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THE IMPACT OF TAX STRATEGIES ON REVENUE MOBILIZATION IN SIERRA LEONE

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Abstract:
As tax revenues became an essential source of funding for governments, the rulers' dependence on these funds created an incentive for them to be accountable to the taxpayers; citizens expected their governments to use tax revenues responsibly and efficiently, leading to improved governance practices and a closer alignment of state policies with the interests and needs of the population. The choices made regarding tax reform strategies have significant implications for societal priorities, income distribution, and the overall relationship between the state and its citizens. This research revealed that periodic evaluations should be carried out by tax experts to establish the performance of each tax head and identify areas of weaknesses. This becomes the basis under which various tax reforms are put in place and the mode in which they are implemented. Findings on tax reforms indicated that more emphasis was put on indirect tax reform, but direct tax heads were given negligible attention. The majority of taxpayers do not get sufficient tax education and this leads to non-compliance on the part of taxpayers. Domestic revenue mobilization is still performing poorly, a larger portion of domestic tax revenue is raised from indirect taxes, domestic revenue mobilization procedures are not effective, and collecting tax revenue from organizations is easier than from individual taxpayers. A huge tax burden rests on the few registered organizations and employees working in the formal sector. However, the general trend indicates an increase in revenue as related to the percentage growth in the GDP, which signals the strength and benefits of tax reforms, although these benefits were stunted by the Ebola and Corona pandemics, respectively. In addition, the findings of this research revealed that the National Revenue

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Authority needs to lower the Pay As You Earn (PAYE) threshold in order to capture the income of the majority of citizens for tax purposes. Further, there is a need to revise the list of zero-rated supplies, diplomatic privileges, and the list of institutions whose income is tax-exempt. Trade tax reform may be an important component of fiscal reform in developing countries. However, policymakers must also consider the unique challenges posed by informal economies and work to develop tailored solutions that can effectively raise revenue while preserving economic efficiency and welfare.

Keywords: National Revenue Authority (NRA), Pay As You Earned (PAYE), domestic tax, extractive industry revenue, succession plan, Gross Domestic Product (GDP), Sierra Leone

1. Introduction

The National Revenue Authority (NRA) of Sierra Leone was established on September 13, 2002, with the enactment of the National Revenue Authority Act, 2002 (Act No-11). Before the establishment of the NRA, revenue collection in Sierra Leone was fragmented, with different government agencies handling different aspects of revenue collection, such as customs and excise, income tax, and the government gold and diamond office, among others. The creation of the NRA brought these agencies together under one umbrella to streamline and improve revenue collection (NRA website).

Assessing the impact of revenue generation strategies and tax reforms is crucial to understanding their effectiveness in improving revenue mobilization over the years. This assessment helps identify areas of success and areas that require further improvement. By evaluating the outcomes of these reforms, the government can make informed decisions on policy adjustments and resource allocation to maximize revenue generation. Revenue generation is essential for the government to provide quality services and meet the needs of its people. It funds critical sectors such as healthcare, infrastructure development, security, education, and other basic amenities. Insufficient revenue can hinder the government's ability to deliver these services, leading to a decline in the country's overall development progress. Sierra Leone, like many other nations, faces challenges such as a shortage of funds, mismanagement, and dependence on donor funding. These factors contribute to the poor performance of the government and hinder the successful implementation of development projects. Therefore, effective revenue mobilization strategies are necessary to address these challenges and ensure sustainable economic development.

Taxation is a primary source of revenue for Sierra Leone, as it is in many countries. It is a compulsory levy imposed on individuals and companies to finance the functions and activities of the state. By formulating and implementing appropriate tax policies, the government can enhance revenue collection and reduce dependency on external sources. While tax reforms and revenue generation strategies are implemented, it is essential to assess their impacts systematically. This assessment helps identify the strengths and weaknesses of the reforms, determine their effectiveness in generating revenue, and identify areas for improvement. By continuously evaluating the impact of these strategies, the government can refine its approach to revenue mobilization and ensure optimal outcomes for economic development. In conclusion, revenue mobilization is crucial for the economic development of Sierra Leone. The NRA, as an institution, is responsible for revenue collection and plays a vital role in implementing tax reforms and revenue generation strategies. By assessing the impact of these reforms, the government can make informed decisions to maximize revenue collection, reduce dependence on donor funding, and address the country's developmental challenges.

The Government of Sierra Leone, through the NRA and in collaboration with partners such as the World Bank, International Monetary Fund, African Development Bank, and the European Union, to mention a few, has implemented various tax reform strategies, but the question is whether the tax reforms strategies have improved revenue mobilization and economic growth; hence this research is focussed on assessing tax reforms strategies and its impact on revenue mobilization and Gross Domestic Product (GDP) in Sierra Leone.

4. Research Aim, Research Objectives, and Research Question

4.1 Research Aim

The aim of this research is to assess the impact of tax reform strategies on revenue mobilization and Gross Domestic Product in Sierra Leone.

4.2 Objectives of the Study

The objective of the study is divided into general and specific.

4.2.1 General Objective

The objective of the study is to assess the impact of tax reform strategies on revenue mobilization and Gross Domestic Product in Sierra Leone.

4.2.2 Specific Objectives

To identify the various tax reforms being implemented by the National Revenue Authority, the specific objective will focus on the following:

1) To find out whether there are problems in domestic revenue mobilization.
2) To find out whether tax reform strategies affect revenue mobilization in Sierra Leone.
3) To find out whether tax reform strategies have an impact on the Gross Domestic Product.

4.2.3 Research Questions

1) How does the National Revenue Authority establish the different tax reforms?
2) What are the problems in domestic revenue mobilization at the National Revenue Authority?

3) What is the relationship between tax reforms and domestic revenue mobilization in Sierra Leone?
4) What is the relationship between tax reform strategies and Gross Domestic product?

5. Research Methodology

This study adopted the case study approach. A sample size of 55 participants comprised staff from all the departments in the National Revenue Authority in Freetown. It was selected for a detailed study of tax reforms and their effect on revenue mobilization in Sierra Leone. It was envisaged that the case study's findings would enable meaningful generalizations about the impact of tax reform strategies on revenue mobilization in Sierra Leone. The case study approach has been adopted because macro-level studies are difficult to conduct, and their capital costs are high. Numerous field assistants would be difficult (if not impossible) with inadequate resources to supervise them closely. When working with a large sample, it may be impossible to establish close relationships with respondents and research contacts of necessity, be limited to formal questionnaires without adequate follow-up. The data collected is unlikely to be detailed or reliable enough to provide the information required for development strategy formulation. In order to curb the problem of reliability and validity of our research, the sample was limited to 55 participants drawn from all the departments in the National Revenue Authority in Freetown. Data collection for the quantitative data and qualitative data was done through questionnaires and follow-up interviews. In addition, data were collected from the internet, articles, and the NRA Website. The mixed methods model was used for this research. The quantitative data analysis was done by using descriptive statistics and the qualitative data analysis was done using the descriptive research method.

The research population constituted all professional staff of the NRA. The selection of the participants was based on the following characteristics:

a) the in-depth knowledge of the participants in the operation of the NRA and as their knowledge was considered valuable in meeting our research objective
b) NRA is a specialized institution that requires expertise in its operations hence, the selection of targeted participants as those that can provide the researchers with the requisite information for this research.

The study identified three categories of professional staff:

1) Top Management (comprising the commissioner-general, deputy commissioner-general, commissioners and deputy commissioners, directors, and deputy directors);
2) Middle-level management staff (comprising assistant directors and assistant commissioners) and
3) Lower-level employees (comprising field implementers - officers who are responsible for tax assessment and collection).

This cadre of personnel includes managers, supervisors, and revenue officers.

The authority did not disclose the precise number of staff within each category as it was considered “sensitive”.

Purposive random sampling was employed to ensure that all categories of personnel were involved in the study. Purposive sampling, also known as judgment sampling, is a non-probability sampling method where researchers deliberately select individuals or cases based on specific characteristics or qualities that are relevant to the research study. It involves selecting participants who are considered to be information-rich or have unique perspectives and insights related to the research topic. Researchers typically employ purposive sampling when they believe that specific individuals or cases can provide valuable and in-depth information that aligns with the research objectives. In purposive sampling, researchers rely on their judgment, expertise, and prior knowledge to identify and select participants who can provide relevant information or represent specific characteristics or perspectives of interest. This approach allows for a targeted and focused sampling process, which can be particularly useful when studying specialized or hard-to-reach populations. It was decided to select 15 respondents from top management, 15 respondents from middle-level management, and 25 respondents from lower–level employees, making a total of 55 respondents for the study.

6. Literature Review

Tax policy is the set of decisions taken by public authorities in matters of taxation, and it aims to modify tax law according to specific objectives; tax also serves as the main resource of states’ revenue mobilization (Eddine *et al.*, 2021). Through taxation, governments can generate the necessary funds to finance public expenditures, such as infrastructure development, healthcare, education, and defense. Well-established political systems are more likely to see reform, but governments are less likely to undertake it the longer they have held office. Authoritarianism does not predict reform except, relatively speaking, in the narrower range of variation among elected governments (Mahon, 2004).

Developing countries implemented an array of major economic reforms during the 1980s and the 1990s (Islam, 2001). The development of taxation systems, over time, helped to shape the relationship between the state and its citizens. As tax revenues became an essential source of funding for governments, the rulers' dependence on these funds created an incentive for them to be accountable to the taxpayers; citizens expected their governments to use tax revenues responsibly and efficiently, leading to improved governance practices and a closer alignment of state policies with the interests and needs of the population (Fjeldstad & Rakner, 2003). Western historical experience with taxation has been that a government’s increased financial dependency on tax revenues may generate governance benefits because it encourages the accountability of the state to its citizens, and throughout history, the establishment of taxation systems involved negotiations and agreements between rulers and potential taxpayers. These agreements, whether explicit or implicit, determined who should pay taxes, at what rates, and for what purposes. Taxation served as a means for rulers to secure funds for governance and administration, while taxpayers sought to ensure that their contributions were fair and proportionate. The historical experience with taxation in the Western world has demonstrated that a government's financial dependency on tax revenues can foster governance benefits by promoting accountability to citizens (Fjeldstad & Rakner, 2003). Contemporary organizations such as Economic Cooperation and Development (OECD)countries continue to grapple with tax-related issues, with taxation remaining a central and important topic, particularly during elections. The choices made regarding tax policy have significant implications for societal priorities, income distribution, and the overall relationship between the state and its citizens.

The current consensus on indirect tax reform in developing countries often favour a reduction in trade taxes accompanied by an increase in Value Added Tax (VAT) as a means to raise revenue. This approach is based on theoretical results derived from partial models that often overlook the existence of an informal economy. A consensus regarding indirect tax reform in developing countries has emerged that spans academic economists' and policy practitioners' interests (Eran & Stiglitz, 2005). A reduction in the trade tax with a compensating or revenue-enhancing increase in value-added tax has been the centerpiece of such a reform, and it has been implemented in a large number of developing countries under the structural adjustment and stabilization policy conditionalities of the IMF and the World Bank (Emran & Stiglitz, 2005). Selective indirect tax reform, as frequently prescribed by the IMF and the World Bank, involves reducing trade taxes and increasing VAT, but with targeted exemptions for certain goods or sectors. The rationale behind such exemptions is to minimize the burden on the poor and protect certain industries that are considered strategically important for the economy. Taxes on wages and salaries and associated benefits are substantial in many Central and Eastern European and Central Asian countries (Rutkowski, 2007) as well as in some Latin American countries (Perry & *et al.*, 2007). Despite its flaws, the personal income tax is probably the only significantly progressive element found in most developing country tax systems (Chu *et al.*, 2000). While selective indirect tax reform may be a better option than a comprehensive radial reform, it still has its limitations. The effectiveness of targeted exemptions depends on the ability of the government to accurately identify and exempt the poor and vulnerable populations, as well as the strategic sectors that need protection. This can be challenging in developing countries where information is often scarce and administrative capacity is limited. Furthermore, targeted exemptions can create distortions and rent-seeking opportunities. For example, if exemptions are granted to a particular sector, it can create an incentive for other sectors to lobby for similar exemptions, leading to an inefficient allocation of resources. While the consensus regarding indirect tax policy reform in developing countries may need to be revisited in light of the challenges posed by the informal sector, selective indirect tax reform remains a viable option, provided that it is carefully designed and implemented to minimize its potential drawbacks (Emran & Stiglitz, 2005) as it is almost impossible to ensure welfare improvement from a radial revenue-neutral reform of trade taxes and consumption taxes when non-tradable are allowed in the model (Anderson, 1999).

