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The Use of Social Media in Enhancing Voluntary Tax Compliance in Tanzania: A Case of Tanzania Revenue Authority (TRA) Headquarters in Dar es Salaam

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ABSTRACT

This paper presents selected findings from the research entitled "Assessing the Use of Social Media in Enhancing Voluntary Tax Compliance in Tanzania: A Case Study of the Tanzania Revenue Authority (TRA) Headquarters." It investigates the impact of social media on voluntary tax compliance within Tanzania. Utilizing a qualitative methodology and a case study framework, data were gathered through interviews, observations, and document analysis involving 15 staff members of the TRA. The results indicated that platforms such as Facebook, Twitter, and WhatsApp play a crucial role in promoting taxpayer engagement and compliance. The study concluded that well-implemented social media strategies can significantly enhance tax compliance rates by increasing transparency and delivering timely information. This study recommends that the TRA improve its social media strategies by integrating interactive content that addresses the concerns and inquiries of taxpayers.

Keywords: Social media, Tax compliance, Motivation, Voluntary Tax, Enhancing

1. INTRODUCTION

Tax compliance plays a crucial role in any society, as voluntary tax payments by individuals contribute to the effective functioning of government operations, thereby ensuring the provision of essential services to citizens (Wares & Latif, 2014). However, encouraging both corporations and individuals to fulfill their tax obligations voluntarily remains a significant challenge for tax authorities across the globe. The rapid growth and widespread adoption of social media have prompted tax agencies to explore ways to leverage these platforms as instruments to promote voluntary tax compliance among the populace. Tax authorities around the world face difficulties in achieving high levels of compliance from taxpayers, partly due to the prevalent perception in many developing nations that their governments are corrupt. Therefore, they have little hope of seeing their taxes being spent transparently and accountably, and for the public good (Wares & Latif, 2014).

Taxpayers should be informed about the allocation of their contributions to tax payments. Awareness is essential, and grasping the rationale behind tax requirements will enhance individuals' understanding of the tax collection process. This understanding is vital for ensuring that the tax system operates fairly and supports a prosperous future (Jimenez & Ayer, 2016).

Kaplan and Haenlein (2010) assert that major social media platforms, including Facebook, X, Instagram, LinkedIn, YouTube, and TikTok, are tailored to meet specific objectives for diverse age demographics. At present, numerous community organizations and enterprises utilize social media to pursue a range of goals aimed at enhancing communication with their stakeholders. The utilization of social media has rapidly escalated in the twenty-first century, as it offers venues for engaging with customers (Ashley & Tuten, 2015).

Additionally, Palil (2010) contends that tax authorities can leverage emails, text messages, and websites as instruments for revenue generation by educating taxpayers about their tax responsibilities. The challenge of creating a tax system that incorporates various inputs and a formula capable of producing sufficient revenue to enhance living standards while delivering essential public services presents a significant obstacle for numerous African nations (Njuguna, 2013).

Ng'eni (2016) indicates that Tanzania experiences a lower tax loss compared to Kenya and Uganda. Nonetheless, this loss remains considerable.

Between 2011 and 2015, Uganda witnessed the most substantial decrease in tax revenue as a proportion of average government revenue, recording a tax loss of 12.7%. This was followed by Kenya at 8.3% and Tanzania at 7.4% (Ng'eni, 2016).

Tanzania has demonstrated superior statistical outcomes relative to its East African counterparts; nevertheless, there remains a necessity for intensified initiatives to rectify existing deficiencies in order to improve tax collection by optimizing voluntary tax compliance. Similar to other developing countries, Tanzania relies significantly on taxes as its main source of governmental revenue. The majority of development and periodic budgets are financed through a collaboration with Internal Revenue Generation and Development Partners (RGDP) (Ng'eni, 2016). This paper seeks to evaluate the impact of social media utilization by the TRA Headquarters on promoting voluntary tax compliance in Tanzania.

2. LITERATURE REVIEW

Theoretical Framework

This study deployed the Uses and Gratifications Theory. The theory established by researchers Katz, Blumler, and Gurevitch in 1973, has been utilized to comprehend the motivations behind users' engagement with social media. This study investigated how individuals used social media platforms to seek information, entertain, shape personal identity, fostering social integration. Nonetheless, while this theory has enhanced our understanding of media consumption patterns, it possessed limited predictive capabilities.

