EdinBurg Peer-Reviewed Journals and Books Publishers
Journal of Finance and Accounting
Vol. 6||Issue 13||pp 50-61||November||2026
Email: info@edinburgjournals.org||ISSN: 2789-0201

Tax Knowledge and Turnover Tax Compliance among Small and Medium Enterprises in Kiambu County, Kenya: The Moderating Role of Tax Incentives

Ruth Mutanu Munyaka*, Naomi Koske, Bernard Baimwera
Moi University, Kenya
*Corresponding author email: ruthiemunyaka@gmail.com

Accepted: 01 October 2026 || Published: 22 November 2026

Abstract

The study aimed to determine the effect of tax knowledge on turnover tax compliance among small and medium enterprises in Kiambu County. In addition, the study analyzed the moderating effect of tax incentives on the relationship between tax knowledge and turnover tax compliance. This study used an explanatory research design. In this study, the target population comprised 1143 SME owners/managers licensed by Thika Sub-County and operating for over three years. A sample of 128 was selected through stratified sampling and calculated using Nassiuma sample size formula. The study collected primary data by administering questionnaires. Collected data were checked for completeness, cleaned, coded, and entered into Statistical Package for the Social Sciences (SPSS, version 24). Quantitative data was analyzed through the use of descriptive and inferential statistics. Turnover tax compliance was positively and strongly correlated with tax knowledge (β=0.478, p=0.000). Accordingly, turnover tax compliance would rise by 0.478 units for every unit change in tax knowledge. The study concludes that tax knowledge positively and significantly affected turnover tax compliance among SMEs in Thika town. The study found that KRA has raised public awareness of turnover tax, and respondents agreed that tax knowledge plays an important role in determining turnover tax payment and that they encountered problems filing returns even though they understood all the types of taxes they were supposed to comply with. The study concludes that tax incentives have a significant moderating effect on the relationship between tax knowledge and turnover tax compliance. Specifically, they strengthen the positive effect of tax knowledge on turnover tax compliance. Policymakers and authorities may use this study to develop policies that improve turnover tax compliance and increase revenue collection. In terms of creating appropriate tax policies, it may help inform better tax reforms. Turnover tax compliance may be greatly improved by the combined effect of tax knowledge and tax perception. The study's findings offer helpful recommendations for government policymakers, especially those at the KRA.

Keywords: *Tax knowledge, turnover tax compliance, tax incentives*

How to Cite: Munyaka, R. M., Koske, N., & Baimwera, B. (2026). Tax Knowledge and Turnover Tax Compliance among Small and Medium Enterprises in Kiambu County, Kenya: The Moderating Role of Tax Incentives. *Journal of Finance and Accounting, 6*(13), 50-61.

EdinBurg Peer-Reviewed Journals and Books Publishers
Journal of Finance and Accounting
Vol. 6||Issue 13||pp 50-61||November||2026
Email: info@edinburgjournals.org||ISSN: 2789-0201

1. Introduction

Turnover tax compliance is essential for small and medium-sized enterprises (SMEs) because it reflects the health of the SME sector and its vital relationship with government, playing a crucial role in maintaining economic stability and fairness in the business environment (Onyango, Nekesa & Bonuke, 2026). Although research on factors influencing turnover tax compliance in various settings exists, turnover tax compliance among SMEs has received less attention. For example, Mutisya, Nyangu, and Rono (2026). evaluated the moderating effect of tax amnesty on the impact of taxpayer education, tax system digitization, and perceived fairness on turnover tax compliance among MSEs in Machakos Town, Kenya, and found that each factor had a positive and significant influence, while tax amnesty moderated the relationship. While Onyango, Nekesa, and Bonuke (2026) examined the impact of taxation system knowledge on turnover tax compliance among SMEs, the study focused only on tax knowledge. Muthoni (2025) evaluated tax complexity, turnover tax compliance, and socio-psychological aspects among SMEs in Nairobi's Kamukunji sub-county; however, it did not examine tax knowledge, compliance costs, or perceptions. Okuku (2022) similarly examined Penalties and Fines, automation and taxpayer education as determinants of Turnover Tax Compliance of SME'S in Embu County.

