

ABSTRACT

This study aimed to evaluate the challenges related to cross-border activities that impact revenue collection performance in Tanzania, focusing on the Namanga customs station. The specific objectives were to investigate and identify the primary cross-border challenges affecting revenue collection performance at Namanga, categorize these challenges based on their nature and significance in affecting revenue collection, and examine the impact of cross-border challenges on revenue collection performance at Namanga Customs station. A descriptive research design was employed, utilizing interviews and questionnaires as data collection tools from 100 respondents. The study identified various challenges influencing cross-border revenue collection performance. These challenges encompassed ineffective trading regulations, insufficient accountability among border officials, flaws in the tax system and equity, unregistered trade, lack of transparency among border officials, corruption, and a low level of technology for electronically detecting and prosecuting documents and granting tax exemptions for low-valued imports. Additionally, delays in goods at the border, trade and resource losses for the country, high costs incurred to address cross-border challenges, security concerns due to the presence of weapons, a decline in revenue collection due to the long vehicle queues caused by the COVID-19 pandemic, loss of country revenue through unpaid taxes and smuggled goods, and improper accounting of foreign currency at the border by the Tanzanian government were identified as effects caused by cross-border challenges, impacting revenue collection performance. The study suggests that the Tanzania Revenue Authority (TRA) should intensify efforts and expedite inspections and tax assessments for imported goods to maximize revenue collection. Furthermore, the government, through the Tanzania Revenue Authority, should streamline border crossing procedures by providing quick access to any restrictions, attracting customers to services, and consequently enhancing collection and voluntary repayment.