According to the Uses and Gratifications Theory, people actively select media outlets to fulfill various needs and desires (Vinney, 2022). This theory can be used on one hand to understand better how taxpayers use social media platforms to satisfy their informational, social, and psychological needs related to taxation and compliance on the other hand to understand why TRA uses media. These needs include entertainment, information, personal identity, and social integration. It can also be applied to social media's role in motivating tax compliance. This theory addresses the informational needs of taxpayers who use social media to look up information on tax laws, benefits, and compliance requirements.

2.2 Empirical Literature

2.2.1 Global Social Media Usage

Social media began in the United States during the 1990s (Mwithia, 2015). Since its inception, it has significantly transformed cultural dynamics across societies worldwide (Baatarjav & Dantu, 2011). By the early 2000s, Facebook had emerged as a platform for message sharing, soliciting feedback, asking questions, and interacting with others. Currently, a wide array of individuals, businesses, and organizations utilize social media platforms for personal, official, and professional purposes (Nyamboga, 2014).

Social media has fundamentally altered cultural dynamics and attracted a large international audience (Baatarjav & Dantu, 2011). A multitude of individuals engage with platforms such as Facebook, X, YouTube, Threads, Snapchat, TikTok, Instagram, and others for both personal and professional purposes. While not everyone has access to social media, its impact on global interpersonal interactions is undeniable (Nyamboga, 2014).

Alm and Torgler (2011) conducted research examining the influence of social norms and social media on individuals' adherence to tax regulations. The findings demonstrated that individuals are more inclined to comply with tax laws when they observe others doing the same. Additionally, the study highlighted that social media platforms play a crucial role in disseminating social norms related to tax compliance, which in turn positively affects individuals' behaviors.

Edosomwan (2011) asserts that social media has fundamentally transformed the ways in which individuals interact and connect with one another on a global scale. A variety of social media formats have emerged, including magazines, online forums, blogs, social blogs, online television, podcasts, images, videos, reviews, and social bookmarking. In the midst of this social media transformation, it is evident that platforms such as Facebook, YouTube, Threads, TikTok, Snapchat, and Instagram are widely used for communication purposes. Nevertheless, despite the benefits these platforms offer, there remains a need for a deeper understanding of their actual effectiveness.

Numerous social media platforms, including Facebook, Instagram, and X, serve a wide array of communities that encompass individuals of varying ages and genders. Additionally, advancements in internet technology and social media have transformed the marketing environment (Saboo et al., 2016). This evolution has created an avenue for businesses, consumers, and individuals to connect and engage with one another effectively. However, two distinct research studies reveal that social media networks have facilitated the sharing and discussion of experiences, opinions, and product recommendations among customers. Despite this, certain challenges have impeded the effectiveness of social media in enhancing tax compliance.

In their research, Hofmann et al. (2014) identified that social media platforms facilitate the sharing and discussion of experiences, opinions, and product recommendations among customers. Additionally, they noted that certain obstacles impede the effectiveness of social media in fostering voluntary tax compliance. The authors emphasized the significance of trust and credibility in interactions on these platforms. The study advised that tax authorities should position themselves as reliable sources of information to elicit favorable responses from taxpayers, which necessitates the development of a strong reputation.

In their research, Smith and Anderson (2018) indicated that a survey conducted by the Pew Research Center at the start of 2018 highlighted a blend of traditional patterns and emerging narratives within the social media landscape among American adults. The dominance of Facebook and YouTube was linked to the high engagement levels of these platforms among the majority of American adults. Concurrently, younger Americans, particularly those aged 18 to 24, were distinguished by their active engagement and frequent use of various social media platforms. Additionally, the findings showed that 78% of individuals in the 18-24 age group utilized Snapchat, with 71% of these users logging into the platform multiple times each day.

In a comparable manner, Arab nations have also adopted social media, leading to considerable changes. For example, in Saudi Arabia, the advent of the internet has revolutionized newspaper publishing, and the rise of online newspapers has significantly enhanced the swift distribution of information worldwide (Stadd & Allison, 2013)

Thomaß & Horz (2019) emphasize the increasing acknowledgment of social media's potential to foster positive shifts in tax compliance attitudes within Germany. Recent research highlights the increasing acknowledgment of social media's potential to foster positive shifts in tax compliance attitudes throughout the region.

