

DISCRETION AND IMPLEMENTATION OF TAX REFORMS AT THE KENYA REVENUE AUTHORITY IN KAJIADO COUNTY

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ABSTRACT

Kenya's tax collecting mechanism has been revised several times in response to previous administrations' unsuccessful attempts to raise sufficient economic funds. Persistent loopholes that undermine revenue collecting effectiveness demand targeted tax revisions. As a result, there is an urgent need to modernize Kenya's present tax structures in order for the Kenya Revenue Authority to meet its fiscal objectives. Therefore, the study aimed at assessing the effect of street level bureaucracy on the implementation of tax reforms at KRA. The study specifically examined the effects of discretion on implementation of tax reforms; evaluated the effects of autonomy on implementation of tax reforms; assessed the extent to which resource facilitation affects implementation of tax reforms and finally explore the extent to which bureaucratic engagement affects implementation of tax reforms. The research utilized a descriptive survey approach, which encompasses a collection of techniques and processes for characterizing variables. The study conducted census on all the 128 respondents based at KRA Kajiado County Station. Ethical standards of informed consent, confidentiality, anonymity was all considered including obtaining the research permit from NACOSTI. Initially, the data was meticulously checked for completeness, and subsequently, it was then entered into the SPSS. By grouping recurring themes in the qualitative data, it was possible to study it more thoroughly and delve into topics that perhaps weren't sufficiently covered by the formal questionnaire items. Descriptive and inferential statistical approaches were compared using quantitative data analysis. Standard deviation and mean were used to summarise the data. The data was displayed as frequency tables, percentages, charts, and regression models to provide a thorough analysis. The study's findings showed a substantial and statistically significant positive association between the KRA in Kajiado County's adoption of tax reforms and discretion. In a similar vein, it found a strong inverse relationship between autonomy and the KRA in Kajiado County implementing tax reforms. Additionally, the study discovered a strong favourable link between the KRA in Kajiado County's adoption of tax changes and bureaucratic participation. Overall, the study objectives related to discretion, autonomy, resource facilitation, and bureaucratic engagement in relation to the implementation of tax reforms at the KRA in Kajiado County are supported by the findings. From the findings, there is need to develop clear and comprehensive guidelines for discretion in tax administration, grant greater autonomy to tax officials on implementation of reforms, foster collaboration and communication among departments and the need to allocate adequate human, financial and technological resources for effective execution of reforms.

Keywords: Discretion, Implementation, Tax Reforms, KRA and Kajiado

BACKGROUND

Taxation is a fundamental function of the state, denoting the social contract that the citizens have with the government of the day. Throughout history, the relationship between rulers and citizens has been significantly influenced by taxation (Kato & Tanaka, 2018). Taxation assumes a pivotal role in fostering economic development, functioning as a cornerstone in providing public goods, economic redistribution, establishing social safety nets, and enforcing governmental accountability. Moreover, tax revenues play a vital role in diminishing reliance on external aid and income generated from natural resources (Średzińska, Kozera & Standar, 2019).

Global policymakers are currently engaged in collaborative efforts on tax reforms that could reshape the taxation of global businesses. The OECD/G20-led initiative (BEPS 2.0), addresses tax challenges arising from globalization and digitalization, potentially altering the international tax architecture for multinational businesses (Gnangnon, 2019). The TCJA of 2017 in the United States, influenced by proposals originating from the Reagan Administration, sought to decrease individual, corporate, and estate tax rates. While the legislation endeavored to mitigate the income tax burden by reducing tax rates across various income brackets, it concurrently eliminated several widely utilized itemized deductions (Salaudeen & Atoyebi, 2018).

Revenue mobilization is a high priority in developing countries, particularly in Sub-Saharan Africa, where governments face limitations in their ability to tax (Bassongui & Houngbédji, 2023). Several tax reforms have been implemented in pursuit of Sustainable Development Goals. South Africa, for instance, has a relatively broad tax base but has undertaken reforms to align its tax revenues with OECD averages (Kamasa, Adu & Oteng-Abayie, 2019).