The literature on the piecemeal reform of import tariffs and indirect taxes has a rich history and has been explored by various scholars over the years. It can be traced back to the seminal work of Bertrand and Vanek (1971), which built upon the insights of Meade (1955). This body of literature aims to establish the conditions under which the incremental reform of tariffs and taxes can lead to welfare improvements, considering both the presence and absence of an active government budget constraint. Several notable contributions have been made in this field. Hatta (1977) and Hatta (1986), delved into the analysis of welfare effects resulting from the gradual reform of tariffs and taxes. Diewert *et al.* (1989) also explored this topic, along with Michael *et al.* (1993), Abe (1995), and Anderson (1999), among others. These studies have provided insights into the circumstances under which piecemeal reforms can enhance overall welfare. The concertina theorem, formalized by Bertrand & Vanek (1971), captures the fundamental idea underlying piecemeal reform. This theorem suggests that incremental changes in tariffs and indirect taxes can lead to welfare gains by optimizing the allocation of resources. Meade's (1955) intuition laid the groundwork for this theorem, emphasizing the potential benefits of gradual adjustments rather than abrupt policy changes. The literature on piecemeal reform of import tariffs and indirect taxes continues to evolve, with researchers addressing various aspects of the topic. The focus remains on identifying the conditions that facilitate welfare improvements through step-by-step adjustments in these trade and fiscal policies. The reform of tariffs and subsidies affects national and world welfare through changes in relevant price wedges (Kowalczyk, 2002).

The presence of an informal economy can have significant implications on the effectiveness of consumption taxes, such as value-added tax (VAT), as a revenue-raising instrument in developing countries. In informal economies, businesses often operate outside the formal tax system and, hence, may not be subject to VAT or other forms of indirect taxation. As a result, VAT may be less effective in raising revenue, as it only captures a fraction of economic activity. Furthermore, in the presence of an informal economy, selective tax reforms may have unintended consequences, as businesses may be more likely to shift their operations to the informal sector in response to higher taxes on formal sector activities. This can lead to further erosion of the tax base and a reduction in revenue. In light of these challenges, policymakers in developing countries may need to consider alternative revenue-raising strategies that are better suited to the local context. For example, efforts could be made to formalize the informal sector, which would increase the number of businesses subject to VAT and other indirect taxes. Additionally, governments could explore other revenue sources, such as property taxes or resource royalties, which may be less affected by the presence of an informal economy.

Trade tax reform may be an important component of fiscal reform in developing countries. However, policymakers must also consider the unique challenges posed by informal economies and work to develop tailored solutions that can effectively raise revenue while preserving economic efficiency and welfare. Developing countries generally find it easier to tax foreign trade at their ports because of the limited administrative apparatus associated with tariffs than to adopt the more complex tax systems of developed countries (Michael *et al.* 1993) [26]. International institutions, such as the World Bank and the World Trade Organisation, call for Least Developed Countries (LDCs) to shift from high tariffs to more efficient means of indirect taxation (e.g. consumption taxes). The World Bank and the World Trade Organization have long advocated for developing countries to shift away from high tariffs on foreign trade towards more efficient means of taxation, such as consumption taxes. This is because high tariffs can lead to reduced trade, which can limit economic growth and development. Additionally, high tariffs can be regressive, meaning that they can disproportionately affect low-income households. In contrast, consumption taxes, such as value-added tax (VAT), can be more efficient and equitable. VAT is typically levied on the value added at each stage of production and distribution and ultimately paid by the final consumer. This means that it can be difficult for businesses to evade or avoid the tax, and it can be less regressive than tariffs, as it is based on consumption rather than income or wealth. However, implementing consumption taxes can be challenging for developing countries, as they require a more complex administrative apparatus than tariffs. The administrative approach focuses on the role institutional design and policy play in enhancing the prospects of efficiency and effectiveness of the tax system (Jonathan, 2006).

Efficiency refers to administrative costs in collecting different types of taxes, enforcing tax laws, and the costs of taxpayers in complying with those laws (Jonathan, 2006; Lledo *et al.*, 2004), and effectiveness, on the other hand, refers to the extent to which taxes are predictable, transparent, and enforced by a fair judicial system (Jonathan, 2006). Although VAT is a crucial source of tax revenue in Africa, many jurisdictions have not yet implemented the necessary VAT measures to address the challenges arising from the digitalization of the economy (KPMG, 2023). However, a new toolkit has been developed that is directed at all types of e-commerce and takes account of Africa's specific needs and circumstances (KPMG, 2023). Developing countries may need to invest in tax administration and enforcement capacity to effectively implement consumption taxes, which can be a significant undertaking. Although international institutions and the literature recommend that developing countries shift towards more efficient means of taxation, such as consumption taxes, policymakers must carefully consider the local context and administrative capacity before implementing these reforms. It is important to ensure that any tax reform is revenue-neutral, equitable and supports economic growth and development.

In most developing countries, income taxes, especially personal income taxes, have a limited impact on financing public sector activities and do not significantly affect income distribution. Developing countries often rely on increased revenues from value-added taxes (VAT) to finance the limited expansion of public sector activities (Bird & Zolt, 2011; Martinez-Vazquez & Bird, 2010). Value-added tax is a consumption tax levied on the value added at each stage of the production and distribution process. It is an important source of revenue for governments, particularly in developing countries where other sources of revenue may be limited or unreliable (Bird & Zolt, 2011) [33]. In addition, developing countries generally receive more revenue from corporate income taxes than personal income taxes, with the share from the personal income tax declining (Bird & Zolt, 2005; Martinez-Vazquez, Vulovic, & Liu, 2010). Bird & Zolt (2011) pointed out that adopting a different form of personal income tax—a dual income tax, a combination of a progressive tax on labour income and a lower flat rate tax on income from capital— may both improve existing personal income taxes in many developing countries and potentially serve as an important platform toward more fundamental tax reform.

Corporate income taxes can be a significant source of revenue for many countries. In addition to acting as a backstop (Bird & Zolt, 2011) to the personal income tax, the corporate income tax not only plays a much greater role in raising revenue in developing countries than in developed countries (Gordon & Li, 2009) but also succeeds in capturing at least some location-specific rents (Sorensen, 2007). However, the tax system affects returns to investments in several complex ways; among other things, the tax paid will generally depend on the profitability of the investment, the legal status of the entity investing, and the sources of finance (Devereux *et al.*, 2002). The proportion of total income tax revenues derived from corporate income taxes relative to personal income taxes can indeed vary based on the economic circumstances and level of development of a country. In general, wealthier and more developed countries tend to have a more diverse tax base, with personal income taxes contributing a larger share of total income tax revenues compared to corporate income taxes. This is because wealthier countries typically have a larger proportion of the population engaged in formal employment and earning personal income subject to taxation. On the other hand, poorer countries often rely more heavily on corporate income taxes as a source of revenue (Gordon & Li, 2009). There are several reasons for this: Firstly, in economies where the informal sector is prevalent and personal income tax compliance is low, governments may find it more practical to collect revenue from corporations that have a more formalized presence and are easier to tax. Secondly, poorer countries may have a smaller tax base in terms of personal income, as a significant portion of the population may be engaged in subsistence agriculture or informal employment, where taxable personal income is limited, and have large shadow economies, which operate outside of the formal tax system, as well as significant agricultural sectors which they have not managed to tax effectively (Bird & Zolt, 2011; Alm, Martinez-Vazquez, & Schneider, 2004; Alm, Martinez-Vazquez, & Wallace, 2004). Because these sectors constitute a much higher portion of total economic activity in developing countries than in developed countries, the tax base that tax authorities can potentially reach is relatively small in many developing countries (Bird & Zolt, 2011).

However, multinational corporations operating in developing countries can be subject to corporate income taxes, and their contributions can be a substantial part of the overall revenue generated. These countries often rely on foreign direct investment from multinational corporations, and taxing their profits becomes an important revenue stream. It's worth noting that there are exceptions to this general trend, as tax systems and policies can vary significantly between countries. Additionally, countries with well-developed tax administration systems and effective enforcement mechanisms may be able to collect a higher proportion of personal income taxes even in lower-income contexts.

Income tax regimes in most countries typically consist of both personal income tax and corporate income tax components (Bird & Wallace, 2004). Personal income tax is usually levied on various types of income, including wages, salaries, and earnings from self-employment. Additionally, it typically encompasses income generated from capital sources such as dividends, interest, rents, royalties, and profits from sole proprietorships and partnerships. On the other hand, the corporate income tax is specifically applicable to the profits earned by entities operating in the form of corporations. These entities are separate legal entities from their owners, and they are subject to taxation on their profits. In addition to personal and corporate income taxes, many developing countries have implemented special presumptive tax regimes. These regimes are designed to simplify tax compliance for micro and small businesses. Instead of applying income taxes or other complex tax systems, these regimes impose fixed taxes, often for a predetermined period, based on factors such as sales revenue, the number of employees, or the size of the establishment. Presumptive tax regimes aim to provide a more straightforward and accessible taxation framework for smaller businesses while still generating revenue for the government.

Many countries employ final withholding regimes to collect tax revenue from dividends and interest. Under these regimes, the tax is withheld at the source by the payer of the income, such as a financial institution or employer, before it is disbursed to the recipient. This system ensures that the tax is collected upfront and reduces the burden on individuals to report and pay taxes on their capital income separately. In developing countries, the personal income tax imposed on capital income is often relatively low compared to other types of income. This can be attributed to various reasons, including administrative challenges, limited resources for tax enforcement, and a focus on attracting investment and promoting economic growth. However, it is recognized that there is room for rationalizing and improving the taxation of capital income in these countries. Rationalizing capital income taxation involves developing a more comprehensive and equitable framework to ensure that individuals with capital income contribute their fair share of taxes. This may include measures such as reducing tax exemptions or preferential treatment for capital income, enhancing tax administration and enforcement capabilities, and addressing any loopholes or inefficiencies in the system. Improving capital income taxation can contribute to a more equitable distribution of the tax burden, reduce tax evasion, and enhance revenue collection for governments. However, it is essential to strike a balance between promoting investment and economic growth and ensuring a fair and sustainable tax system. On the whole, the small amount of personal income tax imposed on capital income in most developing countries underlines the desirability of rationalizing and improving capital income taxation (Tanzi & Zee, 2000). Developing countries also collect little revenue from foreign passive investments held by residents however, some countries exempt all foreign source income, that is, income earned outside the country countries (Bird & Zolt, 2011).

The concept of a dual-income tax system aims to combine the advantages of a flat tax regime with the flexibility to separate the taxation of labour income and capital income. This approach offers several potential benefits, both from an economic and political perspective. From an economic standpoint, a dual-income tax system allows countries to compete for capital on an international level without having to impose the same tax rate on labour income, which is generally less mobile across borders. This flexibility can help attract investment and promote economic growth. By applying different tax rates to capital income and labour income, countries can create a more efficient tax structure that takes into account the different factors affecting the mobility of these income sources. A political perspective of a dual-income tax system may address concerns related to growing income inequalities (Ulsaner, 2008). When income disparities increase, it can lead to negative consequences such as corruption and political instability (Cardenas & Tuzemen, 2010). By incorporating at least a mildly progressive personal income tax component, a dual-income tax system can help establish a visible fiscal contract between citizens and the state. This means that the tax system can be designed in a way that reflects the principle of fairness and contributes to a more equitable distribution of wealth. The progressive nature of the personal income tax component can act as a "*mirror of democracy,*" reflecting the values and preferences of the citizens (Webber & Wildavsky, 1986). A well-designed dual-income tax system offers the potential to combine the advantages of a flat tax regime, such as simplicity and efficiency, with the added flexibility to differentiate between labour and capital income. This approach can contribute to economic competitiveness while addressing concerns about income inequality and its potential negative impacts on governance.

Import tariffs and excise taxes have traditionally been significant sources of revenue for many developing countries. However, due to concerns about economic efficiency and tax simplicity in a globalized economy, several countries are shifting towards consumption-type value-added taxes (VAT) as an alternative (Jenkins & Kuo, 2000). In Sierra Leone, Goods and Services Tax (GST) is another name for sales tax, a charge on domestic consumption of goods and services but not export paid as a certain percentage of the sales value. Though there are some exceptions, most goods and services attract GST. At the same time, businesses are able to reclaim or offset input GST when making taxable supplies. This effect shows that the full amount of tax is borne by the final consumer or user hence, there is no tax cascading effect that GST is not paid on GST (Kamara & Kamara, 2023).