The popularity of social media has surged in Kenya and various other parts of the world. Platforms such as Facebook, Twitter, Pinterest, YouTube, Instagram, and Reddit are employed for both personal and professional purposes (Baecker, 2011). A significant number of social media users can be found in East African countries, especially in Kenya. These platforms are often used as a means of information exchange among individuals, and mainstream media organizations frequently depend on them as sources of information (Nyamboga, 2014).

2.2.2 The Rise of Social Media in Tanzania

The emergence of social media in Tanzania can be traced back to late 1990s (Trottier & Fuchs, 2015). Like elsewhere, the presence of social media in Tanzania has led to a significant surge in numbers as users for various purposes. In Tanzania, the well-known platforms include Facebook, X, YouTube, LinkedIn, WhatsApp, and Instagram (TCRA, 2024). Businesses and organizations utilize social media platforms for many purposes, as social media offers a robust channel for communication, interaction, and establishing brand presence (Smith et al., 2012).

Likewise, Tanzania Revenue Authority (TRA) has been attempting to grasp taxpayers' perspectives on voluntary tax compliance; and how it can utilize social media channels to promote voluntary taxpayer compliance effectively.

The emergence of social media in Tanzania can be traced back to 1999 with the introduction of a blog, followed by the arrival of LinkedIn in 2003, Facebook in 2004, YouTube in 2005, Twitter in 2006, WhatsApp in 2009, Pinterest in 2009, Instagram in 2010, and Google+ in 2011 (Stelzner, 2014). Furthermore, the presence of social media users in Tanzania has led to a significant surge in numbers as they interact with users from various parts of the globe. According to Bennett (2014), the global user base witnessed remarkable growth, with an estimated 1.41 billion users in 2012, around 1.61 billion users in 2013, approximately 1.82 billion in 2014, and about 1.99 billion users in 2015. Local social media forums are gaining popularity nationwide. In Tanzania, well-known platforms like Facebook, Twitter, YouTube, LinkedIn, Blogs, WhatsApp, and Instagram; there are also local favorites like Jamii Forums, Michuzi Blog, Millard Ayo Blog, Mpekuzi Blog, Bongo5, and more, and some news websites like the Citizen have also incorporated social media elements.

The Tanzania Revenue Authority (TRA) must grasp taxpayers' perspectives on the determinants of their compliance and how they can be leveraged through social media channels to promote taxpayer compliance effectively. Businesses and organizations utilize social media platforms for many purposes, as social media offers a robust channel for communication, interaction, and establishing brand presence. Critical reasons for leveraging social media include enhancing brand visibility and awareness, conducting marketing and advertising campaigns, engaging with customers, conducting market research, managing crises, and gathering customer feedback and insights (Smith et al., 2012).

2.2.3 Global Related Studies on Tax Compliance

Mustapha (2015) conducted a study focusing on the criteria for the implementation of e-tax quality among self-employed taxpayers in Nigeria. The primary aim of this research was to assess and enhance the level of voluntary tax compliance within the Nigerian taxpayer population. Utilizing quantitative analysis, specifically factor analysis, the study sought to identify the various factors influencing e-tax quality implementation. A total of 181 participants were involved, selected through convenience sampling. The results revealed that the components influencing e-tax quality implementation in Nigeria included Compatibility, Tangibility, Complexity, Reliability, Ease of Use, and Affordability. While this study successfully identified the relationship between service quality and voluntary tax compliance, it did not take into account aspects of social media use in motivating taxpayers become compliant.

On their part Kasper and Kirchler (2015) employed a qualitative research methodology to examine taxpayers' perceptions regarding media coverage of tax issues and its influence on tax compliance. They collected primary data by distributing questionnaires to a sample of 544 taxpayers residing in Vienna. The research focused on assessing the respondents' trust in tax authorities and the government, as well as the effect of media coverage and information on their attitudes towards taxation. The findings revealed that the respondents generally lacked trust in their government and tax authorities concerning tax-related matters. Nevertheless, they indicated that media coverage and information enhanced their trust in tax authorities and motivated them to comply with tax obligations. The study recommended that tax authorities leverage media channels to promote education and transparency regarding tax policies to foster greater compliance.

