

# INFLUENCE OF I-TAX SYSTEM SERVICES ON PUBLIC SERVICE DELIVERY: THE CASE OF KENYA REVENUE AUTHORITY

NOEL HAMILTON OTIENO

Master of Public Policy and Administration, Kenyatta University, Kenya

DR. JOHN KANDIRI

Senior Lecturer, Department of Computing & Information Technology, Kenyatta University, Kenya

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## ABSTRACT

Technology of Information and Communication emergence has offered means for better as well as faster communication, proficient storage, data retrieval, processing and exchange as well as information utilization to its clients, be they groups, individuals, businesses, governments or organizations. The aim of study was to examine the influence of i-Tax system on public delivery of service within Kenya Revenue Authority. The study was guided by following objectives; to determine how perceived usefulness of reduced service delivery costs influence public service delivery by Kenya revenue authority, to establish the effects of perceived ease of use of tax administration on public service delivery by Kenya revenue authority and to determine how intention to use i-Tax technical skills Influence public service delivery by Kenya revenue authority. The technology acceptance model (TAM) is an information systems theory which models how consumers come to accept as well as utilize a technology. This research employed a descriptive survey kind of research design. The population of target included 96 members of public from Nairobi County and 63 members of public from Nyeri county systematic sampling were conducted. The data was gathered by use of structured questionnaires. The obtained data was analysed with the help of Statistical Package for Social Sciences version 21. Descriptive statistics, for example, mean, standard deviation, recurrence and rates was utilized as a part of analyzing quantitative information.

Qualitative information was analyzed using content analysis. The multiple regression model was used to establish relationship between independent variables and dependent variable. From the findings, the study revealed that i-Tax technical skills significantly influence public service delivery. The study recommended that KRA should consider offering occasional training on operating i-tax system to reduce the time taken in filing of returns. The study recommends that the members of public should be trained on the significance of filing the returns early to avoid the last minutes stress.

**Key Words:** *i-tax system services, public service delivery, Kenya Revenue Authority*

## INTRODUCTION

Governments in both developed and developing nations collect taxes to support public administration, Marina (2002) contends that tax collection is a practical way of collecting resources to fund public expenditure. To Zourdis et al. (2003) since the introduction of Information, Communication and Technology (ICT) both Public Administration managers and researchers envisaged fundamental changes in governments. They further aver that e-government stimulated processes of administrative reforms and new public management the world over. Zourdis et al (2003) assert that together with schools and universities and private sector, governments also had to prepare for the new millennium of change to embrace ICT. The government change into e-government ends up being a worldwide practice. Many nations have detailed their visions, dreams and plans for introducing some type of electronic government. Therefore, numerous administrations are likewise working on accomplishing their visions and plans. A worldwide e-government research conducted by the UN-ASP in the year 2002 concluded that transformation is the only constant (UN-ASP, 2002). In the process of transformation, a great deal of hindrances must be overcome. Particularly, financial and organizational hindrances frustrate the advancement towards e-government (Manin, 2000). Studies show that organizations of government are the fundamental hindrance. Manin (2000) assert that implementing e-government is not technically restricted, but it remains institutionally inhibited. While the sky is seem to be the limit from technical perspective, only some initiatives are being implemented.

United Nations e-government survey (2016) indicates that Europe, North America, the Middle East as well as South America score better than expected, whereas Asia, the Caribbean, Africa and Central America stay underneath normal. The score is based on a county's official online presence, evaluation of its telecommunications infrastructure and an appraisal of its capacity on individual development. Practically all public organization international has taken initiative to implement some form of electronic governance. Public administration is not just a branch of industry, but a different type of institution. Citizens are not just shareholders who need to make a benefit, yet constituents of a nation that is democratically organized. In this manner, legislative issues are a vital part of public administration and e-government.

Critical look at representative bodies in western democracies demonstrates that legislative issues contain four main exercises. The first exercise is representation: decision of a

representative body making choices for public good (Manin, 2002). Second, politicians pick as well as characterize social issues for policymaking. Third, deliberating and making decisions in legislative body. Fourth, checks and balances that amounts the democratic supervision. Even though the design may depend of specific state system, representative bodies supervise governments. All Governments today are under an increasing strain to enhance public services delivery conveyance in cost-effective ways. In spite of the present governments confronting various difficulties the majority governments have swung to e-government directed resolutions like electronic assessment documenting (e-recording) (Ojha, 2011).

