

CHAPTER FIVE

DISCUSSIONS, CONCLUSION AND RECOMMENDATION

This chapter is made up of discussions, conclusion and recommendations. Which reveals the discussions related to the findings of data collected and analyzed as the previous chapters and possible recommendations by the researcher and conclusion of the research work.

5.1 DISCUSSIONS

The first objective of this work seeks to assess the relationship between tax education and the growth of MFI. Tax education is one of the major factors that will discourage tax compliance as shown in table 6 to table 10 since the tax payers with all clarity and certainty will not know the amount to pay as tax. This will result to tax evasion thus leading to further complications and penalties, which can absorb funds that would have been reinvested to promote growth. This is supported by Bismarck Ameyaw, Joy Agyeman and Evans Teddy (2015) who wrote that SMEs enterprises be educated on issues concerning taxation so as enlightening them on their expected incentives and exemptions that they are liable for in order to avoid complications and promote growth.

The second objective of the study was to evaluate the effect of the application of tax policy on the growth of MFI. The system in which the tax authorities apply this taxes are so inconvenient to the tax payers as shown in table 11 to 17 which kills their ability to grow. Therefor it can be concluded beyond reasonable doubts that the application of tax policy affects the growth of the institution and should therefore be modified over time.

The third objective was to know the perception MFIs have about taxes. As seen from table 18 to table 21, it is seen that what the staffs perceive about taxes is that taxes are there to reduce what they were supposed to plough back into the business.

5.2 CONCLUSION

Small and medium tax payers play a key role of providing socio-economic activities. it has a great potential to increase domestic revenue mobilization and to reduce huge budgets deficits in the informal sector. On the basis of findings from this study as presented, analyzed and interpreted in chapter four the main conclusion is that of tax administration impact growth of MFIs different ways. From the study it has been found that tax education, tax policy and perception of MFIs impact the growth of MFIs.