In their study Nisar and Strakova (2019) examined the advantages of social media information and its role in knowledge management within organizations. The analysis focused on the level of information richness and communication on social media accounts managed by companies. The study's findings emphasized the significance of knowledge management in delivering information benefits and facilitating knowledge transfer to various organizational stakeholders. Additionally, the study revealed that sharing information on social media platforms positively influences organizational performance as it enhances consumer awareness regarding the organization's products and services.

Ogbuji (2018) conducted a study on the social media strategies of 111 organizations, examining how these strategies were implemented and assessing the social media platforms utilized. Through interpretative qualitative analysis, the research aimed to ascertain whether companies had specific social media strategies in place to facilitate the adoption and utilization of social media. The findings revealed that companies should develop a social media strategy that aligns with their overarching business objectives for effective social media utilization. Additionally, the study emphasized the importance of creating informative and engaging content for the company's social media platforms. The study suggested that leveraging social media is crucial for establishing brand recognition, managing relationships, and improving communication between a business and its customers. Nevertheless, Ogbuji emphasized the significance of having highly skilled and competent staff managing social media platforms as their interactions reflect the company's official stance.

In the same line of thinking, Yusoff and Mohd (2017) examined the impact of social networks on individual decisions regarding tax compliance. Their research was grounded in the theory of reasoned action, crowding theory, and the theory of planned behavior. Employing a quantitative research design, the study utilized ordinary least squares, panel regression, and an agent-based model to analyze tax-related behaviors. The investigation focused on the primary motivations for taxpayers' engagement with social networks, which included status, brokerage, and social safety. The findings indicated that social networks significantly influence taxpayers' attitudes toward tax compliance, largely due to the social norms established within these networks.

In their study Schivinski and Shaw (2019) examined how social media communication influences consumer attitudes and behavioral intentions regarding brand-sponsored events. Utilizing a structural equation model, they analyzed data gathered from 307 participants. The findings revealed a significant positive correlation between social media communication and consumer attitudes towards attending brand-related events. Additionally, a positive association was identified between social media communication and behavioral intentions. The research concluded that consumer attitudes towards a brand serve as a mediating factor in the relationship between social media communication and behavioral intentions.

Furthermore, Ashley and Tuten (2015), conducted research utilizing content analysis to examine innovative social media marketing tactics through branded social content and customer interaction on social media platforms. The study relied on secondary data from analyzing social media posts shared by the top 100 brands. The findings revealed that creative messaging on social media is crucial in enhancing brand loyalty and fostering increased customer engagement. The study highlighted that effective communication on social media should encompass functional, resonant, and experiential elements.

Additionally, the research emphasized that social media content was derived from conventional customer engagement channels, underscoring the importance of integrating social media engagement with other traditional customer engagement methods.

Similarly, Zu.X. and Meng (2019) conducted a study examining the influence of social media input intensity on the performance of private listed companies on Sina Weibo, covering the period from 2010 to 2014. They collected primary data from social media managers across various companies using questionnaires. The findings indicated a significant positive relationship between the intensity of social media usage and the performance of firms, thereby underscoring the importance of effectively utilizing social media to enhance corporate performance.

Mergel (2013) studied the framework for interpreting social media interactions in the public sector. The research focused on analyzing the utilization of social media by the U.S. federal government and assessing its success, impact, and performance. To gather data, the researcher interviewed 25 social media directors from 15 departments within the U.S. federal government. The study revealed that social media increased transparency, participation, and collaboration within the U.S. federal government. Additionally, the study highlighted that while most departments were experimenting with social media, they could only measure its impact effectively.

In their research, Philemon and Mokaya (2018), examined the influence of taxpayer education on voluntary tax compliance in the Monduli District of Arusha, Tanzania. Their study focused on evaluating the impact of a web-based taxpayer education program on voluntary tax compliance in Tanzania. Their research findings revealed that the taxpayer education program plays a significant role in enhancing service delivery. The study emphasized improving service delivery as a crucial factor in promoting voluntary tax compliance. However, the researchers concluded that there are still numerous challenges related to ICT adoption in Tanzania, particularly regarding technical skills, which must be addressed to enhance tax compliance.