Current tax reforms in East African nations have aimed on digitizing tax platforms, moving away from manual processes. Kenya, for example, fully implemented online tax returns and payments in 2014, enhancing monitoring of tax compliance and collections (Kimea & Mkhize, 2021). In the past two decades, Kenya's tax system has undergone persistent transformation, characterized by policy revisions, streamlining of rate structures, the enactment of a value-added tax, and synchronization of external tariffs with neighboring East African nations (Abdul & Wangâ-Mombe, 2018). Additionally, institutional changes, exemplified by the establishment of the semi-autonomous KRA, have centralized tax collection administration processes.

Despite having a modern tax system, Kenya faces challenges due to a substantial informal sector, representing about 70% of GDP and up to 75 percent of the labor force. This poses constraints on the tax system's ability to raise enough revenue with negligible leakages, making it likely that collecting approximately 1/5 of GDP in tax revenue imposes significant distortionary costs on the economy (Mwangangi & Memba, 2022).

Street bureaucrats, like as case workers, police officers, social workers, and lower-court judges, have a significant impact on people's life (Dabingaya, 2020). The capacity of authorities to confer public benefits and enforce penalties renders them pivotal figures within the realm of public administration (Chang, 2021). As they interact with citizens, they become the face of the administration, emphasizing their pivotal role in policy implementation (Davidovitz & Cohen, 2022).

The foundation of the social contract between the populace and governing institutions hinges on the expectation that citizens will receive equitable and dignified treatment (Johannessen, 2019). Citizens expect authorities to treat them fairly in exchange for their involvement in communal decision-making processes and adherence to tax obligations. While some argue that bureaucratic neutrality is a myth (Portillo *et al.*, 2020), procedural equity, which emphasizes objective interactions with public services, and respect and fairness are two procedural characteristics that continue to shape public trust in governmental bodies. As a result, people who believe government officials treat them fairly are more ready to accept administrative decisions (Kang, 2021) and establish trust in governance by extrapolating positive individual experiences (Davidovitz, 2022).

The concept of "Procedural Fairness," which entails measures designed to reduce bias or partiality in governmental decision-making processes (Ruder & Woods, 2020), is exemplified by interactions with street-level bureaucrats, who serve as the emblematic representation of governmental authority. As a result, it is critical that street-level bureaucrats make fair decisions, especially when adjudicating disputes between the state and its residents.

Statement of the Problem

The tax collection system in Kenya has undergone multiple reforms due to previous regimes' unsuccessful attempts to generate sufficient funds for the economy (Republic of Kenya National Tax Policy, 2022). An IMF report in 2019 identified loopholes in tax collection and proposed reforms to improve it. However, the suggested measures were contentious and unpopular, hindering the intended purpose of the reforms and resulting in unmet tax collection targets according to KRA reports in 2020-2021 and 2022 (KRA, 2022). Consequently, there is a pressing need to overhaul Kenya's current tax systems to enable the KRA to attain its preset targets.

Anarfi and Nerudová (2018) highlighted loopholes in tax reforms across Europe, emphasizing the impact of country-specific tax levels and the free movement of goods in hindering effective tax collection. Similarly, Tarmidi, Suryati, and Purwaningsih's (2020) studies in the USA pointed out corruption as a key obstacle to tax reforms that could enhance collection. In Africa, Beach and Boogaard (2022) observed that tax collection is usually viewed as a government job to benefit specific individuals rather than the communal economy. Ohemeng and Owusu (2015) stated that the ruling regime's political motivations hindered tax reforms, highlighting many tax officials' lack of experience with various facets of tax collection. In Botswana, Ndoya and Bakouan (2023) identified technology and low education levels as key factors contributing to poor tax reforms and performance. Locally, Mirera (2013) and Chilibasi (2014) found that tax reform areas and collection coverage were inadequately addressed, attributing this to a lack of technology and compromised personnel leading to poor tax collection.

The above studies indicate that tax reforms face resistance in various regions, resulting in inadequate tax collection. While studies have been conducted in Europe, America, and other African countries, there is a gap that a Kenyan study can fill. Existing Kenyan studies do not specifically address how discretion, autonomy, resource facilitation, and bureaucratic engagement affect the implementation of tax reforms. Therefore, this study aims to assess the impact of street bureaucracy on the implementation of tax reforms in the Kenya Revenue Authority.