The World Bank context on taxes and government revenue emphasis is that collecting taxes and fees is a fundamental way for countries to generate public revenues that make it possible to finance investments in human capital, infrastructure, and the provision of services for citizens and businesses. Preliminary analyses estimate the financing gap for achieving the Sustainable Development Goals for developing countries at about $2.5 trillion annually. Much of this financing gap will need to be met by increased private-sector investment in sustainability, which requires appropriate tax policies to create the needed price incentives. Yet, developing countries that are most in need of revenues, including fragile and conflict-affected states (FCS), often face the steepest challenges in collecting taxes. Taxes have a key role to play in making growth sustainable and equitable, especially in the context of the COVID-19 crisis, and through such efforts as “greening” tax systems and fighting tax evasion and avoidance. Many countries are still struggling to collect sufficient revenues to finance their development. Countries collecting less than 15% of GDP in taxes must increase their revenue collection to meet the basic needs of citizens and businesses. This level of taxation is an important tipping point to make a state viable and put it on a growth path. As of 2018, 48% of IDA/Blend countries and 69% of FCS countries fall below this 15% baseline. Making it easier to pay taxes improves competitiveness. Overly complicated tax systems are associated with high levels of tax evasion, large informal sectors, more corruption, and less investment. Modern tax systems should seek to optimize tax collections while minimizing the burden on taxpayers to comply with tax laws. There is a need to ensure that the tax system is fair and equitable. Governments need to balance goals such as increased revenue mobilization, sustainable growth, and reduced compliance costs with ensuring that the tax system is fair and equitable. Fairness considerations include the relative taxation of the poor and the rich; corporate and individual taxpayers; cities and rural areas; formal and informal sectors, labour and investment income; and the older and the younger generations (World Bank Website).

Bird *et al.* (2004) in their article articulated the point that if poor countries want to become richer, they need to spend more on public infrastructure, education, and the like. Hence, they need to tax more. The main reason they do not do so also seems obvious: it is not in the interest of those who dominate the political institutions of such countries to increase taxes. Two alternative explanations are possible as to why so much tax 'reform' has so little effect on tax 'effort.' Either 'supply' ('capacity') factors have altered over the period in such a way as to offset all attempts to raise tax ratios. Or, perhaps more plausibly, ideas as to what the 'proper' tax level should be have altered over time. The two main aims of most tax reforms in the period after the Second World War were first, to raise revenue – and lots of it -- in order to finance the state as the 'engine of development', and second, to redistribute income and wealth. To exaggerate only a bit, the conventional wisdom at the time was essential that all developing countries needed to do to solve their fiscal problems was to "*learn to tax*" (Kaldor, 1963), which to most meant to tax in a properly progressive fashion. Views on the appropriate role and structure of taxation began to change in the 1970s and 1980s, however. By 1990, in contrast to the immediate post-war era, both economists and policy-makers had generally come to believe that high tax rates not only discouraged and distorted economic activity but were largely ineffective in redistributing income and wealth. Reflecting this new view, income tax rates on both persons and corporations were cut sharply and are now almost universally in the 20-30% range in Latin America, as elsewhere in the world (Shome, 1999).

The developed countries have reached different equilibrium positions. Lindert (2003) pointed out that this may be seen in large part as an extended demonstration of the continued viability of the so-called 'welfare state' model in most European countries and a different, lower-tax equilibrium in the United States of America. and a few other countries. As Messere, de Kam, and Heady (2003) show, there has been essentially no convergence in either tax levels or structures among OECD countries in recent decades. They argue that there is little reason to expect such convergence in the near future.

Equally, there is no reason to expect any-one balance to be right for all countries developing countries. As always with public policy, no one size fits all. What is right, or at least feasible, in Sierra Leone, for example, is likely to continue to differ from what may be sustainable in Ghana and Nigeria.

Jonathan (2006) argued that resource mobilization lies at the heart of economic development. Among various means of resource mobilization (e.g., forced savings, inflation tax, manipulation of terms of trade, etc.), tax is the most closely related to questions of state formation and capability. The tax also provides one of the principal lenses in measuring state capacity, power, and political settlements in a society. Traditional tax analysis has focused on the design of tax systems that make possible financing the 'necessary' level of public spending most efficiently and equitably (Stern, 1987; Tanzi & Zee, 2000). The neoclassical theory of public finance proceeds by describing the effects of taxation and then applying criteria (normally a social welfare function) to evaluate those effects (Stern, 1987). This approach divides taxation into a logically prior positive side and a subsequent normative side on which value judgments are introduced. Following Stern (1987), examples of positive issues include a) the consequences of income or wealth taxation on risk-taking; b) the effects of corporate taxes on investment and distribution of profits; c) the effects of national debt and taxation on savings; and d) how different households or groups are affected or burdened by tax changes (the problem of incidence of tax). The basic problem in such a model is that the government wishes to raise revenue to distribute income without sufficient information on the preferences and endowments of citizens to do so using lump-sum taxes. Therefore, governments can achieve their goals only by raising taxes in some distortionary way. This gives rise to the standard neoclassical concern of the tension (or costs and benefits) between achieving equity and efficiency in a general equilibrium framework.

Mahon (2004) argued that well-established political systems are more likely to see reform, but governments are less likely to undertake it the longer they have held office. Authoritarianism does not predict reform except, relatively speaking, in the narrower range of variation among elected governments. Characteristics of a country's party system also show somewhat unexpected relationships to tax reform: having stronger, more institutionalized political parties appears to have little effect; closed-list proportional representation (PR) and the number of parties in a political system have a weak positive association with reform; and party polarization has a weak negative association. Finally, partisan dominance, rather than partisan balance, seems to favour tax reform.

The growth of e-commerce poses significant challenges for Value Added Tax (VAT) collection, particularly in relation to online services, digital products, and low-value imported goods. This challenge is especially relevant in African jurisdictions where existing VAT rules may not effectively capture and levy taxes on these types of transactions. VAT is an important source of tax revenue for many African countries, and it is crucial to address the challenges arising from the digitalization of the economy.

To tackle these challenges, a new toolkit has been developed to assist African jurisdictions in implementing VAT reforms specific to e-commerce (KPMG, 2023) [62]. The toolkit covers various aspects of VAT reform and guides (KPMG, 2023):

1) **Policy design and legislative reform:** This involves developing appropriate policies and updating legislation to ensure the taxation of international e-commerce is effectively addressed. It may include considerations such as determining the threshold for VAT registration and the treatment of cross-border transactions.
2) **Building infrastructure for registration and compliance:** Implementing e-commerce VAT reforms requires the establishment of robust systems and processes for Communication strategy: Effectively communicating the changes and requirements related to e-commerce VAT reforms is crucial. Developing a communication strategy helps ensure that e-commerce businesses and consumers are aware of their obligations and understand the new regulations.
3) **Support registration of e-commerce businesses and facilitate ongoing compliance:** This may involve creating online platforms or portals for registration, reporting, and payment of VAT.
4) **Audit and risk management:** To combat VAT fraud associated with online trade, it is necessary to implement effective audit and risk management strategies. This may involve employing advanced techniques to identify potential fraud and developing measures to address non-compliance in the e-commerce sector.

By addressing these key design, administrative, and operational elements, the toolkit aims to support African jurisdictions in implementing major VAT reforms for the taxation of international e-commerce. This will help ensure the proper collection of VAT on online sales, safeguard tax revenue and adapt VAT systems to the evolving digital economy.

To summarise our literature review, tax policy refers to the decisions made by governments regarding taxation, including the modification of tax laws to achieve specific objectives. The primary purpose of tax policy is to ensure a minimum level of budget revenues for the government. However, once the financial stability of the state is secured, tax policy can be used to accomplish other goals as well. One of the important roles of tax policy is to contribute to a country's economic policy. Through taxation, governments can generate the necessary funds to finance public expenditures, such as infrastructure development, healthcare, education, and defense. Additionally, tax policy can also be used as a tool for income redistribution, aiming to reduce economic inequality by implementing progressive tax systems or providing targeted tax benefits to lower-income individuals or specific sectors of society. Moreover, tax policy can be designed to influence the behaviour of taxpayers and promote certain societal outcomes. For example, governments may provide tax incentives to encourage energy-efficient practices, discourage pollution, or incentivize charitable donations. These mechanisms are used to promote specific objectives, such as environmental sustainability, social responsibility, or support for charitable causes. On the other hand, to mitigate the adverse effect of environmental costs incurred by companies, adherence to standards and statutory requirements is expected from companies, otherwise, penalties are imposed on companies (Kamara & Pratt, 2023). Furthermore, tax policy can be employed to stimulate economic growth and boost consumption. Governments may aim to reduce the overall tax burden on individuals and businesses, which can lead to increased disposable income and higher spending. Lower tax rates or tax cuts may incentivize investment and entrepreneurship, ultimately driving economic activity. It's worth noting that tax policy often involves a balancing act, as different objectives may sometimes conflict with one another. Governments need to consider various factors, such as the impact on taxpayers, the overall economy, and the effectiveness of different tax incentives while formulating tax policies.

7. Result and Discussion

The research result and discussions will focus on the following thematic areas: characteristics of respondents, the roles of the respondents, and their knowledge of major tax reforms such as GST, Integrated Tax Administration System, Electronic Cash Register Machines, the implementation of Income Tax Act, increase in import duties, administrative structures, and tax education; and the relationship between tax reforms strategies and the impact on Revenue as a Percentage of GDP and Real Gross Domestic Product Ratio.

7.1 Characteristics of Respondents

The respondents for this study comprised 55 staff members from the following departments of the National Revenue Authority: Domestic Tax, Customs and Excise, Non-Tax Revenue, Internal Audit, Finance and Budget, Modernization, Administration, Corporate Services, and Monitoring and Planning. We focused our research questions, and collections of data from these departments and do believe that the responses obtained and subsequent analysis of results are generalizable in Sierra Leone. The various segments of the samples comprise respondents from each of the following three personnel categories: i) 15 from Top Management, ii) 15 from Middle-Level Management, and iii) 25 from lower-level employees, which include field implementers; these are officers who are responsible for tax assessment and collection. The social characteristics of these respondents are discussed in Section 7.1.1, Section 7.1.2, Section 7.1.3, Section 7.1.4 and Section 7.1.5.

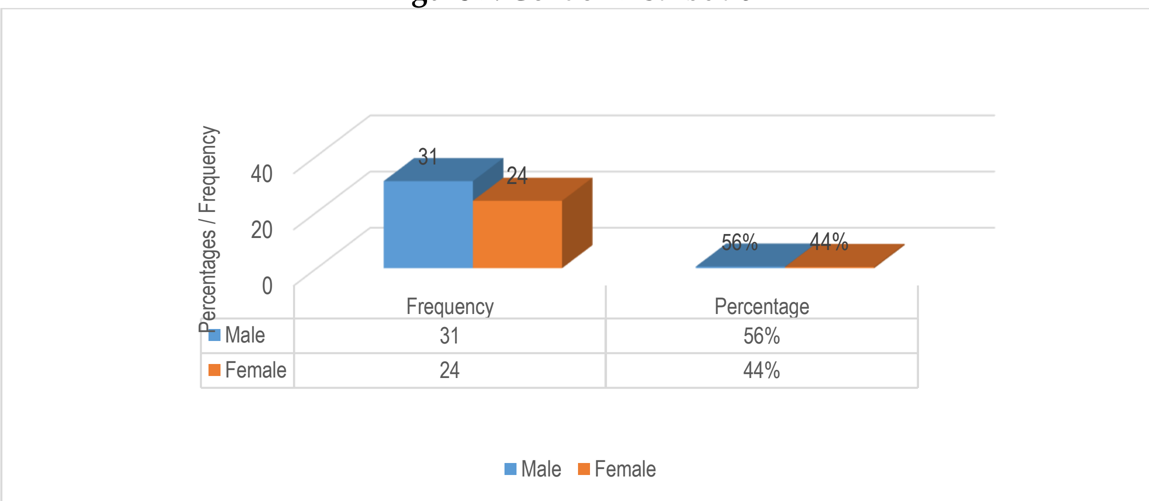
7.1.1 Gender Distribution of Respondents

Gender inequity in the workplace can be a persistent problem, particularly in industries that are traditionally male-dominated. This inequality can arise from various factors, including biased recruitment processes. However, addressing gender bias is not only essential for promoting fairness and equal opportunity but also for improving overall productivity and economic outcomes. Gender bias can lead to productivity losses of approximately $2.8 million per year, highlighting the significant impact of this issue (World Economic Forum Website). When qualified individuals are overlooked or discriminated against based on their gender, it not only hampers their career prospects but also deprives organizations of valuable talent and diverse perspectives. One effective approach to combat gender bias in recruitment is implementing standardized interviews and skills-based assessments. By using structured and consistent evaluation criteria, organizations can minimize the influence of personal biases and focus on candidates' qualifications and abilities (World Economic Forum Website). This approach helps to level the playing field and provide a fairer assessment of all applicants, regardless of gender.

Standardized interviews involve asking each candidate a set of predetermined questions, which helps ensure that all applicants are evaluated based on the same criteria. These interviews can be designed to focus on job-related skills, experience, and qualifications rather than personal characteristics or stereotypes. By eliminating subjective factors, organizations can mitigate the risk of unconscious bias influencing the selection process. Implementing these measures requires a commitment from organizations to recognize and address gender bias in their recruitment processes. Training recruiters and hiring managers on unconscious bias, promoting diversity and inclusion, and establishing clear evaluation criteria are crucial steps in creating a fair and equitable hiring process.