Mlay (2015) conducted a study on tax compliance behaviour, focusing on medium taxpayers in Tanzania, specifically within the TRA Kilimanjaro region. The research employed both questionnaires and interviews as methods for data collection, resulting in the retrieval of 79 completed questionnaires for analysis. The gathered data were subjected to qualitative analysis, utilizing ANOVA to facilitate a thorough examination of the findings. The research revealed that several factors contribute to the challenges of tax compliance in Kilimanjaro, including inadequate understanding of the tax system, a lack of patriotism among taxpayers, misconceptions held by taxpayers, and an excessive tax burden. Furthermore, additional obstacles identified were the complex procedures associated with VAT payments, the influence of customer service desks, corruption among tax officials, and the self-serving behaviour of individuals. Machogu and Amayi (2013) conducted a research study examining the impact of taxpayer education on voluntary tax compliance among small and medium-sized enterprises (SMEs) in Mwanza city, Tanzania. The objective of the research was to assess the extent of taxpayer education within SMEs, the degree of voluntary tax compliance among these businesses, and the influence of tax education on the voluntary compliance levels of entrepreneurs in Mwanza city. A descriptive research design was employed, utilizing questionnaires to gather data from a representative sample of the population. A total of 72 SME owners from Mwanza city took part in the study.

The literature indicates a growing interest in the role of social media in tax compliance initiatives. Studies highlight that effective communication through social media can enhance taxpayer awareness and promote voluntary compliance (Smith, 2019). Research by Lubua (2014) emphasizes the importance of ICT in improving tax compliance among SMEs, while Nunung et al. (2015) explore the impact of service quality on compliance. However, there is a notable gap in literature specifically addressing the influence of social media on tax compliance behaviors in Tanzania, necessitating further investigation.

3. METHODOLOGY

This study employs a qualitative research approach, utilizing a case study design focused on TRA Headquarters in Dar es Salaam. Data were collected through semi-structured interviews with 15 TRA officials selected via purposive sampling, alongside observations and document reviews of TRA's social media policy and reports. Data analysis was conducted using Qualitative Content Analysis, allowing for thematic categorization of responses and presentation of the findings.

4. FINDINGS

The findings show that Facebook has increased awareness and education to various groups of taxpayers on tax laws, filing deadlines, and procedures. This has increased taxpayers' awareness and understanding of their obligations and made them compliant.

Based on this fact, a respondent at TRA headquarters affirmed that;

Social media has played a crucial role in expanding the taxpayer base. By leveraging platforms like Facebook, Instagram, and Twitter, TRA reaches a broader audience, including previously untapped segments of the population. Also, consistent dissemination of information about tax obligations, registration processes, and compliance benefits has led to a noticeable increase in the number of registered taxpayers. This growth is further evidenced by the increased number of tax registrations observed in TRA's quarterly reports. Also, the findings indicated that, social media fosters direct and real-time interaction between TRA and taxpayers. Through platforms such as WhatsApp Messenger and Facebook, taxpayers can easily ask questions, seek clarifications, and receive timely responses (Interview, TRA Headquarters, 26th April, 2024).

Moreover, the findings revealed that the Instagram page as a platform has increased awareness and education to various taxpayers on tax laws, filing deadlines, and procedures and has also widened awareness of tax issues through tax educational campaigns that explain the importance of tax compliance, the benefits of taxes to society, and the consequences of non-compliance of which has increased taxpayers' awareness and understanding of their obligations and made them compliant. On X (Formerly Twitter) TRA has enhanced communication and engagement with taxpayers to interact directly with taxpayers, answering their questions and addressing concerns promptly. This has built trust and reduce misunderstandings between TRA officials and taxpayers.

A TRA official stated that;

Through our Twitter account and Facebook page, the Tanzania Revenue Authority (TRA) has regularly showcased exemplary taxpayers, such as the best overall winner in the category of voluntary tax compliance. In the fiscal year 2022/2023, TRA utilized its social media platforms to announce and celebrate the achievements of top taxpayers. A notable example was when TRA, through its Facebook, Twitter, and YouTube channels, published a list of overall winners in the tax compliance category. Among these winners, NMB Bank emerged as the overall winner for its outstanding commitment to voluntary tax compliance (Interview, TRA Headquarters, 26th April, 2024).

