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# Determinants of Voluntary Tax Compliance: A Review of Literature on Taxpayer Behaviour in Sierra Leone

**Daniel Rince George**
*1. School of Basic Education, Njala University*

**Corresponding Author: Daniel Rince George** **Email:** dr.george@njala.edu.sl

## ABSTRACT

In developing nations such as Sierra Leone, where the government's funding primarily depends on tax revenues to sustain public services and drive economic growth, effective tax compliance is crucial for mobilizing domestic revenues. To explore the factors that influence taxpayers' voluntary compliance with tax laws in Sierra Leone, this literature review consolidates previous research. The study focuses on key aspects, including public awareness of tax obligations, perceptions of the fairness and equity of the tax system, the effectiveness and responsiveness of the administration, the detrimental impact of corruption, and the use of digital platforms for tax-related transactions. The review underscores the urgent need for comprehensive reforms, including enhanced public awareness campaigns, increased institutional accountability, simplified tax procedures, and the expansion of technological advancements to facilitate easier tax payments. These recommendations aim to assist revenue authorities and policymakers in designing more effective strategies to foster voluntary compliance, ultimately contributing to Sierra Leone's socioeconomic development and fiscal stability.

**KEYWORDS:** Tax Compliance, Voluntary Taxation, Corruption, Taxpayer Education, Public Revenue

## 1. INTRODUCTION

Taxation is a fundamental pillar for national development, serving as a key mechanism through which governments mobilize resources to finance public goods and services. In Sierra Leone, tax revenue remains crucial for sustaining sectors like healthcare, education, infrastructure, and social welfare, all of which are essential for advancing national growth and stability. However, despite several reforms introduced by the National Revenue Authority (NRA) to enhance tax administration and revenue mobilization, Sierra Leone continues to grapple with persistent challenges in achieving widespread voluntary tax compliance.

Current data from the NRA indicates that the country's tax-to-GDP ratio hovers around 13%, a figure that falls below the average for Sub-Saharan Africa and significantly lags behind international benchmarks (NRA, 2022). This gap highlights the pressing need for stronger tax policies and better compliance strategies to meet the country's increasing public expenditure needs. The widening tax gap the discrepancy between potential and actual tax revenues remains a major impediment to sustainable development, indicating a systemic weakness in voluntary compliance mechanisms.

To address these challenges, the government of Sierra Leone has introduced initiatives such as the Integrated Tax Administration System (ITAS), taxpayer education campaigns, and simplified filing procedures aimed at promoting greater taxpayer engagement. Nonetheless, non-compliance remains widespread. Several factors have been identified as key contributors to this issue: limited understanding of tax regulations among citizens (Sesay & Koroma, 2021), perceptions of unfairness in the tax system (Kamara, 2023), bureaucratic inefficiencies (Bangura, 2020), and entrenched corruption within certain administrative processes (Jalloh, 2021).

Recognizing the complexity of these challenges, this literature review seeks to critically examine the underlying factors influencing voluntary tax compliance in Sierra Leone. Specifically, it aims to: (1) identify the main determinants that affect taxpayers' willingness to comply, (2) evaluate the strategies employed by the NRA to improve compliance, and (3) explore the motivations that encourage individuals and businesses to fulfill their tax obligations. The insights gathered are intended to support policymakers, practitioners, and tax authorities in designing more effective and sustainable tax compliance frameworks, ultimately contributing to Sierra Leone's broader socio-economic transformation.

## 2. MATERIALS AND METHODS

### Approach to Literature Review

This study employed a structured literature review to explore the factors affecting voluntary tax compliance in Sierra Leone, concentrating on scholarly work and official reports published between 2018 and 2024. Data sources included academic journals, government publications, working papers, and institutional reports accessed through platforms such as Research Gate, African Journals Online (AJOL), and Google Scholar. The search strategy specifically targeted studies that discussed tax compliance behaviours, challenges, and reforms within the Sierra Leonean setting. Emphasis was placed on selecting up-to-date and context-specific literature to capture the most recent developments and policy interventions. After a careful screening and evaluation process, 55 publications were deemed relevant and were systematically analysed. This approach ensured a comprehensive understanding of both historical and emerging patterns affecting taxpayers' voluntary compliance in Sierra Leone, while also identifying critical gaps for future research.