Financing of government projects globally is reliant on taxation, even though there are heterogeneous sources of finance and it is not limited to fines, penalties, foreign aid, and license fees (Tagem, 2023). The capacity of government to collect taxes is contingent to voluntary tax compliance and accurate filling of tax information. Even though there are spirited efforts aimed at enhancing levels of tax compliance, there are gaps that inhibit the achievement of economic goals and objectives. Consequently, Ngali (2020) asserts that small and medium-sized enterprises (SMSEs) are deemed as positive solutions to fiscal policy gaps. These enterprises have at most 100 employees; small enterprises have at most 49, and medium enterprises have at most 99.

Tax can be defined as a financial charge or levy imposed on taxpayers by an individual or legal entity, aimed at generating revenue to provide public goods and services. According to Soyode and Oyedokun (2019), the taxation system should comply with different canons of taxation and promote security among its payers. Canons of taxation are: Equality, Certainty, Convenience, Economy, Simplicity and Diversity. In Kenya, tax is classified based on rates, base and effect. Tax non-compliance is defined as failure to submit a return on time, under-declaration of return, exaggerating tax deductibles, and failure to pay the expected amount of tax (Santoro, 2021). Inability to collect the required amount of tax is associated with stunted growth in developing economies (Choudhary, Ruch & Skrok, 2024).

For both governments and business owners, turnover tax compliance among SMEs is a crucial concern (Kandagor, Ogaga & Koske, 2024). SMEs often lack the tools and knowledge to understand complex tax laws, which can lead to mistakes and non-compliance. SMEs' noncompliance can reduce tax collection, create unfair competition with compliant companies, and increase administrative expenses for tax authorities (Kandagor, Ogaga & Koske, 2024). Studies show that SMEs face several difficulties in adhering to tax requirements, including limited knowledge and understanding of tax laws, restricted access to accounting and tax experts, and time constraints due to other business objectives. Additionally, SMEs may find tax compliance expensive, especially if they operate in several jurisdictions (Chima et al.,

2022). Based on this, the study assessed tax knowledge, compliance costs, and taxpayer perception as determinants of turnover tax compliance in order to provide policy recommendations that would help address the challenges of lack of knowledge, high cost of compliance, and taxpayer perception.

Even though SMEs have the capacity to enhance tax compliance, there is a need for consideration of a specialized approach that would optimize their compliance levels. Choudhary, Ruch, and Skrok (2024) allude to the fact that the quality of record-keeping is low and, in most instances, records are rarely kept. Moreover, their payment capacity is low since they have consistently received limited attention from tax authorities. These actions have escalated the spillage of resources by the government. In addition, the quality of their record-keeping is low due to human capital and technology-related challenges. An aspect that may have been reversed through the introduction of iTax and customized templates for filling tax information.

1.1 Problem Statement

Revenue authorities have adopted alternative measures aimed at managing tax compliance costs and enhancing tax payments (Wachira, 2020). According to Omondi and Theuri (2019), past tax reforms inappropriately burdened SMEs due to their structure and size. Hence, there is a need to evaluate tax compliance upon their incorporation as turnover tax payers. Further, turnover tax costs affect the pursuit of tax avoidance and evasion (Muthinji, 2022). This may have short- and long-term effects on the government's achievement of social and economic development goals.

Most taxpayers who have subscribed to the turnover tax have failed to comply, and tax compliance among SMEs in Kenya has become an increasing problem. Actual turnover tax collection decreased to Ksh.385 million in the 2015–2016 fiscal year, down Ksh.245 million from the prior year. TOT decreased from Ksh.283 million to Ksh.102 million in the 2016–2017 fiscal year. The TOT collection increased from Ksh.102 million to Ksh.103 million in 2017–2018, an increase of Ksh.1 million. TOT collections decreased to Ksh.88 million in the 2018–2019 fiscal year, and actual collections fell by Ksh.56 million to Ksh.32 million in the 2019–2020 fiscal year (KRA Statistical Bulletin, 2023).