Up to now, the utilization of ICT is noticeable in tax as well as business settings. Assessment specialists around the globe are utilizing electronic duty organization framework to connect with taxpaying public in impose accumulation, organization and compliance settings. Innovation has affected nearly everything in our lives, the way we work, impart, travel, eat, play, and associate with others. Much stays to be done in numerous nations to construct viable duty organizations. High turnover of ranking staff, weak central station, deficient/unsteady financing are repetitive worries, as particularly in creating nations are shortcomings in evaluating, citizen administrations and legitimate structures. IT developments offer extensive open doors yet in addition posture new compliance issues (International Monetary Fund, 2014).

Nyambego (2016) argues that KRA implemented Revenue Administration Reform and Modernization Program to effectively and efficiently mobilize tax revenues to fund government programmes. He further avers that the key achievements of this included; the implementation of iTax to enhance domestic tax administration. This was to offer wide ranging online tax services. The program as rolled out in 2014 was to enable taxpayers to pay domestic taxes and file tax returns online, register and obtain Personal Identification Numbers (PIN), generate payments registration number (PRN E-slips), view KRA tax ledgers, check payment status and apply for tax compliance certificates and tax refunds online. However, Nyambego (2016) notes that the implementation process has been wrought with challenges. The iTax platform cannot automatically deal with overpayments and withholding taxes arising from periods outside Itax system. These require taxpayers to deal with both the station office and the Itax team. Further, iTax system has not kept pace with legislation. The platform does not allow for filling of corporate income tax returns for periods more than 12 months. This negates the Companies Act and Income Tax Act.

iTax system which was implemented in the year 2011 and executed by firm Tata in India, iTax substitutes the online system already utilized by Kenya Revenue Authority, which in general the civic has protested about regarding its aspects of inefficiencies. The system of web-empowered which tries to make compliance of tax a basic, safe and speedy practice is relied upon to reduce the tax compliance cost in logistics, as well as assist diminish corruption amongst employees and citizens, wiping out corruption cases. This is a part of KRA's main goal to accomplish worldwide prescribed procedures in charge gathering, and the taxman expected to yardstick against countries which have automated completely their

system, comprising the United States (Business Daily, 2015). i-Tax being a development of the past online system by Kenya Revenue Authority referred to as the Integrated Tax Management System (ITMS), took off in the year 2007, that neglected to computerize tax collection and generated genuine client discontent. According to Kenya Revenue Authority the majority citizens are bolted out by bureaucratic system and wasteful aspects thus i-Tax.

### **PROBLEM STATEMENT**

During the fiscal year 2004/2005, the KRA started the implementation of an ICT-enabled program: the Revenue Administration Reform and Modernization Program (RARMP). The objective of the RARMP was to ensure that the KRA become a modern and fully integrated revenue administration institution by 2008/09 (Kenya Revenue Authority 2005). The program comprised seven key projects: the modernization of customs administration; the modernization of domestic revenue collection; streamlining the Road Transport Department; improving the investigation and enforcement of tax compliance through the detection, prevention and deterring of tax fraud; the modernization of the promotion, increment plus additional advantages. The full day work has created grievances on the part of agency's IT infrastructure; human resource management; and improvements of general business processes (KRA, 2005). Having done all these, ten years down the line Kenya is still experiencing same problem as before of fraud and corruption. Research led by UNESCO (2014) demonstrated that communication technologies can assist reinvent government via injection of inventive thoughts within the structures and institutions of government to improve products and enterprises provision with more noteworthy effectiveness, lower costs as well as efficiency. Aminuzzaman (2010) conducted a study about Public Service Delivery among Local Authorities in Bangladesh and found that a number of the vital challenges within institutions facing public delivery of service include limited manpower and resources. The study did not focus on revenue authorities, i-Tax and the public service delivery they offer. Sarshar and Moores (2006) conducted a study in the UK and found that absence of strategic consciousness, absence of capacity, poor execution monitoring and poor coordination forms were major challenges that hindered public service delivery. The studies mentioned above were conducted in western countries and the findings may not be applicable to the developing economies like Kenya and despite the growth in technology in the recent past, there is little experiential confirmation on the I-tax services effect on public service delivery. Therefore, this research sought to determine i-Tax system influence on public service delivery by Kenya revenue authority.