Justification and Significance

The outcomes of this research have the potential to illuminate the influence of street-level bureaucracy on the execution of tax reforms within the KRA. These findings hold relevance not only for the top management team of the KRA but also for government policymakers seeking to enhance the country's GDP. Similarly, the study's results could inform the development of growth-oriented initiatives and the implementation of tax adjustments geared towards fostering economic growth. Moreover, insights into the established correlation between street bureaucracies and the implementation of tax reforms could assist tax stakeholders in formulating policies aimed at stimulating economic growth. Ultimately, the study contributes to academia in the topic of taxation, serving as a catalyst for further scholarly inquiry and exploration.

Discretion and Implementation of Tax Reforms

Krajňák (2022) carried out research on the tax and levy burden associated with wages in the Czech Republic, with a particular emphasis on the effects of the tax reform. The research adopted, regression, correlation and time-series examination. The findings unveiled a decline in the tax burden since 2022 upon the application of fundamental taxpayer relief measures. However, for individuals availing themselves of both taxpayer relief and a tax credit for dependents, a slight upsurge in the tax burden is discernible. Despite the fact that the

majority of incomes are subject to the nominal linear tax rate, there has been a noticeable increase in the progressivity of personal income tax in comparison to the previous year, which can be attributed to a rise in tax relief per taxpayer. Social security contributions exhibit both nominal and real linearity, and there have been no notable improvements. As a result, in some cases, levy burdens have increased even if the nominal rate of social security is lower than the nominal rate of income tax.

Ngwaba and Azizi (2019) using World Bank data, applied cross-sectional approach to examine how tax reforms affected South African entrepreneurship. The authors assessed the effect of a proposed tax reform on entrepreneurship using data at the person level. The study found a positive and significant influence on the likelihood of people becoming self-employed, which was consistent across many econometric parameters, using South Africa's post-Apartheid tax reform as a natural experiment.

Salaudeen and Atoyebi (2018) used t-tests and canonical correlation analysis to examine the impact of the 2007 corporate tax reform on the tax burden of Nigerian publicly traded companies. Drawing on data gathered from the financial statements of 86 chosen enterprises spanning the years 2003 to 2011, the study revealed marginal alterations in the overall tax burden following the reform. However, sector analysis revealed differences: businesses in the oil and gas and agriculture sectors had lower tax burdens, but businesses in the natural resources and health sectors had higher tax burdens. The change had no effect on other sectors.

Naoui and Kasraoui (2020) investigated the impact of tax reform on firm-specific factors and the corporate effective tax rate (ETR) in Tunisia after the 2014 fiscal year. The analysis revealed a substantial influence exclusively on the inventory variable using a sample of 112 firm-year data from 16 listed businesses on the Tunis Stock Exchange over a seven-year period (2010-2016). This emphasizes how urgently Tunisia's business tax system needs to be revised.

Suwandoko and Rodiyah (2018) looked into how the Semarang Tax Service Office used the pillars of bureaucratic reform to increase taxpayer compliance. Using a bureaucratic implementation model, the study revealed suboptimal levels of taxpayer compliance, attributed to less-than-optimal performance by tax employees and noncompliance by taxpayers. Efforts to improve compliance and tax revenue included socializing the implementation of bureaucratic reform pillars to both employees and taxpayers.

Clark's Critical Limit Hypothesis

Clark's theory of critical limits, as presented in 2011, examines the tolerance levels of taxpayers in a nation towards taxation. According to the theory, when government sector receipts and other income exceed an average of twenty-five percent, inflation is likely to rise. This situation implies that government taxes increase proportionately, potentially harming production incentives and lowering productivity. However, it also suggests that people may become less resistant to inflation, leading to increased demand for goods without a corresponding incentive to supply them.

Crivelli and Gupta (2014) argue that this scenario reflects an imbalance between demand and supply, resulting in inflation. Tax reforms, according to the scholars, can mitigate these negative effects, although it is evident that people can be quite tolerant of higher taxes. Other academics, like Bird (2010), Khamis (2012), and Chilibasi (2014), have applied this idea to their studies on government spending and tax regimes. They have suggested that numerous taxation systems often neglect potential avenues that could alleviate the tax burden on taxpayers. However, critics of the theory, such as Enrico-Gloria (2014) and Jetty (2012) contend that there are successful governments in both developed and emerging regions that have exceeded the prescribed tax limitations without suffering inflationary pressures. These countries, with taxation rates as high as 30 to 36 percent, have demonstrated positive economic performance.