Figure 1 summarizes the gender distribution of respondents. It can be seen in Figure 1 that 56% of respondents were male while 44% were female. These statistics are indicative that NRA has no gender bias in the recruitment of its staff. Unlike the typical situation in public sector establishments which are dominated by male staff, it is impressive that a significant proportion of personnel were females. This is probably due to recent efforts by the central government to mainstream gender issues in all facets of national life, especially in education and the workplace.

Figure 1: Gender Distribution

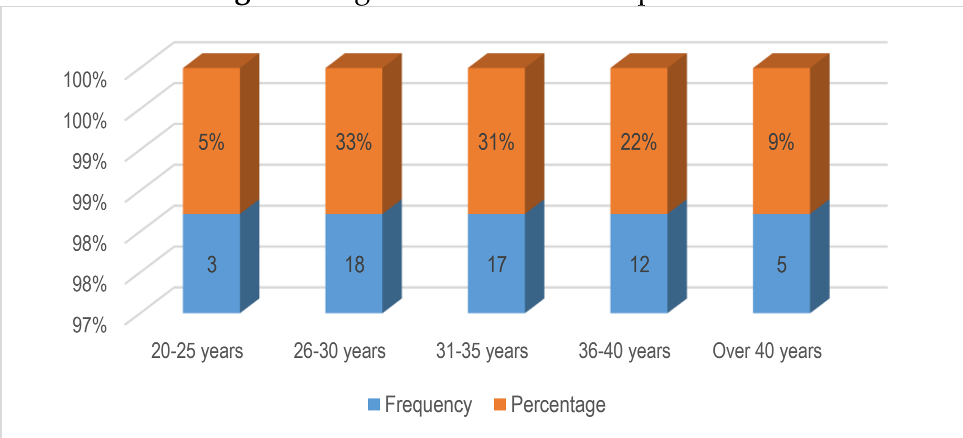


It's worth noting that addressing gender inequity in the workplace requires a comprehensive approach beyond recruitment practices alone. Organizations should also focus on creating an inclusive culture, promoting equal opportunities for career advancement, and offering support and resources to all employees. By fostering an environment that values diversity and gender equity, organizations can maximize productivity, innovation, and overall success.

7.1.2 Age Distribution of Respondents

Age has been found to contribute to various organizational outcomes such as employee turnover, promotion probabilities, performance, and work involvement (Lawrence, 1987**)**. However, a comprehensive theory that explains the mechanisms behind these age effects is yet to be established. Existing explanations often focus on specific perspectives, leading to a fragmented understanding of the phenomenon. Individuals make career choices based on their experiences and circumstances at different stages of life, which can influence their job preferences and aspirations (Kirchner and Dunnette, 1954; Sonnenfeld, 1978). Similarly, organizations often consider the distribution of employee ages in their succession planning efforts, recognizing that different age groups bring unique strengths and challenges. Understanding age effects is crucial for effective human resource management. It helps organizations tailor their practices and policies to attract, retain, and develop a diverse and inclusive workforce across different age groups. By recognizing the unique contributions and challenges associated with each stage of life, organizations can create an environment that maximizes productivity, engagement, and overall organizational success. Figure 2 below provides a vivid picture of the age distribution of respondents at NRA. Respondents ranged in age from 20 to over 40 years.

Figure 2: Age Distribution of Respondents

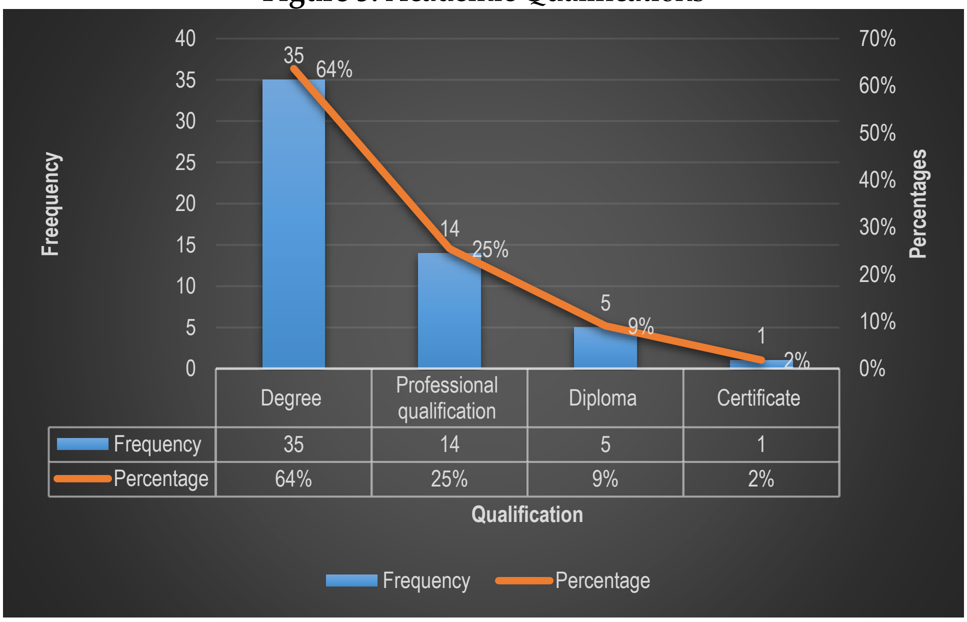


It is evident from Figure 2 that the majority of staff are youth between the ages 20-35 which indicates 69% of the workforce at NRA are youths. This is not surprising as it is in the organisation's best interest to maximize its revenue mobilization as tax collection entails substantial physical exertion; as collectors and other field staff pursue establishments and individuals that owe tax revenue. The age distribution also provides an enabling environment for a succession plan to be mapped out in a transparent process, taking eligibility, performance, academic achievement, and skills as basic yardsticks of measurement. A small percentage (9%) of staff over 40 years of age are in the top management category. Recognizing the positive and negative features associated with different age groups, organizations have historically aimed to leverage the strengths of each age group while mitigating potential challenges (Lawrence, 1987). This can involve implementing age-diverse teams, providing training and development opportunities for all age groups, fostering intergenerational collaboration, and designing flexible policies that accommodate the diverse needs and preferences of employees at different stages of their careers. Although understanding the advantages and disadvantages of age distribution and its impact on organizational performance is also fundamental this research did not delve into the age effect on employees and its impact on NRA performance.

7.1.3 Academic Qualifications of Respondents

This research investigated the levels of education of the respondents in order to determine their expertise and experience concerning tax assessment and tax collection as more skilled and qualified workers allocate resources more effectively across tasks and are more able to adapt to change and respond to new opportunities (Kamara & Momoh, 2023; Nelson & Phelps, 1966; Schultz, 1975). In addition, the expertise, experience, and informed knowledge of staff members at NRA may aid effectiveness and efficiency not only in the assessment and collection of tax but also facilitate the search for an improved approach for tax implementation in the contemporary ‘Global Village’ and be tailored made to meet the needs of Sierra Leone Tax environment. The responses of respondents are indicated in Figure 3. Figure 3 reveals that the vast majority of staff members, at the rate of 89%, are either university graduates or have professional qualifications such as computer science and accounting that are of direct relevance to revenue mobilization. The range of academic qualifications and professional qualifications is a clear signpost that the management of NRA does recruit the right caliber of staff members.

Figure 3: Academic Qualifications

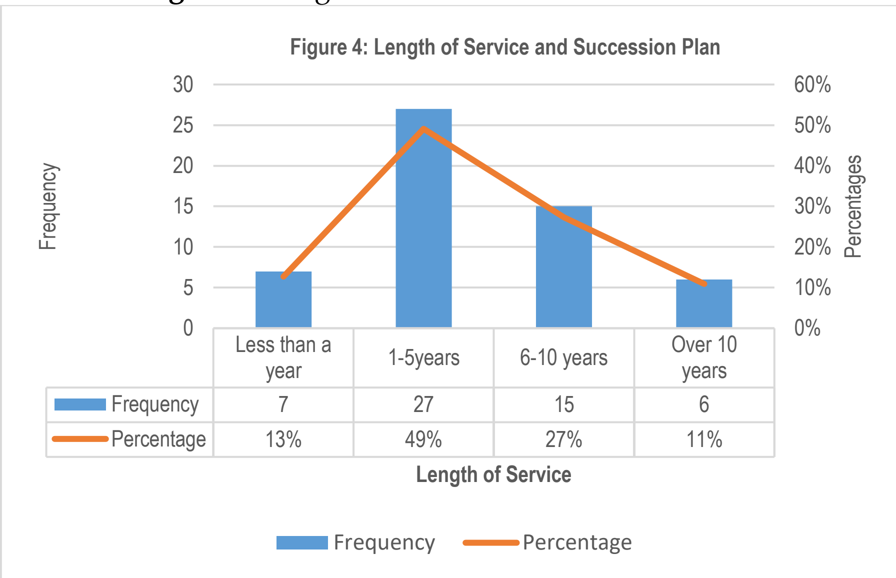


The recruitment and selection of exceptional employees play a vital role in an organization's strength and performance. By attracting and hiring individuals with the right qualifications and fit (Ekwoaba, Ikeije, & Ufoma, 2015), organizations can benefit from reduced turnover, high employee motivation, improved financial performance, and increased creativity and innovation (Boxall & Purcell, 2016). Investing in effective recruitment practices contributes to the generation of human capital advantage, giving organizations a competitive edge in today's dynamic business environment. A firm’s strength is based on the qualifications of employees and the quality of their relationships. Therefore, the recruitment of exceptional employees results in high organizational performance and the generation of human capital advantage. This research revealed that NRA has recruited highly trained and qualified employees to ensure the smooth functioning of NRA, as most of its functions are technical and require specialized staff. As a fundamental function of the Human Resources (HR) Department at NRA, the HR Department provides personnel and logistics support to operations and support departments by recruiting, developing, and retaining competent human capital. The types of qualified staff members recruited by NRA as related to qualification are indicated in Figure 3.

7.1.4 Length of Service and Succession Plan

A succession planning program ensures keeping the most accurate person in an accurate position at an accurate time. Succession planning is an advanced tool that can create future pioneers and urge individuals to take part in learning and advancement opportunities (Brooks & Henderson, 2005). Succession planning enables the organization to save the expense of external hiring and encourages inside executives to ensure a management position in the future. Individuals are more enthusiastic about their career progression and quests for jobs. It is, therefore, necessary that organizations must develop strategies like succession planning to ensure that they are capable of attracting and retaining talent within the organization. The connection between succession planning (SP) and employee retention (ER) is indeed significant, and their effectiveness can influence each other. When succession planning is ineffective, it can lead to increased turnover, which, in turn, undermines the success of the succession plan. Conversely, effective succession planning practices can contribute to higher employee retention rates. To maximize the benefits of succession planning and employee retention, organizations should focus on implementing effective succession planning practices while also addressing factors like job security, rewards, and supervisor support. Creating a supportive work environment, providing opportunities for career development, and offering competitive compensation and benefits are key elements in enhancing employee retention and overall organizational success. This research finding reveals that the HR department at NR is responsible for performance management and the introduction of compensation schemes for high-performing staff and retaining competent human capital. Theoretical findings indicate that organizations with effective succession planning practices tend to have better employee retention rates (Hassan & Siddiqui, 2020). In addition, current emerging trends in the corporate world emphasize the necessity to invest in the active development of organizational leaders (Hassan & Siddiqui, 2020).

Figure 4: Length of Service and Succession Plan



Succession planning is an advanced tool that can create future pioneers and urge individuals to take part in learning and advancement opportunities (Hassan & Siddiqui, 2020). The respondents' lengths of service and succession plans with NRA were investigated; the outcome of our investigation reveals that most of the respondents have had considerable work experience with the NRA and were, therefore, *au fait* with the policies and procedures of NRA. Figure 4 reveals that only 13% of the respondents had worked for less than a year. The majority, 49%, had worked for 1-5 years, 27% had worked for 6-10 years, and 11% worked for over 10 years. It can be concluded, therefore, that the majority of the respondents had adequate experience regarding the NRA policies and procedures. Those employees who worked for over 10 years and are either approaching their retirement or are middle-aged employees serve as the 'institutional memory' of NRA. It is important to fathom that as employees approach retirement age, organizations face the task of planning for succession and knowledge transfer. Older employees may possess institutional knowledge, mentorship capabilities, and a wealth of experience that is difficult to replace. Organizations need to develop strategies to capture and transfer this knowledge to younger generations and ensure a smooth transition. On the other hand, middle-aged employees typically bring stability, experience, and expertise to their roles. They may have established professional networks, deep knowledge of their industry, and valuable organizational knowledge. Their productivity and commitment can be crucial for the organization's success. Managers must strive to maintain their engagement and motivation, providing opportunities for growth, recognition, and work-life balance to avoid stagnation or burnout. This research reveals that there is no succession plan in place at NRA. It is of great essence for NRA to have a succession plan in place considering the benefits of a succession plan discussed in this section. However, as a vantage point for NRA, the HR

Department provides personnel and logistics support to operations and support departments by recruiting, developing, and retaining competent human capital and is also responsible for performance management and the introduction of compensation schemes for high-performing staff.