### Data Analysis

The analysis process employed a thematic synthesis approach to uncover recurring patterns influencing taxpayer behaviour and voluntary compliance in Sierra Leone. Through qualitative content analysis, core themes were systematically identified and organized to explore the complex interactions between various determinants of compliance. Each selected study was carefully reviewed for its research approach, key outcomes, and policy recommendations. A structured coding system was designed to draw meaningful comparisons across the different studies, ensuring that consistent, context-specific factors influencing taxpayer compliance were highlighted. This method provided a coherent framework for interpreting the findings and emphasized the interconnectedness of administrative efficiency, public trust, and taxpayer education in driving compliance behaviours in Sierra Leone.

### Limitations

Although this literature review aimed to present a detailed and critical understanding of the factors shaping voluntary tax compliance in Sierra Leone, certain limitations must be acknowledged. Firstly, the review predominantly focused on English-language sources, potentially overlooking relevant studies published in local dialects or less accessible regional archives. Secondly, given the diversity of economic activities and regional differences within Sierra Leone, the findings from reviewed literature may not fully represent the experiences of all taxpayer groups, particularly those in rural or informal sectors. Additionally, by concentrating primarily on peer-reviewed literature and official reports, there is a risk of publication bias, where studies presenting unfavourable or non-significant results may be underreported. Another key limitation is the dynamic nature of tax policy and socio-economic conditions in Sierra Leone, which are subject to rapid change; thus, insights drawn from recent literature may still be vulnerable to becoming out dated as new reforms and economic shifts occur. Lastly, many of the reviewed studies implicitly assume rational taxpayer behaviour without fully addressing emotional, cultural, or historical factors that could influence compliance decisions. Despite these constraints, the methodological rigor applied in the review process strengthens the credibility of the analysis and contributes to a richer understanding of voluntary tax compliance challenges in Sierra Leone.

## 3. RESULTS AND DISCUSSION

### Tax Knowledge and Public Awareness

The findings reveal that a major obstacle to voluntary tax compliance in Sierra Leone is the widespread lack of taxpayer knowledge and awareness about tax duties and processes. Despite efforts by the National Revenue Authority (NRA) to simplify procedures, many individuals and businesses, particularly in the informal sector, remain uninformed about their obligations and the benefits of compliance (NRA, 2021). Awareness of modern tax systems, such as the Integrated Tax Administration System (ITAS) and online filing portals, is particularly low among small business owners and rural entrepreneurs.

Various studies (Koroma, 2022; Sesay, 2023) emphasize that while the NRA has introduced radio discussions, community outreach programs, and online campaigns to educate taxpayers, the impact has been uneven. In particular, small and medium-sized enterprises (SMEs) continue to report confusion regarding complex filing requirements and eligibility for tax incentives. A study by Jalloh and Conteh (2022) found that combining digital education with localized face-to-face sensitization sessions results in better taxpayer engagement than relying solely on mass media.

Nevertheless, significant gaps persist, especially among businesses operating outside major cities like Freetown and Bo, where access to internet-based resources is limited. These findings highlight an urgent need for more decentralized, language-inclusive, and sector-specific educational strategies. Tailoring education initiatives to address the unique challenges faced by different taxpayer groups  particularly market traders, artisans, and rural farmers will be critical in bridging the knowledge gap and fostering a stronger culture of voluntary compliance across Sierra Leone.

### Perceived Fairness of the Tax System

The perception of fairness within Sierra Leone's tax framework plays a crucial role in shaping taxpayer compliance behaviour. Evidence from recent studies indicates that when citizens perceive taxation as inequitable especially in the distribution of public services like healthcare, education, and road infrastructure their motivation to comply weakens considerably (Bangura, 2022). In Sierra Leone, concerns about the heavy tax burden on small businesses and inconsistencies in the application of tax laws between urban and rural areas have fuelled a sense of injustice among taxpayers.

Research conducted by Mansaray and Kamara (2023) underscores that feelings of distrust emerge when taxpayers observe little to no improvements in community amenities despite paying taxes. Additionally, a study by Conteh (2024) highlights that limited government transparency in disclosing how tax revenues are allocated has amplified taxpayer skepticism. This perceived disconnect between taxes paid and services received encourages non-compliance and fosters informal economic activities that bypass the formal tax system.

Strengthening the social contract between citizens and the government is essential to enhancing voluntary compliance. Initiatives such as participatory budgeting at the local council level and public exhibitions of tax-funded projects could help rebuild trust. Furthermore, establishing open dialogue platforms where citizens can voice concerns about taxation and service delivery can foster greater taxpayer engagement and accountability.