Attari, Taha, and Farooq (2014) connect Clark's Critical Limit theory to the stock exchange market and economic growth, indicating that tax and the price of goods are elastic to tax changes. In Pakistan, the government's study of GDP fluctuations following tax collection reforms aligns with Clark's theory,

suggesting a direct relationship between tax changes and economic indicators. Amri and Kern (2016) associate credit cycles during election periods with the taxation regime, emphasizing that credit limits are stretched during elections, confirming Clark's theory. Interest rate subsidies and breaks for debt, according to the scholars, contribute to credit growth, disrupting credit markets and not adhering to Clark's limits.

The relevance of Clark's theory to the current study lies in its establishment of a foundation for understanding the limits to which a government can tax its citizens. The theory provides insight into the dynamics and considerations involved in setting tax brackets for various sectors of the economy. It also justifies that not all seemingly high taxes necessarily harm the common citizens.

METHODOLOGY

The research utilized a descriptive survey approach, which encompasses a collection of techniques and processes for characterizing variables. It entails the acquisition of data that illuminates events, followed by their systematic organization, tabulation, depiction, and description. Descriptive studies aim to elucidate the "who," "what," and "how" aspects of the variables in question. This method was selected due to its precision and accuracy, as it methodically describes events in a well-structured manner. This study targeted all the 128 KRA employees stationed at Kajiado (KRA, 2023), encompassing members from all departments of the KRA's Kajiado Station. According to Kothari (2008), the population of interest is the section of the population that is directly involved in the phenomenon being studied, with a high possibility that the study results will directly apply to them. While the unit of observation comprised of KRA responder personnel, the true unit of analysis is the Kenya Revenue Authority itself, which operates as a tax and reform agency within Kenya. A structured questionnaire, which was tested for validity and reliability prior, was used to collect primary data. The collected data was analysed various techniques with the help of Statistical Package for Social Scientists (SPSS). Quantitative data was analysed using mean and standard deviation while inferential statistics was conducted using a regression model as indicated:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where: Y= Implementation of Tax Reforms

β_0 = Constant

β_1 to β_4 =Coefficients

X_1 = Discretion

X_2 = Autonomy

X_3 = Resource facilitation

X_4 = Bureaucratic engagement

ε =Error term.

Regression analysis was employed to assess the significant impact of independent variables on street-level bureaucracy (X_1 , X_2 , X_3 and X_4 on dependent variable Y, (Implementation of Tax reforms).

FINDINGS

Response Rate

The study administered 128 questions to different respondents as stated in the target population and sample size whereby all the questionnaires were returned. Hence representing a return rate of 100%.

Demographic Data

The gender distribution within the Kenya Revenue Authority (KRA), where 34% of employees are female and 66% are male, significantly impacts the implementation of tax reforms. The age distribution within the Kenya Revenue Authority (KRA) indicated that 10% of employees were aged 18-24 years, 30% aged 25-34 years, 38% aged 35-44 years, 15% aged 45-54 years, and 7% aged above 55 years. These suggests a predominantly

youthful workforce, which can drive innovation and adaptability in implementing tax reforms. Younger employees are likely to be more tech-savvy and open to modernizing processes, crucial for adopting digital tax platforms. The role distribution within the Kenya Revenue Authority (KRA) shows that 45% were tax officials, 11% managers/supervisors, 30% administrative staff, and 14% IT specialists. This provides a balanced structure crucial for implementing tax reforms effectively. Tax officials, forming the largest group, are key to enforcing policies and ensuring compliance, directly interacting with taxpayers. The department distribution within the Kenya Revenue Authority (KRA) showed that 33% of the respondents were in Tax Collection, 26% in Tax Compliance, 17% in IT and Technology, 11% in Legal and Regulatory Affairs, and 13% in Finance and Budgeting. These reflect a well-rounded organizational structure essential for the effective implementation of tax reforms. The tenure distribution among employees at the Kenya Revenue Authority (KRA) showed that 12% of the employees were serving for less than 1 year, 39% for 1-5 years, 30% for 6-10 years, 14% for 11-15 years, and 5% for 16 years or more—reflects a diverse mix of fresh perspectives and experienced insights crucial for effective tax reform implementation. The educational qualifications of employees within the Kenya Revenue Authority (KRA) showed that 14% of the respondents were holding Certificates, 33% possessing Diplomas, 42% having Bachelor's Degrees, 10% with Master's Degrees, and 1% holding Ph.Ds. These reflect a diverse pool of skills and expertise essential for navigating the complexities of tax reform.