### **RESEARCH OBJECTIVES**

1. To determine how perceived usefulness of reduced service delivery costs influence public service delivery by the Kenya Revenue Authority.
2. To establish the effects of perceived ease of use of tax administration on public service delivery by Kenya revenue authority?
3. To determine how intention to use i-Tax technical skills Influence public service delivery by Kenya revenue authority.

### STUDY HYPOTHESES/ASSUMPTION

- H<sub>01</sub>** There is no relationship between perceived usefulness of reduced service delivery costs and public service delivery
- H<sub>02</sub>** There is no relationship between perceived ease of use of tax administration and public service delivery
- H<sub>03</sub>** There is no relationship between intention to use i-Tax technical skills and public service delivery

### THEORETICAL REVIEW

#### Technology Acceptance Model

Technology Acceptance Model (TAM) deals with the acceptability of prediction of an information system. The model is a Theory of Reasoned Action (TRA) adaptation to the information systems field (Brown & Venkatesh, 2005). The motivation behind the TAM is to forecast instrument acceptability as well as to identify the alterations that have to be conveyed to the system with a specific end goal to create it worthy to clients. According to Venkatesh, Morris, Davis and Davis, (2003) TAM proposes that the information system acceptability is dependent on two major elements: perceived value and apparent convenience. The model maintains that apparent value and apparent usability establish intention of an individual to utilize a given system with purpose to utilize helping as a real system utilize mediator. Apparent value is additionally observed as being influenced directly by apparent convenience (Venkatesh, Morris, Davis & Davis, 2003).

#### Benefit Theory

According to benefit theory as espoused by Myles et al. (2006), the country ought to collect taxes on institutions and individuals in line with the gain granted on them. The more gains a man or an entity gets from the country's activities, the more one ought to disburse to the government. This rule has faced serious disapproval on some basis as follows: the nation upholds a particular relationship between the given benefits and the derived benefits. In so doing the nation will be going against the essential taxation principle. Tax, as we probably are aware, is mandatory payment made by citizens to the public sectors to achieve the costs of the administration as well as overall benefit provisions. No direct quid pro quo exists for a tax situation. The greater part of the costs earned by the country is for the overall advantage of its people. It's impractical to approximate the benefit delighted in by a single person annually (Luoga & Makinya, 2012). This theory is applicable to the study in that i-Tax system aims to gain more contribution in terms of taxes collected by the national government to meet the costs of the government administration and the provisions of overall benefit thus enabling service delivery. If this principle is applied in practice, at that point the unfortunate will be obliged to disburse the heaviest taxes, in light of the fact that they benefit extra from the country services. If more taxes are paid by the poor via the taxes method, it's against the justice principle? This theory's implication is that small payers of tax might need to pay additional taxes as compared to large as well as medium payers of tax.

## EMPIRICAL LITERATURE

**Influence of perceived usefulness on service delivery costs by KRA**

According to Davis (1989) perceived usefulness is the extent to which a person believes that using the system will enhance his or her job performance. He further asserted that perceived usefulness has a direct impact on the intention to adopt a system as once the person becomes aware of the valuable functions the system possesses, they are more likely to adopt it. Davis (1989) stated that “perceived ease of use is defined as the extent to which a person believes that using the system will be free of effort”. Perceived ease of use influences a person’s intention to adopt the system and it also influences the person’s perceived usefulness of the system (Lau, 2003). When a system is perceived as easy to use and interact with, the person will find it useful and will increase his intention to adopt the system. Perceived usefulness and perceived ease of use are individuals’ subjective appraisal of performance and effort respectively; hence they are not necessarily objective. Settles (2005) believed that though these are just human beliefs, they are meaningful variables indicating behavioral determinants of adoption of an information system.

A study done by Miller & Khera (2010) in two developing countries, Peru and Kenya sought to find out the factors influencing the adoption of a digital library system implementation at agricultural universities through TAM’s framework. They administered surveys to five hundred users and potential users of the system. The data from both countries was analyzed on overall measures of perceived ease of use and perceived usefulness. Moreover, they analysed data on external factors predicting the overall measures. From their study, they established that both perceived usefulness and perceived ease of use predicted perceived intention to adopt and use the information system. According to Adegboyega, Tomasz, Elsa and Irshad (2007), skills of Information Technology (IT) are technological skills important in the implementation of e-government with a specific end goal to facilitate smooth service delivery through enhanced information administration. These might comprise essential literacy of IT for every representatives, as well as technological skills for specialists of IT to design as well as execute technological components: equipment, programming and e-government schemes communication.