### Administrative Efficiency

Administrative inefficiencies remain a significant barrier to voluntary tax compliance in Sierra Leone. Taxpayers often face cumbersome bureaucratic hurdles, including lengthy registration processes, unclear payment guidelines, and frequent changes in tax policies that are poorly communicated (Koroma & Bangalie, 2021).

Research by Sesay (2022) and Kamara (2024) illustrates that many Sierra Leoneans, especially in the informal and SME sectors, encounter frustrating delays and confusing procedures when attempting to meet their tax obligations. Such administrative challenges have led some businesses to operate informally to avoid the perceived hassle of dealing with tax authorities.

While the National Revenue Authority (NRA) has introduced reforms, including the Integrated Tax Administration System (ITAS) and mobile tax payment options, the success of these measures has been uneven. Infrastructural limitations, digital illiteracy, and inconsistent system functionality have undermined their effectiveness, particularly outside major cities like Freetown, Bo, and Kenema. A recent study by Jalloh et al. (2025) stresses that for technology-based solutions to succeed; they must be backed by strong infrastructural investments and comprehensive taxpayer training programs.

Therefore, simplifying administrative processes, improving communication of tax obligations, and ensuring reliable technological systems are critical steps toward fostering higher voluntary compliance in Sierra Leone.

### Influence of Corruption

Corruption within Sierra Leone’s tax institutions, particularly the National Revenue Authority (NRA), has been identified as a major deterrent to voluntary tax compliance. Incidents of bribery, preferential treatment, and misuse of authority have eroded public trust in the taxation system (Kanu, 2022).

Recent studies by Bangura et al. (2024) and Sesay (2025) reveal a consistent trend: taxpayers who perceive corruption as widespread within the NRA are significantly more reluctant to comply with their tax obligations. The perception that officials may manipulate procedures for personal gain undermines the legitimacy of the entire system, pushing many into informal economic activities where tax compliance is minimal or absent.

To rebuild confidence, it is critical to strengthen anti-corruption frameworks within tax administration. Transparent auditing processes, anonymous reporting mechanisms for corrupt activities, and stronger enforcement of penalties against corrupt officials have been recommended. Empowering civil society organizations to independently monitor tax-related activities could also promote greater integrity and restore public trust.

## Role of Technology

Technology has opened new possibilities for improving tax administration in Sierra Leone, but its potential remains underutilized. Initiatives like the online tax filing system and mobile tax payment platforms, launched under NRA modernization programs, aim to ease compliance (National Revenue Authority, 2021).

However, according to Conteh (2023) and Jalloh (2024), substantial challenges persist. Many taxpayers, particularly in rural districts such as Koinadugu and Pujehun, lack the digital literacy and internet access needed to benefit from these services. Additionally, some users report that system downtimes and transaction errors discourage their continued use of digital tax services.

To maximize technology's impact, on-going public education efforts are needed to teach taxpayers how to use digital platforms. Moreover, infrastructural improvements, including better internet coverage in rural communities and mobile-friendly tax services, must be prioritized. Bridging this technological gap is crucial for broadening the reach and effectiveness of automated tax systems.

## Socioeconomic Factors

Socioeconomic conditions heavily influence tax compliance patterns in Sierra Leone. Factors such as unemployment, fluctuating income levels, and informal sector dominance shape people's attitudes towards taxation (Koroma & Sesay, 2022).

Recent studies, including work by Kallon and Fofanah (2025), reveal that low-income earners and owners of micro-enterprises often perceive taxes as an additional financial burden rather than a civic duty. Moreover, the lack of robust social safety nets makes taxpayers more resistant to compliance, particularly when they do not visibly benefit from public services.

Financial literacy also plays a pivotal role. Many small-scale traders and self-employed individuals lack understanding of tax systems and basic accounting principles, contributing to accidental non-compliance. Tailored interventions such as community-based financial literacy campaigns and simplified tax education programs could significantly improve voluntary compliance across different socioeconomic groups.

## Social Norms and Peer Influence

In Sierra Leone, social norms and peer behaviour exert a profound impact on taxpayers' decisions. In communities where tax evasion is common, individuals are more likely to perceive non-compliance as a socially acceptable practice (Bangalie, 2023).

An ethnographic study by Kargbo (2024) found that in many urban neighbourhoods, particularly in the informal markets of Freetown and Bo, taxpayers often base their behaviour on what peers do rather than on legal obligations. When evading taxes is normalized within social groups, formal compliance rates plummet.

