

ABSTRACT

Tax plays a key role in economic development of countries across the globe. Revenue collected from tax are pivotal in financing governments' development and current expenditures. The study analyzes the influence of tax literacy on the tax compliance behavior among individual Taxpayers in Tanzania. Specifically had the following specific objectives; to examine the influence of general tax knowledge on tax compliance behavior among individual Taxpayers, to determine the role of procedural tax knowledge on tax compliance behavior among individual taxpayers and to explore the influence of legal tax knowledge on tax compliance behavior among individual Taxpayers. The study was conducted in Arusha City, cross-sectional research design was applied in data collection from respondents. 150 respondents were involved in the study who were registered taxpayers. Also, multiple linear regression and descriptive analysis was used to analyse the data. The findings revealed that procedural and legal tax knowledge had significant influence on tax compliance behaviour while general tax knowledge has contribution but not significant. The study recommended the following: the government and tax authority should improve and emphasising provision of training service and taxation education to taxpayers on the usage of systems in taxation such as e-payment system and there should be an application of simple and up to date technology to improve tax compliance to all taxpayers.

Keywords: general tax knowledge, procedural tax knowledge, legal tax knowledge and tax compliance behavior