7.1.5 Distribution of Respondents by Department

The aim for the distribution of questionnaires by departments was to understand the roles, responsibilities, skills, qualifications, and how the NRA handles segregation of duties in the business of revenue mobilization and in achieving the functions, mandate, vision, and mission for which NRA was established. There are segregations of duties at NRA to achieve the Authority's mandate of assessing and collecting domestic taxes, customs duties, and other revenues specified by law, as well as administering and enforcing laws relating to these revenues. The clarity of the roles and responsibilities of each department are articulated in the departmental functions and responsibilities. Over the years, the National Revenue Authority has developed many departments and units each with a specific function with a demand to meet effective and efficient revenue mobilization. The key functional departments within the National Revenue Authority, their functions, roles, and responsibilities of each department are outlined in the subsequent subsections.

7.1.5.1 Customs Services Department

In the progression of Customs modernization, Trade Facilitation and Border Controls denote a shift in Customs focus on revenue generation proper to border controls and trade facilitation. The department is geared to support government reforms in improving the business experience in Sierra Leone. The Department maintains an integral role in facilitating the free movement of persons and goods across the country's frontiers, with emphasis on turnaround time, client experiences, and border controls.

7.1.5.1.1 Key Tasks

- **Revenue Administration:** various tax handles by way of fair assessment, collection, and accounting.
- **Trade Facilitation:** the introduction of a risk management approach in processes and a fast-track regime for compliant businesses.
- **Border Control:** enforcement of restricted and or prohibited imports and exports in collaboration with other Ministries, Departments, and Agencies (MDAs). Data Collection: Capture trade statistics and maintain a database of import and export transactions.
- **Regulate Customs Brokers:** Training, eligibility, and Licenses of Customs Brokers.

7.1.5.1.2 Specialized Units

- **Valuation:** Ensure assessments of imports based on Transaction Value
- **Risk management:** Profile businesses, Brokers, and Processes to achieve targeted controls

- **Post Clearance Audit:** Verify declarations from records on business premises.
- **Harmonized System (HS) Classification and Rules of Origin:** ensure commodities descriptions and applicable rates are adhered to.

7.1.5.2 Domestic Taxes Department

The Domestic Taxes Department (DTD) was formed in 2011 with the main objective of simplifying tax administration and making it easier for taxpayers to comply with their tax obligations. Over the last few years, the NRA modernization programme has focused on effective "Customer Service Delivery", and the formation of the DTD was instrumental to that principle. The main focus of DTD is "Customer Service Delivery", hence, the department is structured along functional lines instead of tax type under the old system.

Each operational area has four main functions: a) Taxpayer Registration and Services, b) Returns and Payment Processing, c) Compliance and Debt Enforcement, d) Audit and Assessment.

These functions ensure that the department provides better in-house services to taxpayers in terms of taxpayer services and returns processing, and also ensure that compliance increases under the self-assessment system by monitoring debt and filings.

In forming DTD, both the administration of Income Tax and Goods and Services Tax (GST) were combined. The advantage of this combination for the customer was that it made it easier for them to comply as they only had to deal with one tax office for all their tax issues, and for the NRA, it made it more effective as they will continue to have a holistic view of the taxpayer. The DTD is segmented into different tax offices. The Large Taxpayers Office (LTO) deals with the largest taxpayers and mainly includes Multinationals, Extractive & Mining Operators, Telecommunication Companies, Banking & Finance Players, Large Importers, and Major Contractors. DTD strive to provide first-class services for all large taxpayers as they are small but contribute more than 80% of revenue generated.

In line with the revenue mobilization drive of the NRA, a separate unit called an Extractive Industry Revenue Unit (EIRU) was set up within the domestic tax department and has an Assistance Commission to manage the affairs of the unit.

7.1.5.2.1 Extractive Industry Revenue Unit (EIRU)

In 2004, the responsibility for the collection of non-tax revenues was transferred from MDAs to the National Revenue Authority, and the Non-Tax Revenue Department (NTR) was consequently established at the Authority. Non-tax revenues are collected under financial provisions provided, among others, in the following Acts: Mines and Mineral Act 1994, Fisheries Management Act 1994, Forest Act 1998, and the Building Fee Act 1974. The Extractive Industry Revenue Unit (EIRU) was established by the National Revenue Authority (NRA) to manage the handling of all extractive-industry-related taxes. To date, the administration of the extractive industry has been the responsibility of the large tax office of the Domestic Tax Department (DTD). However, in the quest for specialized knowledge of the sector, this responsibility was shifted to the EIRU. The Unit facilitates the assessment, collection, audit, and timely recovery of revenue from the extractive industry.

7.1.5.2.2 Specific Objectives of the EIRU

1) **Maximizing revenues from the Extractive Industry (EI):** Once a tax base and tax rate are established in line with the tax legislation and mining lease agreements, the unit focuses on increasing voluntary compliance through; a) establishing a professional and trust-based relationship with EI taxpayers and b) educating taxpayers on the tax system, laws, policies, and regulations.
2) **Developing and implementing an extractive industry strategy:** Governance of the extractive industry sector goes far beyond issues of taxation and revenue collection. Among others, it incorporates environmental issues, the negotiating of mining lease agreements, and relationships with other governmental and non-governmental agencies. To achieve the main objective of revenue maximization, the unit must navigate through these entities and issues.
3) **Improving compliance in the extractive industry:** The unit aims to ensure compliance based on the four pillars of compliance: a) Correct and timely registration of tax-payers; b) systematic filing of information; c) Reporting of complete and accurate information; and d) Timely payment of tax obligations
4) **Establishing an extractive industry forum:** The unit forum engages stakeholders across the extractive industry, including the chamber of mines. The forum will be a way to discuss concerns, share information about administrative developments, and facilitate improvement and arbitration.
5) **Promoting collaboration with extractive-industry-related stakeholders:** NRA collaborates with relevant government ministries and agencies to discuss technical issues relating to the industry for better understanding and the subsequent improvement of the administration of taxes. A task force has already been established to share information across various agencies with the view of maximizing revenue.
6) **Monitoring revenue mobilization from the extractive industry sector:** The unit will forecast extractive industry tax revenues. This will ensure the early reaction to changes in revenue patterns and better management of expectations. It will also allow us to understand compliance patterns.
7) **Provide technical input on policies:** The unit has a representative on the Minerals Advisory Board and takes an active part in the issuance of mining licenses. The unit recommends legislative changes in order to improve tax administration and compliance.
8) **Auditing of extractive industry companies:** NRA will develop and implement a compliance program to ensure that extractive companies pay the appropriate amount of tax. In the event it does not happen, the unit will investigate and audit these taxpayers.

7.1.5.3 Support Departments

The Support Department has the following inter-departments within the support department.

7.1.5.3.1 Human Resources Department

The HR Department provides personnel and logistics support to operations and support departments by recruiting, developing, and retaining competent human capital. It is also responsible for performance management and the introduction of compensation schemes for high-performing staff. This department thus plays a major role in helping the Authority meet revenue aspirations and provide quality service to its customers. The HR Department further carries out the following functions: a) Prepares technical plans and programs for the development and implementation of office policies, procedures, and guidelines in all areas of Human Resource Management/Development; b) Develops /recommends programs that foster better employee relations, staff welfare benefits, career development, staff discipline, and other related aspects; c) Provides support to the various organizational units on staff-related issues and technical/professional advice through collaboration with other institutions to implement capacity-building programs. d) Enforces/monitors the implementation of Human Resource policies and procedures across the Authority and forwards regular reports to Management and the Board for appropriate consideration; e) Collaborates with other comparator agencies/institutions and government with respect to HR-related matters; d) Processes personnel transactions, administer salaries/payroll, and maintains personnel records in the Authority.

7.1.5.4 Administration Department

This department is designed to serve as a conduit of support, especially addressing the logistical needs of all other departments in the Authority. It undertakes/executes all other functions of the supply chain management except procurement/purchasing, which falls under a separate domain. The department carries out the following functions: a) Provides overall direction in the maintenance and control of the authority's property; b) Ensures the availability of a conducive working environment to enhance staff performance; c) Develops and maintains operating standards and skills/techniques in collaboration with the lateral departments/units and in consonance with the mission and mandates of the Authority; d) Provides technical/professional services/support relating to general administration functions; e) Maintains the implementation of work plans and activities of the department in a timely and efficient manner.

7.1.5.5 Finance and Budget Department

The Finance and Budget Department is responsible for the financial management of the Authority. It controls budget spending and ensures that the institution's liquidity position is secured. This department further aids the flow of revenues to the government and accounts for all revenues being collected and transferred to the Consolidated Fund.

Functions of the Finance & Budget Department include a) Collection of revenue for the NRA which is deposited in the Consolidated Revenue Fund (CRF). b) Revenue reconciliation with Commercial banks. c) Participation in Cash Management meetings. d) Issuance of securitized receipts to outstations to ensure accountability of funds. e) Information and Communication Technology Department.

7.1.5.6 The Information and Communication Technology (ICT) / Modernization Department

The Information and Communication Technology (ICT) / Modernization Department of the National Revenue Authority (NRA) continues to play a key role in the institution's modernization process/programme. Through its restructuring and updating of the ICT network, it has significantly contributed to the Authority's impressive revenue performance over the years. The Department has helped transform the operations of NRA by applying modern information systems that have greatly enhanced the Authority's administrative efficiency, which has subsequently resulted in improved revenue collection. The Department supports both the operational and support departments through the introduction of modern information technology and process automation. The Authority currently uses the following application systems in its day-to-day operations: The ASYCUDA++ for Customs operations; The VIPS Plus for GST Processing; The Domestic Tax Information System (DTIS); Great Plains for HR and Financial Management; The ICT infrastructure, which includes both the LAN and WAN; The NRA website and the Intranet and the NRA Corporate messaging system.

7.1.5.7 Internal Controls and Audit Department

The Internal Controls and Audit Department (ICA) is an independent and objective appraisal department created by the NRA Act 2002. The primary role of this department is to advise the Board through the Audit Committee and the Commissioner General on internal controls, risk management, and governance systems in the Authority. This is done by measuring and evaluating the effectiveness of controls and systems in achieving the Authority's strategic and operational objectives. In addition, the department provides assurance to Management in systems they are responsible for and assist Management in making improvement to these systems. The department also provides consultancy services as and when it is required by the Board or Management.

7.1.5.8 Corporate Services

The Corporate Services Department plays a crucial role in achieving the Authority's mandate by providing the organization with a full range of services in the areas of board administration, policy and legal affairs, tax education & public affairs management, and protocol. The Department is split into three units, namely: a) Board Administration and Protocol, b) Policy & Legal Affairs, and c) Tax Education & Public Affairs Management.

Functions of the three units of the Department: a) The Board Administration (BA) Unit of the department coordinates board meetings, records board proceedings, and disseminates instructions from the Board; b) The Public Affairs and Tax Education (PATE) Unit provides reliable and timely information to stakeholders to build a positive tax-paying culture and improve compliance with tax laws; c) The Policy & Legal Affairs

(PLA) Unit provides legal services, makes proposals for effective legislation and enforcement of tax laws. The Corporate Services Director is responsible for providing leadership which includes the provision of necessary support and resources to staff to enable them to operate in an effective manner. The Department is situated at the Head office, Modesty House 7 Bathurst Street, Freetown.

7.1.5.9 Monitoring Research and Planning Department

The Monitoring Research and Planning Department (MRP) is charged with the responsibility of conducting revenue enhancement research, monitoring all reform projects and revenue collection processes and procedures as well as leading the planning activities of the authority.