Further findings revealed that, WhatsApp Channel has shown an impact on its use through increased transparency and trust whereby the platform has managed TRA officials to share information about how tax revenues are being used, enhancing transparency and building public trust in the tax system through videos of various events, photos and audio that are uploaded building public trust in the tax system through videos of various events, photos and audio that are uploaded on the channel.

Another respondent at TRA Headquarters expressed that;

Our WhatsApp Messenger channel has managed TRA to provide regular updates and reports on social media that has made TRA more accountable to the public, further fostering trust and voluntary compliance through direct messages on WhatsApp number which finally has increased taxpayers' base and compliance level. For Threads, through conversational interaction with taxpayers, this platform has an impact on behavioral influence through social norms by highlighting positive behaviors such as showcasing businesses and individuals who comply with tax regulations and discouraging negative behaviors such as sharing stories about the consequences of tax evasion (Interview, TRA Headquarters, 26th April, 2024).

Furthermore, the findings showed that YouTube Channel has shown an impact through reduced compliance costs by simplified processes whereby various video tutorials based on tax matters have been uploaded on the channel for those taxpayers who need more clarification on detailed information to visit and watch videos. Likewise, the YouTube channel is also used in promoting online services and e-filing options. Affirming this a respondent at TRA Headquarters said that *"YouTube channel has made it easier for taxpayers to comply voluntarily. This recognition not only acknowledges the efforts of compliant taxpayers but also serves as a public acknowledgement of the importance of tax compliance, encouraging others to follow suit (Interview, TRA Headquarters, 26th April, 2024).* According to this respondent, through such initiatives, TRA leverages social media to incentivize and promote a culture of voluntary tax compliance among businesses and individuals.

Awareness on the use of Electronic Fiscal Devices (EFDs) is another which the use of social media has benefited both tax payers and TRA. A respondents stated that;

Another critical area impacted by social media is the awareness and use of electronic fiscal devices (EFDs). TRA uses social media platforms to stress the importance of using EFD receipts in transactions. Posts and visual content emphasize compliance with regulations requiring EFDs, thereby ensuring more transactions are accurately reported and taxed. This focus has led to better compliance with EFD usage, which is crucial to TRA for accurate tax reporting and collection (Interview, TRA Headquarters, 26th April, 2024).

Furthermore, a review of various documents substantiates the active engagement of the TRA through social media platforms. Quarterly and Annual reports such as social media Annual Report of 2023 and Social Media Quarterly Report of 2024 as well as communication policy TRA Social Media Policy of 2022, consistently underscore the importance of utilizing social media to recognize and celebrate exemplary taxpayers. These documents affirm that TRA indeed leverages platforms like Twitter, Facebook, and YouTube to highlight the achievements of top taxpayers, such as NMB Bank being recognized as the overall winner in the category of voluntary tax compliance for the fiscal year 2022/2023 (TRA Top Taxpayers Winners Book 2022). This alignment between documented strategies and observed practices confirms the deliberate use of social media as a tool for promoting tax compliance and fostering positive relationships with taxpayers. The results from the interviews and observation showed that the TRA has strategically harnessed the power of social media to foster voluntary tax compliance among taxpayers.

From the findings, it was also noted that, influencers or other high-profile users who have negative perceptions of the TRA or taxation in general can sway public opinion against voluntary compliance, making it more challenging for the TRA to promote positive behavior through its own social media channels. A respondent gave an example of Rose Ndauka's negative complains about TRA as well as Chris Lukosi and Nasibu Abdul (also known as Diamond Platnumz) who are all businessmen with high profile and trust to their fans. According to the respondent *"this situation created confusion to the public because famous people like these have many followers whom are at risk of being misled. That is why the educational content provided through social media has been pivotal in improving tax compliance"* (Interview, TRA Headquarters, 26th April, 2024). The respondent ascertained that TRA's posts and videos cover a range of topics, from basic tax responsibilities to detailed explanations of tax laws and regulations in this way they help much to clear some misleading and fake information.

Observations of TRA's social media pages showed frequent updates and engaging content that demystifies tax processes. According to a respondent at TRA;

The continuous flow of information helps taxpayers understand their obligations and the importance of compliance, reducing inadvertent non-compliance due to ignorance. For instance, through its Twitter account and Facebook page, the Tanzania Revenue Authority (TRA) has regularly showcased exemplary taxpayers, such as the best overall winner in the category of voluntary tax compliance. In the fiscal year 2022/2023 (Interview, TRA Headquarters, 26th April, 2024).