Discretion and Implementation of Tax Reforms

On the effect of discretion on the implementation of tax reforms at the Kenya Revenue Authority, respondents indicated their level of agreement using the scale where 1 represented "Strongly Disagree" and 5 represented "Strongly Agree"

Table 1: Discretion and Implementation of Tax Reforms

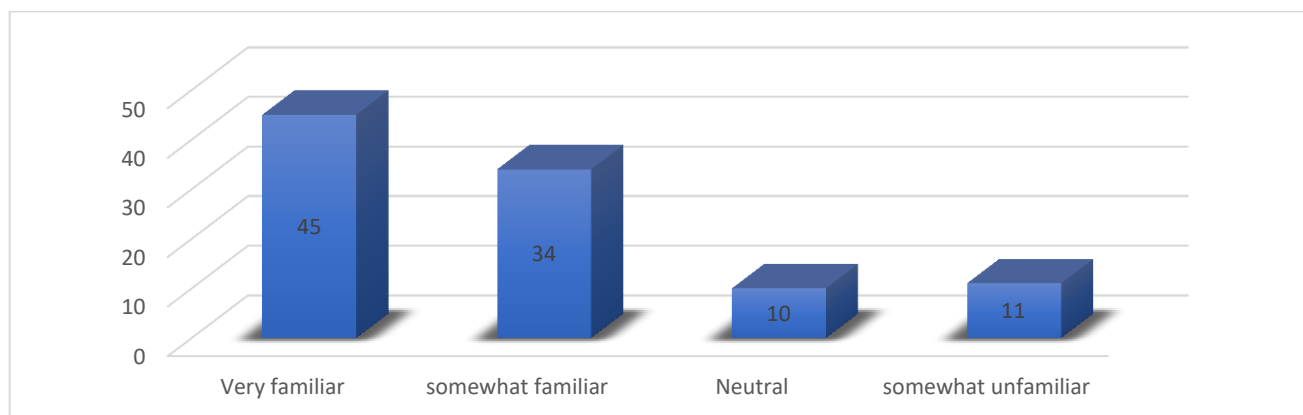
Statement	1 %	2 %	3 %	4 %	5 %
Discretionary powers play a crucial role in the successful implementation of tax reforms at the KRA.	8%	10%	5%	32%	45%
The level of discretion exercised by tax officials positively influences the efficiency of tax collection processes.	4%	5%	3%	39%	49%
Discretionary decision-making allows for better adaptation to the unique circumstances of taxpayers, fostering a more equitable tax system.	14%	11%	2%	44%	29%
Excessive discretion in the implementation of tax reforms can lead to inconsistencies and biases in tax enforcement.	8%	4%	2%	37%	49%
Transparency in the exercise of discretion by tax officials is essential for maintaining public trust in the tax system	5%	5%	4%	39%	47%
The current level of training and guidance provided to tax officials adequately prepares them for making discretionary decisions in line with tax reforms.	7%	4%	2%	38%	51%
The use of discretion in tax administration is essential for addressing unforeseen challenges and changes in the economic landscape.	3%	2%	1%	48%	54%
Taxpayers perceive the exercise of discretion by tax officials as fair and just in the context of tax reforms.	9%	11%	3%	38%	61%
There is a need for clearer guidelines and criteria to regulate the use of discretion by tax officials during the implementation of tax reforms.	12%	3%	9%	32%	44%
The Kenya Revenue Authority should explore alternative methods to minimize the reliance on discretionary decision-making in tax administration.	10%	3%	4%	37%	54%

The survey results indicate a strong consensus among respondents regarding the importance of discretionary powers in the successful implementation of tax reforms at the KRA. A significant majority (77% strongly agree, 32% agree) believes that discretionary decision-making positively influences the efficiency of tax collection processes. Moreover, respondents overwhelmingly agree (73% strongly agree, 44% agree) that discretionary powers allow for better adaptation to taxpayers' unique circumstances, fostering a more equitable tax system. However, there is recognition (86% strongly agree, 41% agree) that excessive discretion can lead to inconsistencies and biases in tax enforcement, highlighting the importance of transparency (87% strongly agree, 39% agree) and clear guidelines (88% strongly agree, 32% agree) to regulate its use. Despite this, the majority (72% strongly agree, 38% agree) perceives the exercise of discretion by tax officials as fair and just in the context of tax reforms. There is also acknowledgment (81% strongly agree, 37% agree) of the need to explore alternative methods to minimize reliance on discretionary decision-making.