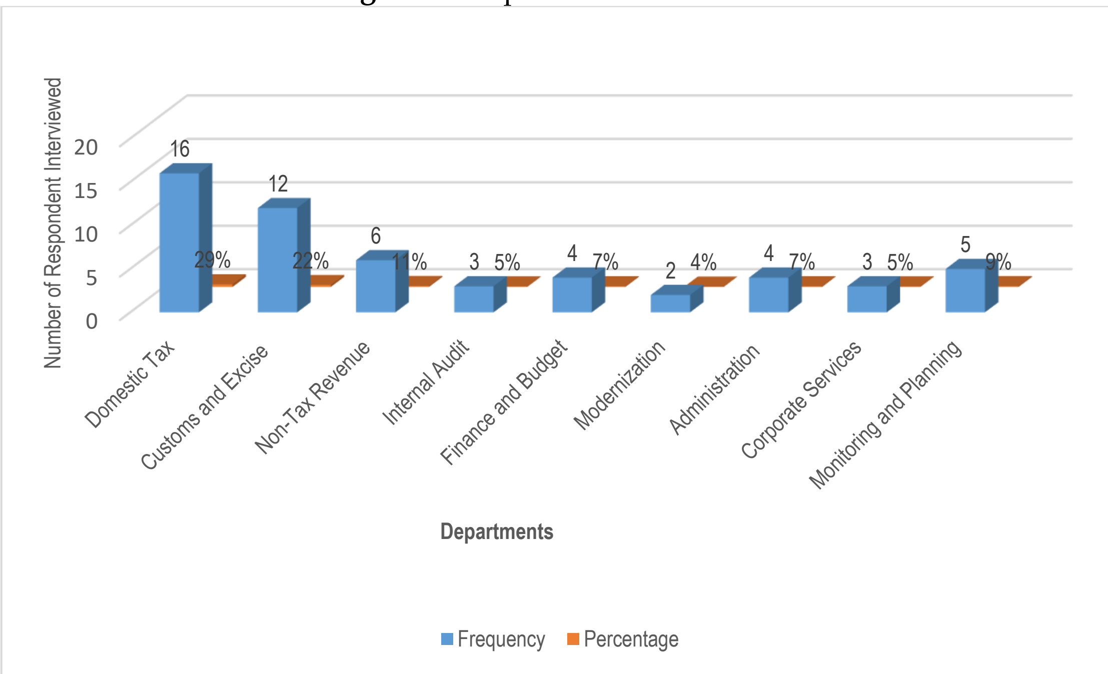
Functions of the MRP Department include: a) Conducting research to enhance domestic revenue collection; b) Monitoring key performance indicators & operational procedures of the Authority; c) Leading the planning process of the Authority; d) Processing duty-free concession applications and advising Management based on regulations. d) Collecting, collating, and regularly updating tax and non-tax revenue databases from which reports and publications are produced. e) Preparing revenue reports and contributing to the general publications of the Authority. f) Responding to data/ information requests on Domestic Revenue and Economic Performance by Development partners—MDAs, ECOWAS, DFID, IMF, and World Bank; g) monitoring and evaluating bilateral and multilateral agreements (such as the ECOWAS Common External Tariff) relating to taxes and customs duties. h) Representing the Authority in meetings as scheduled by the Director and or the Commissioner-General's office.

Revenue Intelligence and Investigation Units: To be recognized as the premier provider of quality and timely tax intelligence, investigation, and risk management service that fosters optimum revenue collection within the National Revenue Authority. To enhance taxpayer voluntary compliance by detection and proactive investigation of tax evasion whilst maintaining confidence in the integrity of Sierra Leone's tax system through a dedicated and professional workforce, this, in turn, will maximize revenue collection. To enhance revenue collection by the authority through investigation of all detected cases of tax fraud/evasion and apply all the preventive measures at the disposal of the respective tax legislation. The functions of the unit are as follows: a) To support the effectiveness and efficiency of Revenue Department audit programs through the provision of intelligence summaries and risk profiling; b) To support the Revenue Department through providing specialized investigative services into tax frauds and crimes, determining the method of operation, identifying the sponsors or perpetrators, and prosecuting them to enhance compliance. c) To detect areas of willful negligence and graft by NRA staff and make recommendations, after full investigations, for necessary disciplinary action.

The distribution of respondents by the specialized departments where they work was investigated. The findings are presented in Figure 5. It is noticeable from Figure 5 below that the biggest employers are 'Customs and Excise 22% and 'Domestic Tax' 29%

of respondents, followed by Non-Tax Revenue 11%, and Monitoring and Planning 9% of respondents.

Figure 5: Respondent Distribution

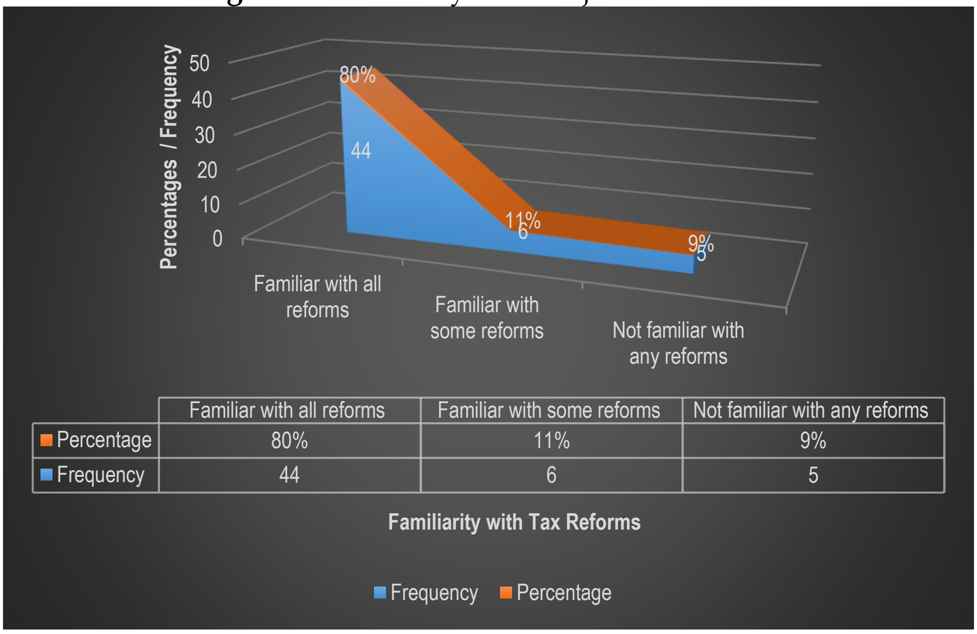


7.2 Tax Reforms

7.2.1 Familiarity with Major Tax Reforms

Tax systems can become outdated or complex over time, leading to inefficiencies, inequities, and opportunities for tax evasion or avoidance. Tax reform aims to address these issues by modifying tax laws, regulations, and administrative procedures. It may involve adjusting tax rates, expanding or reducing the tax base, introducing new tax incentives or deductions, and streamlining tax compliance processes. Respondents were interviewed regarding their knowledge of all major tax reforms (such as GST, ITAS, ECR Machine, income tax act, an increase of import duties, administrative structures, and tax education). The findings are presented in Figure 6. It is evident from Figure 6 that the personnel of NRA have been adequately educated about their major tax reforms as the vast majority of 80% of respondents are familiar with all tax reforms, policies, and procedures, while 11% are familiar with some of the reforms. Only 9% claimed that they were not familiar with any of the tax reforms. This evidence is closely in sync with the majority of 49% that worked for 1-5 years, 27% that worked for 5-10 years, and 11% that worked for over 10 years and are *au fait* with the tax reform strategies, policies and procedures of NRA discussed in Section 7.1.4. However, considering the importance of tax strategies reforms with the aim of increasing the revenue mobilization process; and making changes to a country's tax system in order to improve its efficiency, equity, and effectiveness of the tax systems all staff members should *au fait* themselves with the tax reform strategies, policies, and procedures of NRA. And in addition, the primary goals of tax reform are often to generate higher revenues, close loopholes, simplify the tax system, promote economic growth, and ensure fairness in taxation; thus staff members' familiarity with the tax reform strategies, policies, and procedures of NRA is of the essence. Although 80% of NRA staff are knowledgeable and equipped with the necessary tools of tax reforms strategies is not the researchers recommend enough as 100% to minimize loop loops of revenue mobilization. It is, therefore, imperative for staff members of NRA to be fully equipped with the knowledge and skills of tax strategies reforms to ensure effective and efficient tax collection, which would be a necessary stepping stone to increase revenue mobilization. However, it's worth noting that tax reform can be a complex and contentious process, as different stakeholders may have varying interests and opinions on how the tax system should be structured. Balancing the needs of different groups and ensuring the fairness of the reforms are crucial considerations for policymakers undertaking tax reform initiatives.

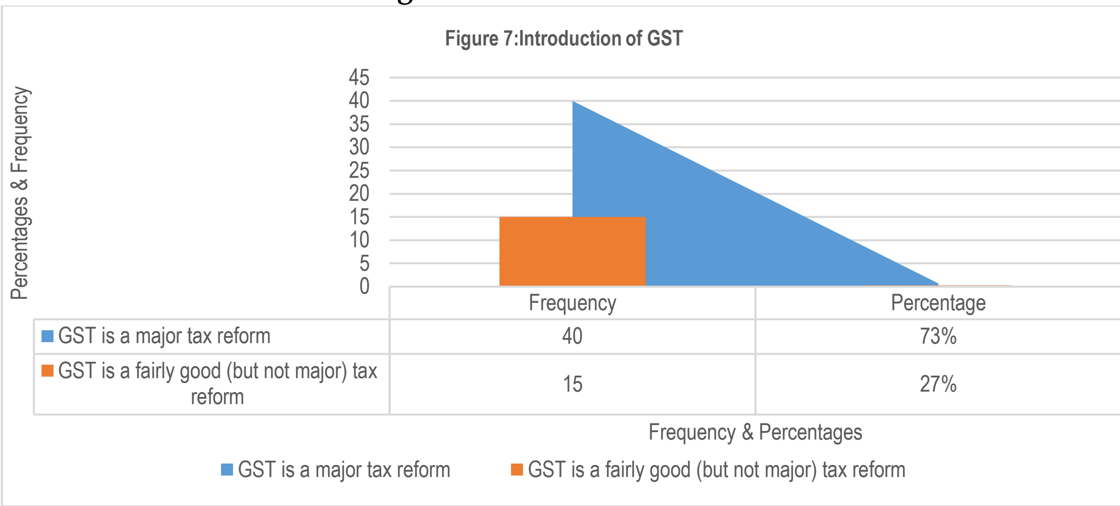
Figure 6: Familiarity with Major Tax Reform



7.2.2 Goods and Services Tax Knowledge

Many countries have adopted the Value Added Tax (VAT) as part of their tax systems. The VAT has become a significant source of tax revenue globally, contributing approximately one-fourth of the world's total tax revenue (Aizenman & Jinjarak, 2005). The adoption of VAT was seen as a response to new challenges faced by countries. However, the debate surrounding the welfare gains of transitioning from trade taxes to VAT is ongoing. Emran and Stiglitz (2005) have raised concerns about the effectiveness of VAT in the presence of a large informal sector. The informal sector, which operates outside the formal economy and often avoids tax compliance, can pose challenges to the successful implementation and collection of VAT. Respondents were asked to indicate whether they considered the introduction of GST a major indirect tax reform. Their responses are summarized in Figure 7.

Figure 7: Introduction of GST

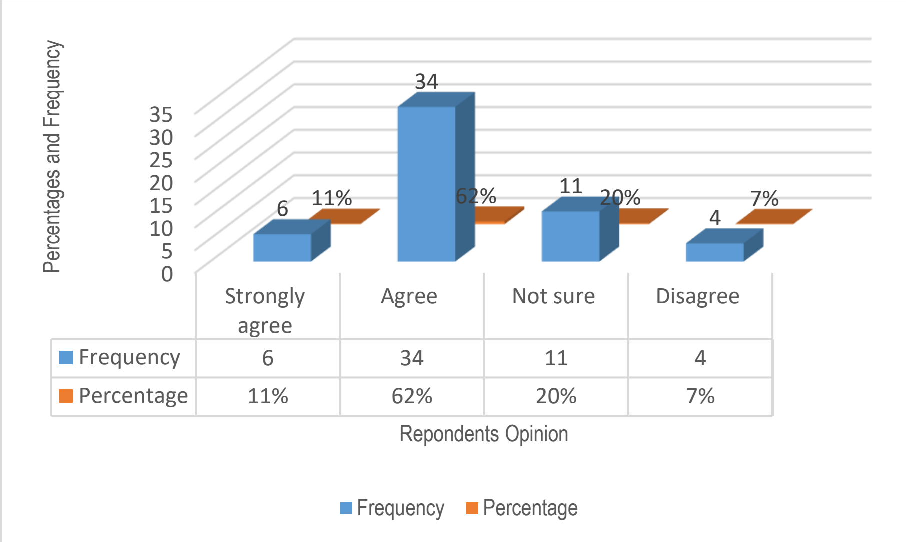


The majority (73%) of respondents considered GST a major indirect tax reform however, 27% considered it a “fairly good” but not a major indirect tax reform. Overall, therefore, it can be said that the introduction of GST is perceived positively as an indirect tax reform by the staff of the NRA. However, tax education within the NRA is imperative as 27 % are not in agreement. Hence, the holistic approach to tax reforms will be a commendable effort.