Conversely, initiatives that highlight and reward compliant behaviour have shown promising results. Peer-led advocacy groups, town hall meetings, and radio talk shows promoting responsible citizenship have begun to reshape attitudes towards taxation. Building strong community narratives around the importance of paying taxes and celebrating compliant taxpayers can create a positive feedback loop that gradually shifts social norms in favour of voluntary compliance.

## Implication of the Study

The investigation into factors affecting taxpayers' voluntary compliance with tax laws in Sierra Leone yields several important lessons for improving the nation's tax environment. One of the key findings is the urgent need for more targeted and accessible tax education initiatives. The study stresses that many Sierra Leoneans, especially those in rural and underserved communities, lack basic knowledge of their tax obligations (Kamara, 2024). To bridge this gap, the National Revenue Authority (NRA) must develop flexible, community-centered educational programs using both traditional media and digital outreach to meet the specific needs of various taxpayer groups. Another pressing issue identified is the complexity of tax administrative procedures. Lengthy bureaucratic steps, unclear filing requirements, and poor customer service contribute significantly to non-compliance. Streamlining tax processes by reducing paperwork, improving the clarity of tax forms, and adopting user-friendly digital services could significantly lower the barriers to compliance. Enhancing transparency through the publication of simplified tax guides and better communication channels is also vital for building taxpayer confidence.

Corruption within Sierra Leone's tax system remains a formidable obstacle. The findings reveal that perceived or real instances of bribery and favouritism within the NRA greatly undermine public trust (Bangura & Conteh, 2025). Combatting corruption requires strong accountability frameworks, independent audits, and the active promotion of whistle-blower protection mechanisms. Strengthening enforcement against corrupt practices will not only improve compliance but also strengthen the legitimacy of tax authorities in the eyes of the public.

Technological advancements offer both opportunities and challenges in the quest to enhance tax compliance. Mobile payment platforms, e-tax filing systems, and digital tax education portals have the potential to increase efficiency and accessibility. However, the study notes that low levels of digital literacy, combined with limited internet penetration in rural districts like Kailahun and Falaba, inhibit full utilization of these innovations (Jalloh, 2024). Consistent investment in taxpayer digital education and the expansion of mobile-friendly services are critical for overcoming these barriers.

Socioeconomic realities also heavily influence compliance behaviour. The research highlights that small business operators, market women, and low-income earners often view taxes as an undue burden rather than a civic duty (Koroma, 2025). Poor financial literacy exacerbates this problem, leading to misunderstandings about tax rates and filing obligations. Implementing financial literacy programs that are customized to the needs of informal sector participants and emerging entrepreneurs could help foster a culture of compliance from the grassroots.

Beyond individual financial capacity, the role of social norms is pivotal. In communities where tax evasion is normalized or seen as necessary for economic survival, efforts to increase compliance face significant resistance. Peer-driven campaigns and role-model programs that showcase the benefits of paying taxes such as improved infrastructure and public services can reshape perceptions. Community forums and town hall discussions, led by trusted local figures, are particularly effective in changing attitudes toward taxation.

Another major insight from the study is the importance of strengthening the social contract between the government and citizens. Taxpayers are more willing to comply when they perceive tangible returns from their contributions, such as better schools, healthcare, and roads. Therefore, fostering greater transparency in how tax revenues are used, encouraging citizen participation in budgetary decisions, and providing regular updates on public spending can help rebuild trust and responsibility among taxpayers.

In summary, the study provides a blueprint for policymakers and the NRA in Sierra Leone to pursue a comprehensive approach to improving voluntary tax compliance. By intensifying education efforts, simplifying procedures, rooting out corruption, advancing technology, addressing socioeconomic challenges, nurturing positive social norms, and deepening community engagement, Sierra Leone can lay the foundation for a more robust and equitable tax system. A coordinated, inclusive strategy that incorporates these elements will not only improve revenue collection but also support the nation's broader development ambitions.

## 4. CONCLUSION

This review has illuminated a range of factors influencing voluntary tax compliance in Sierra Leone. Key themes include the need for widespread tax education, the simplification of administrative processes, addressing the corrosive effects of corruption, leveraging technology effectively, accounting for socioeconomic disparities, and fostering supportive social norms. Despite on-going reforms by the NRA, significant challenges remain.

To reduce the tax compliance gap and boost national revenues, it is crucial to pursue deliberate strategies that demystify the tax system, build public trust through visible accountability, and create a taxation culture where citizens view compliance as both a duty and a benefit. Strengthening the relationship between taxpayers and the government will be essential for ensuring a more prosperous and self-reliant Sierra Leone.

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