic about the economy over the past 12 months

Business owners have indicated that the cost of operating a business has increased over the past 12 months, though very few indicated this was because of taxation. This does not appear to have affected the view that paying tax is a duty.

Communicating with taxpayers and traders should focus on the duty to pay tax

The best ways to communicate with the public regarding taxation (ranked):



1

Radio



2

Television



3

Social media

“The customs procedures are very good. Other than the high taxes, the services are great.”

“Really no formal communication – just hear-say that tax has been increased. I’ve never seen any pamphlets that have been written.”

“Tax is an individual responsibility upon every citizen and the country uses them as revenue.”

The preferred message among the five presented to the respondents is:

“If we do our duty and pay our taxes, the state can keep delivering the essential services we need.”