In FY 2021/2022, TOT collection was 73.6% of the target, at Ksh.99,739,158 against a target of Ksh.135,050,379 (KRA Statistical Bulletin, 2023). TOT collection in the 2022–2023 fiscal year was Ksh. 112, 653,556 compared to a target of Ksh. 128, 112,921, resulting in a KES 15,459,365 deficit (KRA Statistical Bulletin, 2023). These figures show that although turnover tax can help KRA close the tax revenue shortfall, collecting it is fraught with difficulties. SMEs have developed strategies to avoid paying taxes, resulting in low TOT compliance.

1.2 Objectives of the Study

i. To determine the effect of tax knowledge on turnover tax compliance of small and medium enterprises in Kiambu County.
ii. To analyze the moderating effect of tax incentives on the relationship between tax knowledge and turnover tax compliance.

2. Literature Review

2.1 Theoretical Review

2.1.1 Economics Deterrence Theory

Allingham and Sandmo (1972) proposed this hypothesis, contending that the degree of tax ompliance depends on the advantages and disadvantages of taxes. Tax compliance is anchored in taxpayers' desire to avoid fines and penalties associated with taxation. Indeed, if taxpayers perceive benefits as outweighing taxation costs, they will comply with tax requirements (Tin, 2019). Further, Muturi and Abdul (2021) allude to the fact that taxpayers should be encouraged to honor taxation payments so as to enhance their returns through the provision of socio-economic services. To enhance tax compliance, there is a need for sanctions through auditing and payment of fines to non-compliant taxpayers (Magdalene, 2022). Consequently, there is a need to sensitize taxpayers on the value contribution linked between iTax and turnover tax compliance.

Scholars have applied Economic Deterrence Theory in various countries to show that tax compliance increases when the likelihood of audits and the severity of penalties are high. Studies in countries like the United States and Germany show that increasing perceived audits and fines raises compliance rates. Studies in Nigeria and Ghana reveal that weak enforcement and lenient penalties encourage tax evasion, while strong enforcement mechanisms deter non-compliance. The theory has also guided policy reforms such as risk-based audits and publicizing penalties to enhance voluntary compliance.

The theory is appropriate for the study because it demonstrates the relationship between cost of compliance and turnover tax compliance of SMEs in Thika Sub- County. This would ultimately enhance tax compliance and reduce the likelihood of failing to meet taxation targets in a Country.

2.2 Empirical Review

Ghani, Abd Hamid, Sanusi, and Shamsuddin (2020) investigated the impact of tax knowledge, compliance costs, complexity, and morale on tax compliance among Malaysian self-employed people. According to the structural measurement analysis, tax compliance costs, tax morale, and tax complexity significantly affect self-employed people's tax compliance. Additionally, the data demonstrates that the degree of tax compliance among self-employed people is not significantly impacted by tax expertise.

Okpeyo, Musah, and Gakpetor (2019) examined factors influencing tax compliance in Ghanaian small and medium-sized businesses. The study found that compliance costs, tax rates, tax audits, and taxpayer morals significantly affected tax compliance. Tax awareness was found to be a significant determinant of TOT compliance in Pastory's (2022) study on factors influencing TOT compliance among SMEs in Tanzania's Ilala municipality. Similarly, Musimenta (2020) examined the indirect effects of compliance costs by analyzing the relationship between knowledge requirements, tax system complexity, and tax compliance in Uganda. The findings showed that taxpayers are sufficiently informed about taxes to comply, but this does not negate the fact that they still have to pay for compliance. To comply with complex tax systems, taxpayers must receive additional training and consult outside experts.

However, Kandagor, Ogaga, and Koske (2024) looked into how taxpayer awareness affected small and medium-sized businesses' compliance with the Turnover Tax in Nairobi, Kenya's Kariokor market. The results showed that taxpayer awareness positively affects turnover tax compliance, suggesting that as taxpayer knowledge rises, so does adherence to tax laws. The study found a positive correlation between taxpayer understanding and turnover tax compliance. Taxpayer compliance levels rise when they are better informed about tax laws and processes. To increase SMEs' knowledge and awareness, KRA could fund taxpayer education initiatives.