The findings correlate with the study by Krajňák (2022) carried out research on the tax and levy burden associated with wages in the Czech Republic, with a particular emphasis on the effects of the tax reform. The findings unveiled a decline in the tax burden since 2022 upon the application of fundamental taxpayer relief measures. Overall, these findings underscore the nuanced role of discretion in tax administration and the importance of balancing its use with transparency, accountability, and fairness to maintain public trust and ensure effective reform implementation

Implementation of Tax Reforms

The respondents' familiarity with recent tax reforms at the Kenya Revenue Authority (KRA) is as follows: 45% describe themselves as very familiar, 34% as somewhat familiar, 10% as neutral, and 11% as somewhat unfamiliar. These results indicate a substantial level of awareness and understanding among the majority of respondents, with nearly half considering themselves very familiar with the recent tax reforms implemented by the KRA. The findings correlate with Kinyua (2019) who explored how ICT affects tax administration and performance at KRA. The study found that information technology increased productivity, facilitated communication among staff, helped meet daily operation deadlines, and allowed for efficient prioritization of work.



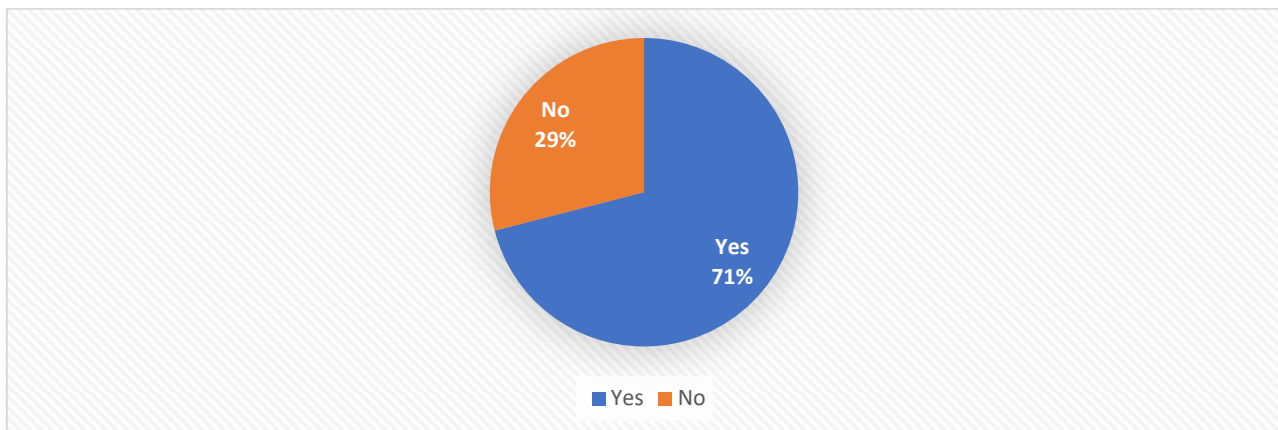
Extent of Collaboration

Not collaborative at all
Slightly collaborative
Moderately collaborative
Very collaborative
Extremely collaborative

Percentages

6%
4%
13%
40%
37%
100

Based on the responses, the perceived level of collaboration in the bureaucratic environment within the Kenya Revenue Authority (KRA) is as follows: 6% of respondents believe it is not collaborative at all, 4% consider it slightly collaborative, 13% view it as moderately collaborative, 37% regard it as very collaborative, and the majority, 40%, perceive it as extremely collaborative. These results indicate a predominantly positive perception of collaboration within the bureaucratic environment at the KRA, with a significant proportion of respondents considering it very or extremely collaborative. The findings are similar to Suwandoko and Rodiyah (2018) who examined taxpayer compliance within the framework of bureaucratic reform theory. The report emphasized the importance of putting the Semarang Tax Office's bureaucratic reform pillars which addressed philosophical, social, and legal issues into practice.



