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**PUBLIC PERCEPTION ON PROPERTY TAX POLICY IN MPIGI DISTRICT:
POLICY IMPLICATIONS AND COMPLIANCE ISSUES**

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ABSTRACT

The study was carried out in Mpigi District in mostly upscale areas known as town councils. This was after a realization that town councils had been collecting property taxes for the last three years. The key informants were those involved in property tax collection both at the district level and lower local government level.

A systematic random sample of 110 respondents comprising of property tax payers and 8 key tax officer and administrators of Mpigi District were studied in order to identify the attitudes of property tax payers and how they relate to tax compliance in Mpigi District.

Most of the tax payers were found to have a positive attitude towards payment compliance and indeed agreed that they paid their dues on time. It was also established that one tax payer's actions can significantly influence the actions of another tax payer given that they get to know what course of action the other had taken. Although there was no any alternative but to pay the tax, respondents confirmed that property tax burden was unfairly high (51%) leading to a negative attitude towards tax compliance.

Findings from the study further indicated that the major methods used to enforce property tax compliance especially consultative workshops and tax assessment exercise alone, were ineffective in changing taxpayers' attitude towards tax compliance. However, business closure, fines and penalties were more effective in enforcing property tax compliance. There is a need to further involve tax payers during tax assessment exercise particularly the owners of these properties to help them appreciate the methods used to arrive at the taxes charged.

A linear regression between payment compliance and tax payer's attitude revealed a negative association with peer tax payers i.e. if the peers increase tax evasion, payment compliance reduces.

The study therefore concluded and recommended that Mpigi District needed to get closer to the property taxpayers through recognizing outstanding tax payers and also aim at reaching out to property owners more.