7.2.3 Effect of Increase of Import Duties on Growth of Local Industries

The WTO encourages its member nations to make commitments to reduce tariffs and other trade barriers. Tariffs are import duties or taxes imposed on goods as they enter a country. By reducing tariffs, countries aim to facilitate the flow of goods across borders, promote economic growth, and enhance global trade. The WTO's efforts in promoting and enforcing commitments to reduce tariffs and barriers to trade have played a crucial role in facilitating global trade and supporting the growth of the global economy. Although it is the WTO’s view that by reducing tariffs, countries aim to facilitate the flow of goods across borders, promote economic growth, and enhance global trade, it was envisaged by NRA that an increase in duties levied on imports would act as a stimulus for local industries growth in Sierra Leone. Respondents were asked whether they considered this to be the case. Data analysis revealed, as indicated in Figure 8, that 11% of respondents “strongly agree” while 62% “agree” - making a total of 73% who perceive an increase in import duties as a stimulus for the growth of local industries. Of the remainder, 20% were “not sure”, while 7% disagreed with the claim. It can be concluded, therefore, that overall, respondents believe that an increase in import duties does help local industries to grow, which is in contrast with the belief of WTO on the flow of goods across borders, which promotes economic growth and enhances global trade.

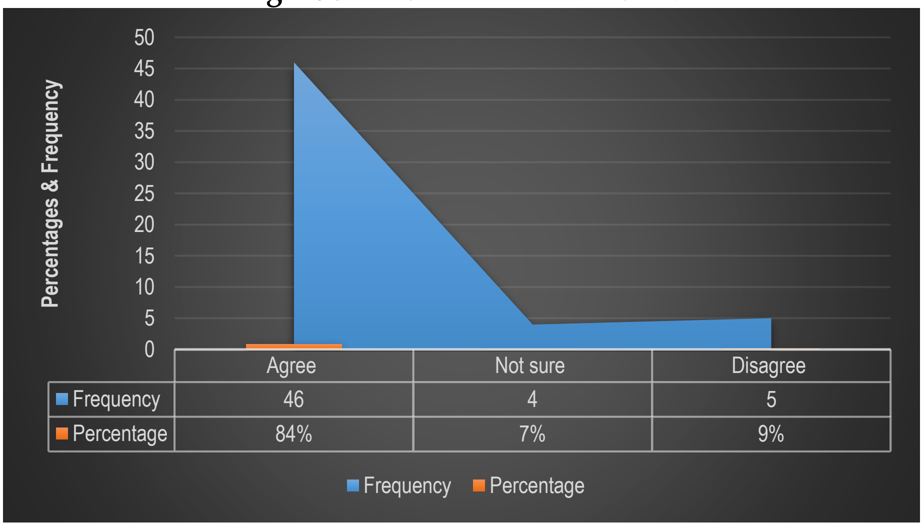
Figure 8: The Impact of Increased Import Duties on Local Industries Growth



7.2.4 Income Tax Act

In most developing countries, income taxes, particularly personal income taxes, play only a limited role in financing public sector activities and have little effect on income distribution (Michael *et al.*, 1993; Bird & Zolt, 2005). Developing countries have generally financed the limited expansion of public sector activities through increased revenues from value-added taxes (Michael *et al.*, 1993; Martinez-Vazquez & Bird, 2010). Respondents were required to indicate whether they considered the Income Tax Act to represent a major direct tax reform. Their responses are reflected in Figure 9. The Figure indicates that the overwhelming majority (84%) of respondents considered the Income Tax Act to be a major tax reform. 7% were "not sure", while 10% disagreed with the assertion. These findings imply that, overall, the introduction of the Income Tax Act is considered to be a major direct tax reform but its impact on revenue was not revealed due to the data limitations.

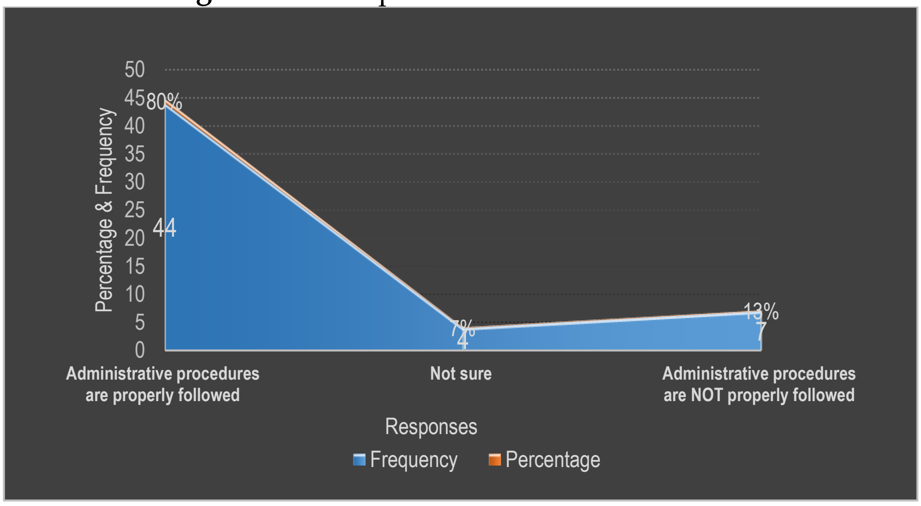
Figure 9: Income Tax Act Reforms



7.2.5 Administrative Procedures in Tax Management

Tax administration procedures play a crucial role in influencing the level of domestic revenue mobilization. These procedures encompass the activities and practices undertaken by tax authorities to ensure the efficient and effective implementation of tax laws and the collection of taxes. In addition, the quality and effectiveness of tax administration procedures significantly impact domestic revenue mobilization. By implementing efficient and transparent procedures, governments can enhance compliance, reduce tax evasion, and improve the overall efficiency of tax collection, leading to increased revenue generation for public expenditures and socioeconomic development. The respondents were asked whether administrative procedures are properly followed by the NRA. Their responses are graphically shown in Figure 10.

Figure 10: Perceptions of Tax Administration

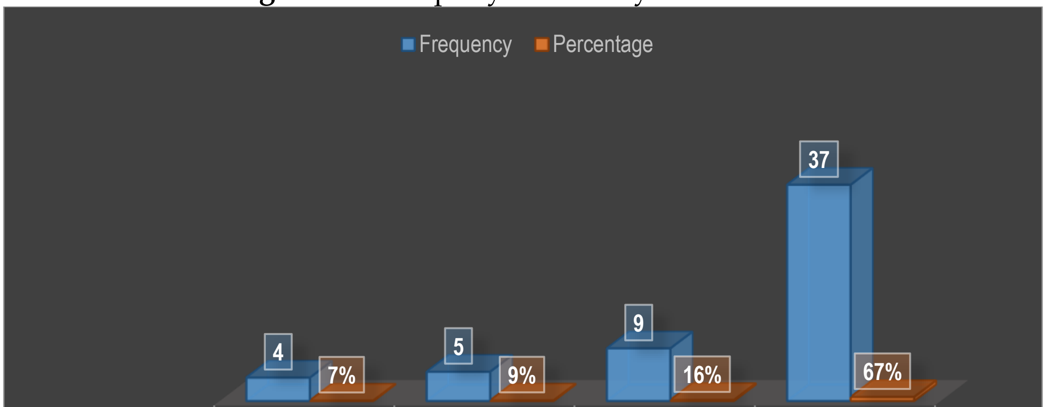


It is evident from Figure 10 that the vast majority of 80% of respondents believe that administrative procedures are properly adhered to in tax management. Only 13% of respondents claim that administrative procedures are not properly followed, while 7% reported were “not sure.” In summary, the overall administrative procedures are properly followed in tax management. However, the loopholes identified by the 13% of respondents that led to their negative perception that administrative procedures are not properly followed should be investigated, and internal controls instituted, implemented, and monitored to ensure administrative procedures are properly followed in tax management. The consequences of not following administrative procedures would lead to wastages, corrupt practices, pilferage, and leakages in revenue mobilization needed for economic development. The 7% who are unsure whether administrative procedures are properly followed in tax management should be provided with training on tax administration procedures to enable them to know when tax administrative procedures are properly followed and when procedures are not followed.

7.2.6 Tax-Payer Education

Raising sufficient tax revenues remains a major challenge for many countries, especially in light of the impacts of the COVID-19 pandemic (OECD 2021). Taxpayer education can be a key tool to boost the willingness of individuals and businesses to voluntarily pay tax and play a vital role at the heart of mobilizing the tax revenues urgently needed to help achieve the Sustainable Development Goals, according to a new OECD study (OECD 2021). "*Effective tax systems rely on high levels of voluntary compliance; increasing the understanding of how taxpayer education can directly impact the willingness of taxpayers to comply voluntarily can help countries raise the revenues they need to achieve Sustainable Development Goals and build trust in the fairness of the tax system*", said Grace Perez-Navarro, Deputy-Director of the OECD Centre for Tax Policy and Administration. The second edition of Building a Tax Culture, Compliance, and Citizenship A Global Source Book on Taxpayer Education provides valuable insights into taxpayer education initiatives from around the world. The report emphasizes the importance of increasing tax literacy and its impact on shaping a country's tax culture. It highlights a unique dataset of 140 taxpayer education initiatives implemented in 59 developed and developing countries. This research investigated NRA taxpayers' education. Specifically, respondents were asked whether taxpayers are provided with adequate education on their taxation obligations. The findings are presented in Figure 11.

Figure 11: Adequacy of Tax-Payer Education



	Very adequate	Reasonably adequate	Not sure	Not adequate
Frequency	4	5	9	37
Percentage	7%	9%	16%	67%

Figure 11 reveals that the majority of respondents (67%) do not consider the education of taxpayers to be adequate, indicating a serious deficiency in the tax mobilization drive. A minority of respondents consider the training provided to taxpayers to be "very adequate" (7%) or "reasonably adequate" (9%), and 16% of respondents are not sure of the tax education adequacy. It can be concluded from the foregoing that taxpayer education should be given greater attention and intensified for the enhancement of domestic revenue mobilization. Hence, the following tax education be undertaken as recommended in the second edition of Building a Tax Culture, Compliance, and Citizenship a Global Source Book on Taxpayer Education that provides valuable insights into taxpayer education initiatives from around the world. The forms of tax education are as follows: 1. Teaching tax: This approach involves in-depth and long-term engagement with various audiences, including young people, adults, and entrepreneurs. The aim is to educate individuals about tax-related concepts, laws, and their implications. This approach fosters a deeper understanding of taxation and its impact on citizens' daily lives.2. Communicating tax: This approach focuses on raising awareness among taxpayers through higher-level engagement. Initiatives under this category include social media campaigns, tax fairs, television shows, and other communication channels. The behavioural economics techniques may also be used to tailor messages and encourage positive responses from taxpayers. 3. Supporting tax compliance: This approach provides practical assistance to taxpayers, particularly in using modern e-administration tools and meeting their tax obligations. It aims to facilitate compliance and support vulnerable taxpayers in fulfilling their reporting requirements. Taxpayer education initiatives should not be limited to tax administrations alone. Effective partnerships with schools, business associations, non-governmental organizations (NGOs), and other stakeholders play a vital role in successful taxpayer education.

7.3 The Relation between Tax Reform Strategies and the Impact on Revenue as a Percentage of GDP and Real Gross Domestic Product Ratio

The increase in tax revenues has a positive and significant impact on economic growth and, thus, the GDP. To understand the trend of Revenue as a Percentage of GDP and Real Gross Domestic Product Ratio, data was sourced from the International Monetary Fund, and General Government Revenue for Sierra Leone [SLEGGRG01GDPPT], retrieved from Federal Reserve Economic Data (FRED) was used. The Data retrieved from FRED is indicated in Table 1. The data in Table 1 and the trends shown in Figure 12 and Figure 13 indicate a positive relationship between tax reform strategies and the growth in Revenue as a Percentage of GDP and Revenue GDP Ratio. The tax reforms strategies increased revenue mobilization and therefore contributed to a positive and steady increase in Revenue as a Percentage of GDP and Revenue GDP Ratio from 2008 to 2012 but growth was stunted significantly by the break of the Ebola pandemic in 2013 and 2014. However, Revenue, as a Percentage of GDP and Revenue GDP Ratio, bounced back in 2015 with significant increases in 2018 and 2019, but the Ebola outbreak stunted the growth in 2020.

Table 1: Revenue as a Percentage of GDP and Revenue GDP Ratio

	Revenue as a Percentage of GDP		Real Gross Domestic Product
2003	8.84%		
2004	9.12%	2004	6.60%
2005	8.72%	2005	4.51%
2006	8.88%	2006	4.22%
2007	8.33%	2007	8.06%
2008	8.97%	2008	5.40%

2009	9.02%	2009	3.19%
2010	9.92%	2010	5.35%
2011	11.42%	2011	6.31%
2012	11.34%	2012	15.18%
2013	10.70%	2013	20.72%
2014	9.81%	2014	4.56%
2015	10.80%	2015	-20.49%
2016	11.89%	2016	6.35%
2017	12.16%	2017	3.76%
2018	13.67%	2018	3.46%
2019	14.64%	2019	5.25%
2020	14.65%	2020	-1.97%
20121	16.33%	2021	4.10%

Source: Federal Reserve Economic Data.