Correlation analysis was used to establish if there was a relationship between the independent variables (discretion, Autonomy, resource facilitation, bureaucratic engagement) and dependent variable (performance of e-government systems) by correlating the study findings. Pearson correlation coefficient (r) was used to determine the relationship between the two variables with a value of + 1 and – 1. A correlation coefficient that approaches zero indicates a weaker association between the two variables, whereas a value of + or – 1 indicates a significant relationship between the independent and dependent variables. A positive relationship is shown by a positive (+) sign, and a negative relationship is indicated by a negative (-) sign. The study's correlation analysis is displayed in Table 2.

Table 2: Correlation Analysis

		Implementation	Discretion
Implementation	Pearson correlations	1	.852**
	Sig.(2-tailed)		0
Discretion	Pearson correlations	.852**	1

** . Correlation is significant at the 0.01 level (2-tailed).

The results show a strong association between discretion variables and tax reform implementation ($r = 0.852$, $p < 0.05$), indicating a statistically significant correlation. This suggests that fluctuations in one factor are notably linked to changes in the other. Furthermore, Nagaraju, Shanmugam, Rajeyyagari, et al. (2021) assert that blockchain technology facilitates the execution of a privacy-preserving, secure decentralized system, granting the government exclusive control over transactions without third-party interference. Through blockchain, data, both new and existing, are encapsulated in ledgers or blocks, distributed evenly across the network, ensuring lasting and sustainable record-keeping. This technology enhances data privacy and security through network-wide data distribution and encryption.

Analysis of Variance (ANOVA)

ANOVA, or analysis of variance, was used to determine the linear relationship between the variables that were being examined. This method was used to calculate the mean square, degrees of freedom (DF), sum of squares, computed F value, and related significance level. The outcomes are displayed in Table 3.

Table 3: Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.082	3	2.313	10.400	.000 ^a
	Residual	43.297	70			
	Total	44.369	73			

Predictors: (Constant), Discretion, Autonomy, Resource Facilitation and Bureaucratic Engagement

a. Dependent Variable the implementation of tax reforms

Source: Research Data (2024)

The model is statistically significant in predicting the effect of street-level bureaucracy on the implementation of tax reforms, as evidenced by the significance value of 0.000, which is less than 0.05. At a significance level of 5%, the crucial F value was 2.313. The fact that the computed F value (10.400) is higher than the critical value suggests that the model as a whole is noteworthy. There is a 95% chance that the relationship ($p < 0.05$) between the variables under study is not coincidental. It indicates a linear association.

Table 4: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	0.257	0.551		6.508	0
Discretion	0.707	0.052	3.012	1.142	0.004

The findings show that t-values for discretion is significantly and favourably impacted the execution of tax reforms.

The resultant regression model of the analysis, is as thus:

$$Y = 0.52 + 0.49X_1$$

Y = Implementation

X_1 = Discretion

CONCLUSION AND RECOMMENDATIONS

The survey results reveal a strong consensus among respondents regarding the significance of discretionary powers in the successful execution of tax reforms within KRA. A substantial majority agrees that discretionary decision-making positively impacts tax collection efficiency and enables better adaptation to taxpayers' unique circumstances, fostering a fairer tax system. However, there's a notable concern about the potential for excessive discretion leading to inconsistencies and biases in tax enforcement, emphasizing the necessity of transparency and clear guidelines to regulate its use. Despite this, most respondents perceive the exercise of discretion by tax officials as fair and just within the context of tax reforms. There's also a recognition of the need to explore alternative methods to reduce reliance on discretionary decision-making.

There is a strong and statistically significant positive correlation between discretion and the implementation of tax reforms at the Kenya Revenue Authority (KRA) in Kajiado County. This indicates that changes in discretion variables are strongly related to changes in the implementation of tax reforms, suggesting that increased discretion may lead to more effective reform implementation.

There is need to develop clear and comprehensive guidelines for discretion in tax administration to ensure that officials exercise their discretionary powers judiciously and transparently. This includes providing training and regular updates to officials on the proper use of discretion to minimize potential biases and inconsistencies in tax enforcement.

The study recommends a study to examine the long-term effects of discretion, autonomy, bureaucratic engagement, and resource facilitation on the implementation of tax reforms. Tracking these variables over time can provide valuable insights into their evolving dynamics and their impact on reform outcomes

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