Moreover, the use of Social media at TRA also serve as an interaction channels between TRA and tax payers. Based on this fact, a respondent at TRA expounded that *"Platforms like WhatsApp Messenger, Facebook, Instagram and Threads enable taxpayers to ask questions, seek clarifications, and receive timely responses.*

This interactive approach has significantly improved taxpayer's satisfaction and compliance rates" (Interview, TRA Headquarters, 27th April, 2024).

The findings showed that TRA utilized its social media platforms to announce and celebrate the achievements of top taxpayers. A notable example was when TRA, through its Facebook, Twitter, and YouTube channels in 2023 published a list of overall winners in the tax compliance category. Among these winners, NMB Bank emerged as the overall winner for its outstanding commitment to voluntary tax compliance.

According to TRA respondent "such recognition not only acknowledges the efforts of compliant taxpayers but also serves as a public acknowledgement of the importance of tax compliance, encouraging others to follow suit (Interview, TRA Headquarters, 26th April, 2024). Accordingly, through such initiatives, TRA leverages social media to incentivize and promote a culture of voluntary tax compliance among businesses and individuals.

5. DISCUSSION OF THE FINDINGS AND CONCLUSION

The findings of this study regarding the effects on social media usage towards tax compliance revealed that social media plays a pivotal role in expanding the taxpayer base. By utilizing platforms like Facebook, Instagram, and Twitter, TRA effectively reaches a wider audience, including previously untapped segments of the population. The consistent dissemination of information about tax obligations, registration processes, and compliance benefits has led to a noticeable increase in the number of registered taxpayers, as evidenced by the rise in tax registrations observed in TRA's quarterly reports. Moreover, social media facilitates direct and real-time interaction between TRA and taxpayers, enhancing their experience and fostering trust and transparency.

The findings are inseparable with the study conducted by Kirchler (2007), Palil (2010), and Loo (2006), which detailed some factors that affect taxpayers' compliance of which they divided them into five main categories, and they include; Economic factors, social factors, Individual factors, Institutional factors as well as Demographic Factors.

Economic Factors

Economic factors in relation to tax compliance refer to actions which are associated with the costs and benefits of performing the actions Loo (2006). The tax compliance determinants associated with economic factors such as tax rates, tax audits and perceptions of government spending (Palil, 2010). The TRA incorporates economic factors into its approach to improving tax compliance by focusing on policies that align with broader economic goals. One key strategy involves promoting sustainable economic growth through tax reforms. The TRA seeks to balance revenue collection with the need to stimulate private sector growth, particularly in industries like agriculture, tourism, manufacturing, and financial services.

Social Factors

Kirchler (2007), argues that, tax compliance determinants from a social perspective relates to taxpayers' willingness to comply with tax laws in response to other people's behavior and their social environment. The authority must therefore ensure that it creates favorable environment for people to comply to pay tax voluntarily. However, the perceived fairness of the tax system also has an influence on the inclination towards tax evasion (Richardson, 2008). The TRA has integrated social factors into its strategy to improve tax compliance by focusing on fostering trust and building a reciprocal relationship between taxpayers and the government. This approach is rooted in the idea of the "social contract," where citizens are more likely to comply with tax obligations if they perceive fair treatment and receive tangible public services in return, such as healthcare and education.

Individual Factors

This involves personal inside feeling and decision on whether to evade or not, so it is based on personal judgement as noted by Mohani (2001). Author further argued that, personal circumstantial factors like personal financial constraints, tax payers tax knowledge and awareness of penalties and offences have both significant impact on taxpayer compliance behavior for instance; people who face personal financial problems are likely to be more prone to evade tax when compared to people in less financial distress. The TRA has recognized several individual factors that influence tax compliance, focusing on strategies that encourage voluntary participation among taxpayers such as Tax Knowledge and Education, Perceived Ease of Use of Systems, Trust in the Tax System and Government and Deterrence through Sanctions whereby TRA employs a balanced approach to enforcement by applying light measures (e.g., reminders and audits) and escalating to stricter penalties for persistent defaulters.