Thong et al. (2002) observed that with higher visibility, the benefits of using the information system would be known by potential users. This would help them perceive the functions of the system as more useful hence increasing their intention to adopt it. They therefore postulated that higher visibility leads to higher perceived usefulness of the technology innovation. Alraja, Hammami, & Alhousary (2015) on the other hand argued that governments should increase the awareness of the electronic services and the benefits of the services through using social media and not traditional mediums to be able to reach its targets with real time information

**Effects of perceived ease of use of tax administration on public service delivery by KRA**

There are also several external factors that are critical to the perceived ease of use of the information system. Miller & Khera (2010) listed these external factors as computer literacy, level of infrastructure, availability of assistance, ease of access, English literacy and self-efficacy. They noted that where users have computer usage knowledge and have had prior interaction with internet, this positively affects their perceived ease of use of the information system thereby aiding its adoption.

Miller and Khera (2010) further explained several preconditions to the perception of an information system's ease of use. These were the existence of support infrastructure, availability of assistance when needed, easy accessibility of the system, knowledge of the English language and the degree of self-ability to utilize a system. According to a study by Ernst and Young, (2003) on the analysis of various important-edge practices of e-government illustrated that Tax-administration has changed every aspect of the public administration. On a nationwide level, e-government is organized in a few public strategy territories. Within the services of human the foremost initiatives concentrate primarily on work. Such initiatives focus on the websites advancement on the Internet which permits individuals looking for an occupation to make a CV by use of a feature of CV-builder. Equally the Australia and United States have created online quest for new employment services. The online service in Canada goes above and beyond by allowing its people to do online registration as jobless keeping in mind the end goal to apply for joblessness insurance.

Collaboration, partnerships as well as systems could empower the government as the main engine for advancement to use on the assets of monetary as well as on most excellent practices of business from the division of private (Kamensky and Burlin, 2004). Correspondingly, Albany University, (2009) reported that in line with the (CTG), prosperity of governments to advance delivery of service using ICTs is chiefly dependent on partnership amongst dissimilar government agencies, NGOs as well as the private segment. For instance, Center for Technology in Government proposed agencies of government endeavors integration, job procedures, as well as streams of information so as to upgrade effectiveness and efficiency. Kamensky and Burlin noted that the present difficulties are so enormous to ever be tended to by whichever lone sector or organization performing by itself.

According to a study by Castells, (2011), income is said to be the most complicated and develops online government division. There exists numerous important-edge income websites. The greater part of such websites concentrates on the taxes electronic installment. For instance, the Irish income online service eases deliberate conformity since taxes might be rapidly filed as well as paid online. Clients utilizing the service are provided with certificates that are digital to empower them to sign enforceable returns of tax digitally. In the year 1999, Spanish Tax Agency started the incorporated administration of riches and income tax. This undertaking includes the complete process of tax (electronic return of tax filling as well as installment, certifications, information) for a wide range of payers of tax. Declarations of tax are online submitted and installments of tax could be exchanged via online facilities of banking. Having a certificate that is digital from the Spanish Federal Reserve the public can

do application for a return of tax. Organizations could deal with their VAT as well as corporate tax through AEAT's website.

According to a study by Otakantaa, (2011) a few nations, courts, prisons as well as the police investigate the Internet possibilities to change as well as revamp the conventional techniques and methodology. A total of three foremost public and justice security sites were recognized through exploration of Accenture's: one site connecting to the online court applications filling (the Australian Federal Court: [www.fedcourt.gov.au](http://www.fedcourt.gov.au)), the second site to the online fines installment (the Ministry of Justice of Belgium: [www.just.fgov.be](http://www.just.fgov.be)), and the last one to online filing of claims (the Singapore Subordinate Courts: [www.smallclaims.goc.sg](http://www.smallclaims.goc.sg)). In spite of the fact that Internet utilization to advance democratic as well as participation procedures is comparatively under-investigated, there exist a few cases in which a number of nationwide governments connect with the general public in such way. The parliament of British webcasts its parliamentary level headed discussions ([www.parliamentlive.tv](http://www.parliamentlive.tv)). Abroad inhabitant voters and military internet pilot was executed in the US during the 2000 presidential election. The internet pilot involved a little populace (that is eighty four voters who really voted over the internet), yet it demonstrates that governments are exploring seriously the online voting potential in nationwide elections.