Accordingly, Omondi (2020) examined the variables influencing turnover tax compliance among small and medium-sized businesses in Kenya and found that taxpayer awareness positively and significantly influences tax compliance among SMEs in Nairobi County. Research shows that to promote tax compliance, it is crucial to raise awareness of tax laws, the structure and administration of the tax system, simpler tax laws that non-professionals can understand, and easily accessible tax-rule information.

According to Omondi and Theuri (2019), tax awareness, tax education levels, and tax collection costs affect small and medium-sized businesses' tax compliance in Nakuru County. It was suggested that in order to raise the degree of tax compliance among Kenya's small and medium-sized businesses, sensitization was necessary. The findings may not generalize to Thika town because the business operating environment differs from that of Nakuru County. Further, the study should have carried out diagnostic tests prior to modeling to enhance the likelihood of drawing unbiased conclusions.

Mutisya, Nyangu, and Rono (2026) investigated the moderating influence of tax amnesty on the link between digitization of tax systems, taxpayer education, perceived fairness of tax laws, and turnover tax compliance among MSEs in Machakos Town, Kenya. The study used an explanatory research design. A stratified random sample of 386 businesses was chosen from a target population of 26,481 registered MSEs. Findings showed that taxpayer and perceived fairness (β = positively and significantly affected compliance. Tax amnesty had a positive direct effect and its interactions with taxpayer education and perceived fairness were all significant, confirming its moderating role. The study concluded that taxpayer education, and perceived fairness significantly enhance turnover tax compliance, particularly when reinforced by strategically implemented amnesty programmes.

Onyango, Nekesa, and Bonuke (2026) investigated the relationship between turnover tax compliance and taxpayer awareness of the tax system in small and medium-sized businesses (SMEs) in Nairobi's Embakasi Region. The study used an explanatory research design. The target group was 15,839 SMEs, and the sample comprised 390 respondents. The study used structured questionnaires to collect primary data, which it then analyzed using multiple regression, inferential statistics, and descriptive statistics. The results showed that MSMEs' tax compliance improved significantly through their understanding of turnover tax laws and their familiarity with the tax system.

Phiri and Mubanga (2026) conducted a systematic literature review to examine the behavioral, institutional and policy conditions that shape turnover-tax compliance among SMEs, with Zambia as the main setting. The review synthesized 28 substantive evidence and policy context sources. Study selection was guided by explicit eligibility criteria and PRISMA 2020 reporting principles. Methodological appraisal used MMAT for empirical and mixed-methods studies,

AMSTAR 2 for systematic-review evidence, and AACODS for grey and institutional literature. Across studies, the most consistent findings concerned practical tax knowledge, record-keeping, procedural simplicity, assisted digital access, institutional fairness and credible but proportionate enforcement.

Changwony (2025) examined how perceived enforcement power, tax fairness, tax complexity, and tax expertise affected turnover tax compliance in developing economies. The study used a survey design, and 360 copies of the questionnaire were given to SME managers and owners in Eldoret Town, Kenya. According to the study, turnover taxpayers' willingness to pay taxes is significantly affected by their perceptions of enforcement power, fairness, complexity, and knowledge, and their degree of patriotism strongly influences this relationship.

3. Methodology

This study used an explanatory research design. The target population comprised 1143 SME owners/managers licensed by Thika Sub-County and operating for over three years. A sample of 128 was selected through stratified sampling and calculated using Nassiuma sample size formula. The study collected primary data by administering questionnaires. Collected data were checked for completeness, cleaned, coded, and entered into Statistical Package for the Social Sciences (SPSS, version 24). Quantitative data was analyzed through the use of descriptive and inferential statistics. The mean, frequency, and percentages were examples of descriptive statistics. The Product Moment Correlation Coefficient was one of the inferential statistics used to assess the impact of taxpayer perception, tax knowledge, and compliance costs on turnover tax compliance among SMEs in Thika town. Additionally, a regression model was used to illustrate the impact of tax knowledge and compliance costs on turnover tax compliance among SMEs in Thika town.