Institutional Factors

In the reviewed literature, Palil (2010), Richardson (2008), and Stephen (2011), all argue that simplest tax system encourages tax payers to voluntarily comply with tax system. However, a simple tax return and simpler tax regulations will increase tax compliance especially in a self-assessment system because taxpayers do not have to spend much time in ascertaining the accuracy of the returns and calculating their tax liabilities. The TRA has associated various institutional factors with improving tax compliance through several strategies, focusing on enhancing service delivery, education, legal frameworks, and organizational infrastructure such as Service Quality and Staff Capacity, Legal Framework and Enforcement, Training and Education as well as Internal Challenges and Resources.

Moreover, in another study done by Samuel and Viswanadham (2016), assessed business income taxpayers' tax knowledge, tax complexity, and tax compliance in Amhara Regional State of Ethiopia using a cross-sectional survey research design and a qualitative research approach.

Palil (2010), again, argues that tax officials can adopt email, short messages (SMS), websites to regularly update taxpayers about tax issues including their tax obligations. Taxpayers who have challenges can equally use these media to seek for assistance from the local tax offices.

According to Sydney (2017), the major role of tax administrators is to influence positive behaviors of the taxpayers toward positive compliance to the taxation system. None-compliance behavior reduces tax revenue generation capability to the amount planned to be collected by government and leads to budget deficit of the respective countries (Tadesse & Goitom, 2014). The educational contents provided by TRA Headquarters through social media have been instrumental in improving tax compliance. TRA's posts and videos cover various topics, from basic tax responsibilities to detailed explanations of tax laws and regulations. Observations of TRA's social media pages demonstrate frequent updates and engaging content that demystifies tax processes, helping taxpayers understand their obligations and the importance of compliance, thereby reducing inadvertent non-compliance due to ignorance.

Moreover, TRA effectively utilizes social media platforms to recognize and celebrate exemplary taxpayers. Through channels like Twitter and Facebook, TRA regularly showcases successful taxpayers, including the best overall winner in voluntary tax compliance. This recognition not only acknowledges the efforts of compliant taxpayers but also serves as a public acknowledgement of the importance of tax compliance, encouraging others to follow suit and promoting a culture of voluntary tax compliance among businesses and individuals. Additionally, social media has contributed to raising awareness and promoting the use of electronic fiscal devices (EFDs/VFDs). TRA emphasizes the importance of using EFD receipts in transactions through posts and visual content, leading to better compliance with regulations and ensuring accurate tax reporting and collection.

The findings also noted that, the review of various documents and direct observation of TRA's social media activities further confirmed the deliberate and strategic use of social media to promote tax compliance and foster positive relationships with taxpayers. This alignment between documented strategies and observed practices underscores TRA's proactive approach in leveraging social media as a tool for enhancing taxpayer education, awareness, and compliance.

TRA's strategic use of social media platforms significantly contributes to motivating voluntary tax compliance in Tanzania. While there are challenges associated with negative perceptions and misinformation, the overall impact of social media in enhancing tax education, awareness, and compliance is substantial. The diverse use of platforms allows TRA to reach a broad audience, ensuring that tax-related information is accessible, engaging, and effective in fostering a culture of voluntary compliance.

The aim of pursuing this study, it was important to note that voluntary tax compliance is measured by taking into account the extent of efforts taken by the tax authority to influence taxpayers to become compliant. The findings indicated that, TRA effectively utilizes various social media platforms, including Facebook, Twitter, and WhatsApp, to engage with taxpayers. The level of social media usage is high, facilitating timely dissemination of tax information and enhancing taxpayer interactions. The study reveals that social media engagement positively influences taxpayer perceptions of TRA thereby motivating compliance with tax regulations.

The paper concludes that social media plays a crucial role in motivating voluntary tax compliance in Tanzania. By leveraging social media platforms, TRA can enhance taxpayer engagement, improve transparency, and foster a culture of compliance. However, challenges such as privacy concerns and the need for strategic implementation must be addressed to maximize the effectiveness of social media initiatives.

This paper recommends TRA to enhance its social media strategies by incorporating interactive content that addresses taxpayer concerns and queries, Future research should explore the long-term impacts of social media campaigns on taxpayer behavior and compliance rates, Comparative studies with other countries' tax authorities could provide insights into best practices for social media engagement in tax compliance.

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