Study by Ernst and Young, (2003) found out that, with regards to the social contribution for representatives within Belgium, social security administration website there is a decent case of the grouping of back-office incorporation as well as solution of an e-entry. Website is said to be a front-office consequence of a long haul exertion which the government of Belgium has created in the course of the most recent couple of years to connect dissimilar databases. Gateway site was designed in such a way that every boss or citizen can get answers easily to questions regarding the Belgian system of social security. Businesses could deal with a few transactions online, (for example, social contributions for representatives) by methods for electronic structures. The website is being stretched out to empower transactions electronically for general public too.

The pattern towards e-government is afterward observed as a feature of a more extensive procedure of international public sector change (Heeks 1999). Whereas these favorable circumstances of communications as well as information innovation might be applicable to the private division, this reasoning line appears to be excessively simple, making it impossible to represent its adoption in public administration. Parallel access to communal information is a central right of human in a majority rules system such as Kenya. Within a nation that exclusive the best pioneers approach economic and political power, information availability is critical in making a playing ground level as far as learning and ability to change over the information into deed. The e-government lessens access to communal information disparity and in this way increases potentially worldwide and regional incorporation (Rose, 2005).

Skeptics of equivalent access to a particular information contention, for example, DiMaggio and Hargittai (2001) contended that e-services just suit the affluent who have access to technology and skills than their less privileged citizens. In order to counteract the equivalent



convenience contention, governments chiefly within developing nations, are offering information vouchers as well as kiosks to general public who don't have personal computers keeping in mind the end goal to get to the Internet (Seed, 2007). E-government can possibly oversee and disseminate widely public information with straightforwardness and accountability (Corsi, Gumina & Ciriaci, 2006).

Politically, spending of governments isn't typically well known chiefly amongst conformists (Weigel, 2010). Governments are designing more and more approaches to reduce expenditures of public as the incomes carry on shriveling (Gordon, 2005). The management showed an obligation to renovating business of government to replicate private part practices where profitability, productivity, effectiveness, and outcomes are the motivating powers (Shafritz, 2007; Kamensky & Burlin, 2008). Then again, Kertesz (2003) contended that a portion of the governments within developing nations are initiating initiatives of e-government not inevitably in view of their potential alteration but rather because of persuasions from exceptional interests supported by global contributor society with no lasting obligation to its effective execution. Because of the way that e-government ventures are expensive as well as complex, Kertesz restated the significance of undertaking an intensive analysis of benefit as well as cost besides including partners.

As President of United States Clinton and his Vice President Gore visualized, technological progressions in the digital services of government delivery appreciably brings down expenses chiefly when the governments use most excellent practices as of the private division (Kertesz, 2003; Winston, 2006). Likewise other researchers have revealed that the utilization of a substance administration as well as system of information novelty make it less expensive and easier to offer information as well as refresh communal information crosswise over agencies and sectors (Rose, 2005). Additionally, it has been reported that governments utilize innovation to guarantee public policies are best keeping in mind the end goal to provide intervention at brought down expenses (Zerbe & McCurdy, 2005).

### **Influence of use of i-tax technical skills on public service delivery by KRA**

Aminuzzaman (2010) conducted a study about Public Service Delivery among Loacla Authorities in Bangladesh and found that some of the critical institutional difficulties experienced by public service delivery include limited manpower and resources. The study did not focus on revenue authorities and the public service delivery they offer. Sarshar and Moores (2006) conducted a study in the UK and found that poor performance monitoring, lack of tactical knowledge and capability, as well as poor processes of coordination were major challenges that hindered public service delivery. A study was conducted by Ling and Nawawi (2010) on incorporating skills of ICT and programming of tax in education of tax in Malaysia. This research focused on determining the essential skills needed by payers of tax to completely use online system of tax. This examination revealed that three major skills are required by a payer of tax to interrelate well with innovation based system of tax in particular, spread sheet programming, word-processing programming as well as email.

The study's findings have inferences on the present investigation in that in analyzing the system of electronic filing effectiveness and individual ought to not disregard the required skillfulness which could be clients of the system want. Failure to put into consideration these abilities might make the system intention not to be achieved (Maede, 2002). Maede (2002) revealed that in spite of the overwhelming investment which the tax authority of Malaysia placed in novel online system, just 20 percent of the focused on payers of tax could utilize it following 3 years of realization. This was chiefly ascribed to absence of vital skills of client such as literacy of computer; nevertheless, behavior of taxpayers likewise assumed a task.