4. Results and Discussion

4.1 Descriptive Statistics

4.1.1 Descriptive Statistics for Tax Knowledge

The study sought to determine the effect of tax knowledge on turnover tax compliance. Table 1 presents the descriptive analysis results for tax knowledge. With a mean score of 3.57, the results showed that most participants agreed that SME owners had sufficient knowledge of tax rates, bases, and turnover tax compliance requirements. With a mean score of 3.73, most respondents also stated that tax expertise had a significant impact on determining turnover tax payments and that they had difficulty submitting returns. The findings also revealed that most respondents agreed they understood their tax obligations (mean score of 3.54) and were aware of penalties, which prevented them from paying taxes (mean score of 3.59). The results also show that, with a mean score of 3.68, respondents agreed that they were aware of all the taxes they were required to pay, and that, with a mean score of 3.64, effective tax education could alter SME owners' attitudes and perceptions regarding turnover tax. Most respondents agreed that KRA has raised public knowledge of the turnover tax (mean score of 3.80) and that most taxpayers are aware of the tax requirements (mean score of 3.71). Overall, the mean was 3.67 with a standard deviation of 1.14. This means that most of the respondents agreed with the statements affirming that the SME owners in Thika Town have adequate knowledge of turnover tax compliance, including aspects of the due date of payment, tax rate, and penalties.

EdinBurg Peer-Reviewed Journals and Books Publishers
Journal of Finance and Accounting
Vol. 6||Issue 13||pp 50-61||November||2026
Email: info@edinburgjournals.org||ISSN: 2789-0201

Table 1: Descriptive Statistics on Tax Knowledge

	Mean	Std.Dev
Owners of SMEs are sufficiently informed on turnover tax rates, bases, and compliance needs.	3.57	1.2
Tax knowledge has an important role in determining turnover tax payment.	3.73	1.1
I encounter problems when filing returns.	3.73	1.13
I am knowledgeable about penalties as a result avoid paying taxes	3.59	1.16
I understand my tax obligations	3.54	1.14
I understand all the types of taxes I am supposed to comply with	3.68	1.22
Effective tax education can change SME owners' attitudes and perceptions of turnover tax.	3.64	1.17
KRA has created a lot of public awareness of turnover tax	3.8	1.15
Majority of taxpayers are familiar with turnover tax requirements	3.71	0.96
	3.67	**1.14**

4.1.2 Descriptive Statistics for Tax Incentives

The study sought to assess the moderating effect of tax incentives on the relationship between the independent variables, tax knowledge, tax compliance costs, and taxpayers' perceptions, and the dependent variable, turnover tax compliance. Table 1 displays the descriptive results on tax incentives. With a mean score of 3.99, most respondents agreed that SMEs could receive government tax subsidies. Similarly, with a mean score of 3.99, most respondents concurred that they can readily obtain information about potential tax benefits. With a mean score of 3.96, the results also indicated that most respondents found the process of obtaining tax assistance easy to follow. Additionally, with a mean score of 3.87, most respondents agreed that tax subsidies lessen their organization's financial burden.

The findings also showed that most respondents agreed that tax cuts are easily accessible to SMEs (M = 4.24) and that they provide financial relief (M = 4.03). With a mean score of 4.12, most respondents also agreed that the government disseminates information about tax breaks for SMEs in an understandable manner. With a mean score of 4.23, most respondents concurred that the process for receiving tax reductions is simple to follow. Lastly, with a mean score of 4.15, most respondents felt that, in general, tax incentives help lessen the financial burden of turnover tax compliance. The overall mean of 4.06 and a standard deviation of 1.15 further show that most respondents affirmed that government tax subsidies and tax cuts are available and easily accessible to SMEs, and that they reduce SMEs' financial burden in Thika town.