Figure 12: Revenue as a Percentage of GDP

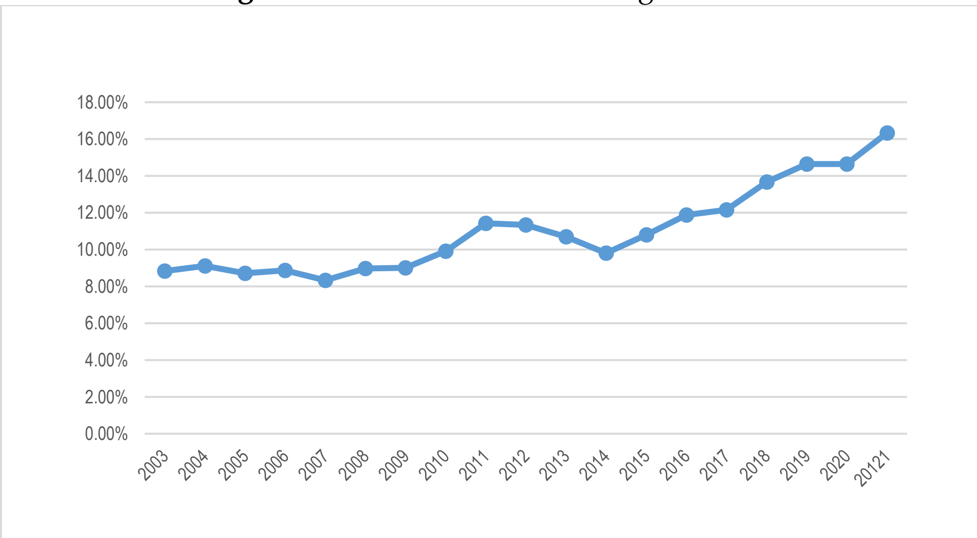
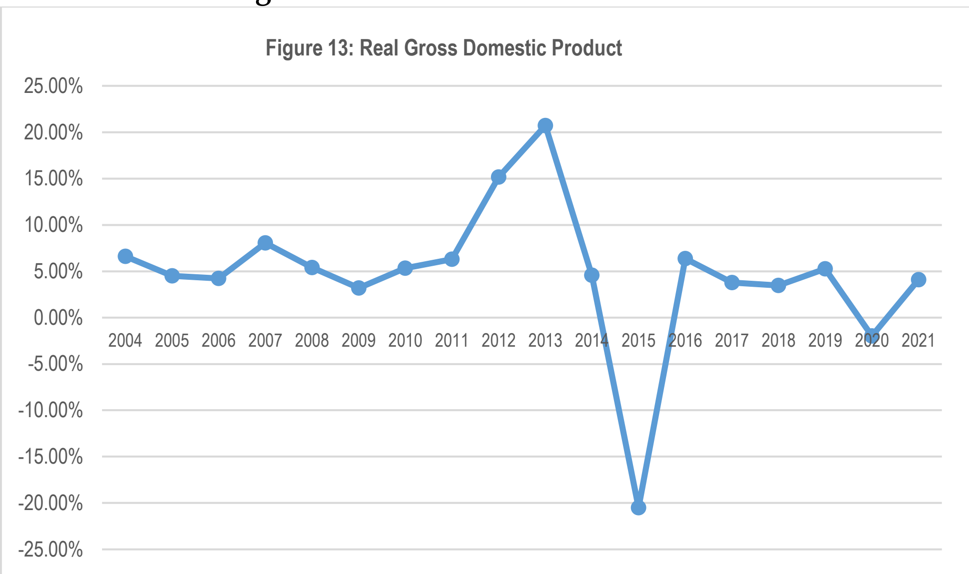


Figure 13: Real Gross Domestic Product



The tax-to-GDP ratio in Sierra Leone[1] decreased by 0.8 percentage points from 11.8% in 2019 to 11.0% in 2020. In comparison, the average for the 31 African countries within the publication 2022 has decreased by 0.2 percentage points over the same period and was 16.0% in 2020. Since 2010, the average for the 31 African countries has increased by 1.6 percentage points, from 14.4% in 2010 to 16.0% in 2020. Over the same period, the tax-to-GDP ratio in Sierra Leone has increased by 1.9 percentage points, from 9.1% to 11.0%. The highest tax-to-GDP ratio in Sierra Leone was 11.8% in 2019, with the lowest being 7.6% in 2007. The highest share of tax revenues in Sierra Leone in 2020 was contributed by personal income tax (32%). The second-highest share of tax revenues in 2020 was derived from taxes on goods & services other than VAT (31%). In 2020, Sierra Leone's non-tax revenues amounted to 8.6% of GDP. This was lower than the average non-tax revenues for the 31 African countries (6.8% of GDP). Grants represented the largest share of non-tax revenues in Sierra Leone in 2020, amounting to 5.8% of GDP and 67.4% of non-tax revenues (OECD 2022).

8. Summary, Conclusions, Limitations and Recommendations

8.1 Summary, Conclusions and Limitations

Tax systems can become outdated or complex over time, leading to inefficiencies, inequities, and opportunities for tax evasion or avoidance. Tax reform aims to address these issues by modifying tax laws, regulations, and administrative procedures. It may involve adjusting tax rates, expanding or reducing the tax base, introducing new tax incentives or deductions, and streamlining tax compliance processes. Effective tax reform can contribute to increased government revenues, which can be used to fund public services, infrastructure development, and social welfare programs. It can also enhance economic productivity, attract investment, and promote overall economic growth by creating a more favourable environment for businesses and individuals. However, it's worth noting that tax reform can be a complex and contentious process, as different stakeholders may have varying interests and opinions on how the tax system should be structured. Balancing the needs of different groups and ensuring the fairness of the reforms are crucial considerations for policymakers undertaking tax reform initiatives. Although the principles of the tax are broadly the same everywhere, the rules can be enacted and implemented differently in different countries, so the compliance burden on business varies considerably. Many countries have adopted the Value Added Tax (VAT) as part of their tax systems. The VAT has become a significant source of tax revenue globally, contributing approximately one-fourth of the world's total tax revenue. The adoption of VAT was seen as a response to new challenges faced by countries. However, the debate surrounding the welfare gains of transitioning from trade taxes to VAT is ongoing. The informal sector, which operates outside the formal economy and often avoids tax compliance, can challenge the successful implementation and collection of VAT. The WTO encourages its member nations to commit to reducing tariffs and other trade barriers. Tariffs are import duties or taxes imposed on goods as they enter a country. By reducing tariffs, countries aim to facilitate the flow of goods across borders, promote economic growth, and enhance global trade. The WTO's efforts in promoting and enforcing commitments to reduce tariffs and barriers to trade have played a crucial role in facilitating global trade and supporting the growth of the worldwide economy.

As employees approach retirement age, organizations face the task of planning for succession and knowledge transfer. Older employees may possess institutional knowledge, mentorship capabilities, and a wealth of experience that is difficult to replace. Organizations need to develop strategies to capture and transfer this knowledge to younger generations and ensure a smooth transition. The connection between succession planning (SP) and employee retention (ER) is indeed significant, and their effectiveness can influence each other. When succession planning is ineffective, it can lead to increased turnover, which, in turn, undermines the success of the succession plan. Conversely, effective succession planning practices can contribute to higher employee retention rates. Findings indicate that organizations with effective succession planning practices tend to have better employee retention rates. The finding of this research indicates that NRA has no succession plan we therefore recommend that NRA work on a succession plan and effectively and efficiently implement the succession plan.

Tax reform strategies and procedures play a crucial role in influencing the level of domestic revenue mobilization. These procedures, strategies, and reforms encompass the activities and practices undertaken by tax authorities to ensure the efficient and effective implementation of tax laws and the collection of taxes. Several key factors and effects of tax administration procedures on domestic revenue mobilization are as follows: a) Compliance and Enforcement: Effective tax administration procedures contribute to higher levels of compliance among taxpayers. When tax laws are properly enforced and monitored, taxpayers are more likely to fulfill their tax obligations. This leads to increased revenue collection for the government. b) Simplification and Clarity: Clear and simplified tax administration procedures reduce complexity and confusion for taxpayers. When tax regulations are easy to understand and comply with, taxpayers are more likely to willingly participate in the tax system. This, in turn, leads to increased revenue mobilization. c) Compliance and Enforcement: Effective tax administration procedures contribute to higher levels of compliance among taxpayers. When tax laws are properly enforced and monitored, taxpayers are more likely to fulfill their tax obligations. This leads to increased revenue collection for the government. d)Reduction of Tax Evasion and Avoidance: Tax administration procedures that incorporate robust anti-evasion measures help to minimize tax evasion and avoidance practices. Effective monitoring, auditing, and enforcement activities discourage taxpayers from engaging in fraudulent activities, thereby preserving the integrity of the tax system and maximizing revenue mobilization. e) Transparency and Accountability: Transparent tax administration procedures foster trust between taxpayers and tax authorities. When taxpayers have confidence in the fairness and accountability of the tax administration system, they are more likely to comply voluntarily. Enhanced transparency and accountability contribute to increased revenue mobilization. The majority of taxpayers do not get sufficient tax education and this leads to non-compliance on the part of taxpayers. Domestic revenue mobilization is still performing poorly, a larger portion of domestic tax revenue is raised from indirect taxes, domestic revenue mobilization procedures are not effective, and collecting tax revenue from organizations is easier than from individual taxpayers. The researchers recommend that the management of NRA increases tax education.

Overall, findings on tax reforms indicated that more emphasis was put on indirect tax reform, but direct tax heads were given negligible attention. The majority of taxpayers do not get sufficient tax education and this leads to non-compliance on the part of taxpayers. Domestic revenue mobilization is still performing poorly, a larger portion of domestic tax revenue is raised from indirect taxes, domestic revenue mobilization procedures are not effective, and collecting tax revenue from organizations is easier than from individual taxpayers. A huge tax burden rests on the few registered organizations and employees working in the formal sector. However, the general trend indicates an increase in tax revenue of 1.9 percentage points, from 9.1% to 11.0% in 2020, as related to the percentage growth in the GDP, which signals the strength and benefits of tax reforms, although these benefits were strangled by the Corona pandemics respectively. The highest tax-to-GDP ratio in Sierra Leone was 11.8% in 2019, with the lowest being 7.6% in 2007. The findings of this research revealed that the National Revenue Authority needs to lower the PAYE threshold in order to capture the income of the majority of citizens for tax purposes. Further, there is a need to revise the list of zero-rated supplies, diplomatic privileges, and the list of institutions whose income is tax-exempt. By bringing together the various revenue-collecting agencies under one umbrella, the NRA has fostered coordination and cooperation among different departments, leading to better revenue administration and enforcement. This centralized approach has enhanced accountability and transparency in the tax system. Overall, the establishment of the Sierra Leone National Revenue Authority has been a significant step in transforming the country's tax system and enhancing revenue mobilization and trade facilitation. Increasing revenue mobilization is an important driver of economic growth. Many countries are still struggling to collect sufficient revenues to finance their development. Countries collecting less than 15% of GDP, with Sierra Leone not an exception in taxes must increase their revenue collection to meet the basic needs of citizens and businesses. This level of taxation is an important tipping point to make a state viable and put it on a growth path. (World Bank Report) [84]. The quality and effectiveness of tax administration procedures significantly impact domestic revenue mobilization. By implementing efficient and transparent procedures, governments can enhance compliance, reduce tax evasion, and improve the overall efficiency of tax collection, leading to increased revenue generation for public expenditures and socioeconomic development.

The limitation of this research is that the participants for this research were limited to NRA staff members; in order to broaden the scope of this research, future researchers are advised to include taxpayers as participants of their research and hence focus their research on the Impact of Tax Reforms on the Economic Growth of Sierra Leone.

8.2 Recommendation to NRA Management and Future Researchers

The finding of this research indicates that NRA considers the development and implementation of a succession plan; we, therefore, recommend that NRA work on a succession plan and effectively and efficiently implement the succession plan and increase the revenue mobilization to meet the minimum requirement of 15% of GDP. In addition, the researchers recommend that the management of NRA increases tax education for taxpayers and periodic evaluations are carried out by tax experts to establish the performance of each tax head. Future research is recommended on the impact of tax reforms on economic growth in Sierra Leone and research on the impact of age on the performance of the NRA.

Conflict of Interest Statement

This research is free from conflict of interest and has no anticipated ethical issues.

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