Muita (2010) did a research on the variables which influence e-filing system approval as well as utilization amongst Kenyan great Taxpayers. This investigation studied the expertise needed by the e-filing clients, innovation needed as well as the authority of tax willingness in improving the compliance of tax based innovation adoption. This research revealed that for e-filing to take off effectively in Kenya infrastructure, skills as well as favorable environment of business are required.

Amitabh (2009) conducted a research on paperless/online filing of income tax forerunners by youthful experts in India. This research aim was to examine how youthful experts in India will embrace or act regarding online or paperless tax returns filling with the objective of improving conformity. The analysis of regression conducted revealed that the precursors of youthful experts in India relied upon the apparent tax system simplicity, individual innovativeness in innovation of information, virtual preferred standpoint, service of filling execution, as well as compatibility. The findings insinuation to the present examination is that for every online system to thrive whether for large, medium or small taxpayers' classification there ought to be the convenience, accessibility as well as innovativeness.

## **RESEARCH METHODOLOGY**

### **Research Design**

The research design that was utilized is the descriptive survey kind of design. According to (Kothari, 2009) studies of descriptive research are focused on describing a group or particular person characteristics. The descriptive survey was deemed to be appropriate for this study given the anticipated mass of qualitative data to be gathered and analyzed. The descriptive review takes into account a considerable measure of data to be obtained from an expansive sample.

### **Target Population**

The target populace has been described as a subset of an expansive populace that has similar characteristics of which the general conclusion of the examination can be drawn (Castillo, 2009). The target population was the approximate 96 members' public from Nairobi County and 63 members of public from Nyeri County, hence a total population of 159.

### Sampling Design

Systematic simple random sampling was applied to get the respondents. Each third public respondent in the roads was provided with a questionnaire for a period of not less than 3 days in each sub-region in Nairobi and Nyeri Counties to arrive at a sample size. Stattek (2015) equation was utilized to determine the sample size for a known populace and a known level of confidence.

$$n = \frac{N}{1+N(e)^2}$$

The known variables for the study were as indicated: N- Total Population Size is 159; e- Level of Precision at 95% Confidence level.

The unknown variables for the study are as follows: n- Sample Size; Sample size per strata  
Employing the above formula, the sample size was:

$$n = \frac{159}{1+159(0.05)^2} = 114$$

The sampling outline in this had 114 respondents chosen from the objective populace of 159. To obtain an appropriate sample size from the general respondents a systematic random sampling was utilized therefore the 1.3975th =  $(1 + N(e)^2)$  part was chosen.

### Research Instruments

The investigation utilized questionnaires as the tools for information gathering. According to Mugenda & Mugenda, (1999) a questionnaire is defined as an instrument of research comprising of a questions series and different prompts to gather data from respondents. Both open-ended and closed questionnaire was used to collected data. The researcher engaged the utilization of questionnaires which optimally used structured questionnaire.

### Procedures of Data Collection

The questionnaire was dropped to the respondent, given them time to finish, and after that the analyst picked the questionnaire at a later date. The researcher likewise utilized closed ended and further open ended questions that enhanced qualitative information collection. The information collection allowed simplicity of information and additionally saved time and took into account un-ambiguity in answering questions and therefore a thorough study.

### Data Analysis Procedures

Analysis of information is a practice in which raw information is organized as well as ordered so valuable information can be removed from it (Saunders, Lewis and Thornhill, 2009). The investigation accumulated qualitative and quantitative information. Descriptive statistics, for example, mean, standard deviation, recurrence and rates was utilized as a part of analyzing quantitative information (Kothari, 2004). Then again, qualitative information was broken

down using content analysis. Information was exhibited using tables and bar graphs. To upgrade information handling, Statistical Package for Social Sciences version was utilized because of its ability to deal with both little and voluminous information (Dempsey, 2003). The information was examined using multiple regression analysis. The model was;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where: Y= Public service delivery;  $\beta_0$ = Constant;  $\beta_1$  to  $\beta_3$  =Coefficient of independent variables;  $X_1$  = Service Delivery Costs;  $X_2$ = Tax administration;  $X_3$  =i-Tax technical skills;  $\varepsilon$  =Error term of the model