Table 2: Descriptive Statistics for Tax Incentives

	Mean	Std. Dev
Tax subsidies from the government are accessible to SMEs	3.99	1.18
I can easily access information about available tax subsidies	3.99	1.32
It is easy to follow the procedure for accessing tax subsidies	3.96	1.19
Tax subsidies help reduce the financial burden in my business	3.87	1.25
Tax cuts are readily available to SMEs	4.24	1.06
Tax cuts provide financial relief to SMEs	4.03	1.17
The government clearly communicates information about tax cuts for SMEs	4.12	1.11
The procedure for obtaining tax cuts is easy to follow	4.23	1.07
Generally, tax incentives help reduce the financial burden related to turnover tax compliance	4.15	1.02
Overall	**4.06**	**1.15**

4.1.3 Turnover Tax Compliance

The study's dependent variable was turnover tax compliance. Table 3 presents the descriptive analysis results for turnover tax compliance. The survey results showed that, with a mean score of 3.67, participants agreed that they were registered with KRA for tax purposes. With mean scores of 3.76 and 3.63, respectively, the respondents agreed that they filed their tax returns on time and accurately. With a mean score of 3.63, the results also showed that respondents agreed they could accurately calculate their taxes. Overall, the findings indicate that most of the respondents agreed with the statements on turnover tax compliance, affirming that most of the SMEs in Thika town comply with turnover tax by registering, filing on time, and filing accurately.

Table 3: Descriptive Statistics on Turnover Tax Compliance

	Mean	Std. Dev
I am registered with KRA for tax	3.67	1.00
I file the tax returns timely	3.76	1.09
I file the tax accurately	3.63	1.10
I am able to determine my tax accurately	3.63	1.02
Overall	**3.67**	**1.05**

4.2 Correlation Analysis

Table 4 presents the findings of the correlation study.

Table 4: Correlation Analysis

		Turnover Tax Compliance
Turnover Tax Compliance	Pearson Correlation	1
	Sig. (2-tailed)	
	N	109
Taxpayer Knowledge	Pearson Correlation	.658**
	Sig. (2-tailed)	0.000
	N	109

The findings demonstrated a substantial and positive correlation between turnover tax compliance and tax knowledge (r = 0.658, p = 0.000<0.05). This implies that turnover tax compliance rises in tandem with tax expertise.

4.3 Regression Analysis

Table 5: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.174	0.44		4.938	0.000
Taxpayer Knowledge	0.453	0.065	0.478	7.022	0.000

According to the regression equation, turnover tax compliance was positively and strongly correlated with tax knowledge (β=0.478, p=0.000). Accordingly, turnover tax compliance would rise by 0.478 units for every unit change in tax knowledge.

4.4 Hierarchical Regression Analysis

Table 6: Regression Coefficients for Moderation

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.945	0.865		2.248	0.027
Taxpayer Knowledge	0.045	0.191	0.048	0.236	0.814
Taxpayer knowledge*Tax incentives	0.096	0.048	0.518	2.007	0.047

EdinBurg Peer-Reviewed Journals and Books Publishers
Journal of Finance and Accounting
Vol. 6||Issue 13||pp 50-61||November||2026
Email: info@edinburgjournals.org||ISSN: 2789-0201

Table 6 shows that the interaction term between tax knowledge and tax incentives has a positive and significant effect on turnover tax compliance (β=0.518, p=0.047). This suggests that the favorable correlation between turnover tax compliance and tax knowledge is reinforced by tax incentives. This further indicates that tax incentives considerably moderate the relationship between tax awareness and turnover tax compliance.

4.5 Mod Graphs

Mod graphs were used to show the moderation effect of tax incentives on the relationship between taxpayer knowledge, tax compliance cost and taxpayer perception. Figures 1.