The Correlation coefficients provided the degree and direction of relationships. It quantifies the association, or co-variation of at least two dependent variables. The statistical calculation of such correlation was done and communicated as far as correlation coefficients. This model helped determine that technical skills improved the effectiveness and efficiency of Kenya Revenue Authority. The  $\gamma$  provided information on the direction and magnitude of observed relationship between 2 variables (X and Y).Inferential statistics likewise was conducted to determine the idea of the association that exists between variables. Information was interpreted with the assistance of significance P-values, if the P-esteem is under 0.05 the variables was considered significant to explain the adjustments in the needy variable. The coefficient of determination ( $R^2$  or  $r^2$ ) was utilized to break down the rate in which the independent variables determine the needy variable. It indicated the variance proportion in the needy variable which is predictable from the independent variable.

## **RESEARCH RESULTS**

### **Service Costs and Public Service Delivery**

The study's first objective was to examine the service cost effects on public delivery of service in Kenya revenue authority. This study established that the respondents agreed that service costs incurred in i-Tax system services are high as well as the costs of i-Tax machines purchased. The study established that operating i-tax system consumed a lot of time with many demanding to be trained.

### **Tax Administration and Public Service Delivery**

The study's second objective was to examine the tax administration effects on public delivery of service in Kenya Revenue Authority. The findings suggest that the i-Tax system procurement process involved the decision of majority of stakeholders and internal operating activities changed as a result of i-Tax system introduction. The study established that the normal internal operating activities improved as a result of i-Tax services.

### **i-Tax Technical Skills and Public Service Delivery**

The study's third objective was to examine the effects of i-Tax technical skills on public service delivery. The result shows that the i-tax officials are responsive to all tax questions and the current tax filing system is interactive one stop shop for all the members of public.

The study established that more i-Tax technical skills are required since the incorporation of i-Tax system. The study also established that filing taxes has been made easier since i-Tax system was implemented.

### REGRESSION ANALYSIS

**Table 1: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	.845(a)	0.714	.703	0.6944

Adjusted  $R^2$  is determination coefficient that informs us the dissimilarity within the dependent variable owing to shifts within the independent variable, the results as shown in the above table the  $R^2$  value was 0.714 signifying that there was disparity of 71.4% on the delivery of public service because of changes service costs, tax administration and i-tax technical skills at 95 percent interval of confidence. This signifies that 71.4% changes in public service delivery in KRA would be ascribed to changes service costs, tax administration and i-tax technical skills. R refers to the correlation coefficient that indicates the association between the variables of study. As indicated by the results as shown in the table above there was a huge positive association between the variables of study as indicated by 0.845.

**Table 2: Regression analysis**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.
	B	Std. Error			
(Constant)	3.15	.231		1.973	.106
Service Costs	.182	.240	.230	.850	.0028
Tax Administration	.404	.050	1.231	3.616	.036
i-Tax Technical Skills	.353	.017	1.075	3.159	.0012

From the equation of regression above it was shown that holding service costs, tax administration and i-tax technical skills to a constant 0, public service delivery in KRA could be at 3.15 units. A unit raise in service costs could result in raise in public service delivery by a factor of 0.182, a unit increase in tax administration would lead to increase in public service delivery by a factor of 0.404 and a unit raise in i-Tax Technical Skills would lead to increase in public service delivery by a factor of 0.353. Therefore the below indicated model was adopted:

$$Y = 3.15 + 0.182X_1 + 0.404 X_2 + 0.353 X_3.$$

### CONCLUSIONS

The study sought to determine whether service cost influences public service delivery. Therefore, it can be concluded that service cost greatly influences public service delivery. The study sought to determine whether tax administration influences public service delivery.

Therefore, it can be concluded that i-Tax technical skills significantly influences public service delivery.

### RECOMMENDATIONS

This research recommends that KRA should consider offering occasional training on operating i-tax system to reduce the time taken in filing of returns. The study recommends that the members of public should be trained on the significance of filing the returns early to avoid the last minutes stress. The study recommends that the KRA normal internal manual activities should be reduced to improve on efficiency. The study recommends that the i-tax officials to continue with the same responsive spirit of responding to tax questions and the current tax filing system. The study recommends that proper support centers should be established in every county in order to improve on i-Tax technical skills to the members of public and make filing of taxes easier since i-Tax to every citizen.

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