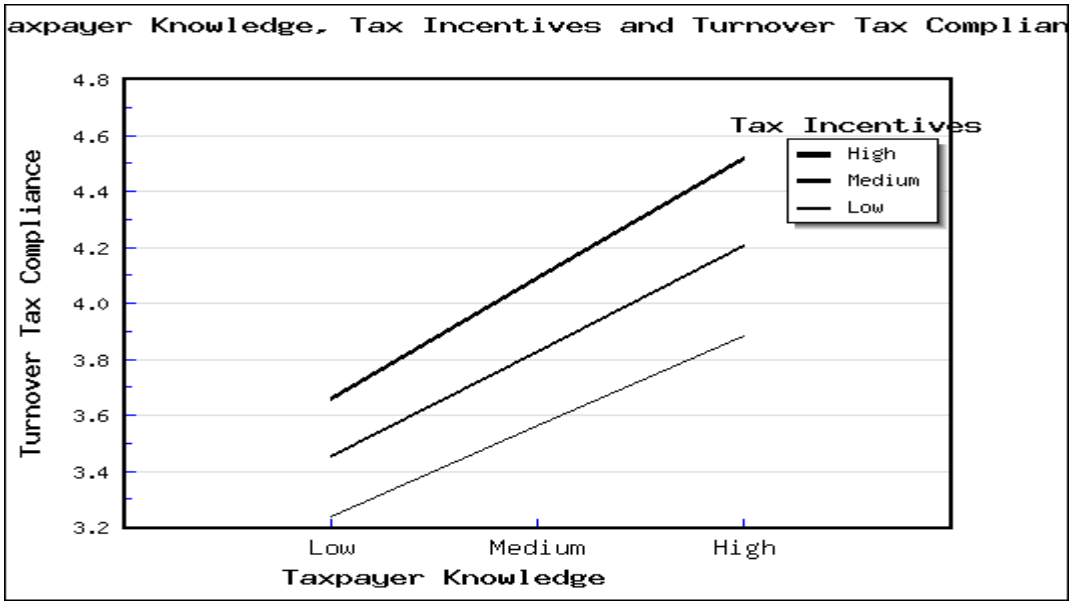

Figure 1: Mod Graph for Moderation of Tax Incentives on the Relationship between Taxpayer Knowledge and Turnover Tax Compliance

Figure 1 shows that when tax incentives are substantial, taxpayer understanding is more strongly associated with turnover tax compliance. This validates the conclusion that the link between taxpayer knowledge and turnover tax compliance is favorably and significantly moderated by tax incentives. This indicates that the impact of taxpayer knowledge on turnover tax compliance is reinforced by tax incentives.

5. Conclusion

The study concludes that tax knowledge positively and significantly affected turnover tax compliance among SMEs in Thika town. The results showed that KRA has raised public awareness of turnover tax, and respondents agreed that tax knowledge plays an important role in determining turnover tax payment, and that they encountered problems filing returns even though they understood all the types of taxes they were supposed to comply with. The study concludes that tax incentives have a significant moderating effect on the relationship between tax knowledge and turnover tax compliance. Specifically, they strengthen the positive effect of tax knowledge on turnover tax compliance.

6. Recommendations

Policymakers and authorities can use this study to develop policies that improve turnover tax compliance and increase revenue collection. In creating appropriate tax policies, this study may inform better tax reforms. Turnover tax compliance may be greatly improved by the combined effect of tax knowledge and tax perception. The study's findings offer helpful recommendations for government policymakers, especially those at the KRA. Policymakers can create policies that promote SMEs' knowledge and improve perceptions of turnover taxes. According to Pastory (2022), understanding the tax system is essential to raising public awareness, particularly about tax laws, the role taxes play in national development, and how the government uses the money it collects. The ability of taxpayers to comprehend tax regulations and their willingness to comply are connected to their level of knowledge and perception. Similarly, initiatives that explain how taxes work to benefit businesses may improve SMEs' turnover tax compliance.

References

Choudhary, R., Ruch, U., & Skrok, E. (2024). Taxing for Growth: Revisiting the 15 Percent Threshold. *World Bank Policy Research Working Paper No*, *10943*.

Ghani, A., Abd Hamid, N., Sanusi, S., & Shamsuddin, R. (2020). The effect of tax knowledge, compliance costs, complexity, and morale on tax compliance among self-employed in Malaysia. *Global Business and Management Research, 12*(1), 18-32

Kandagor, K., Ogaga, B., & Koske, N. (2024). Effect of Taxpayer Knowledge on Turnover Tax Compliance among Small and Medium Enterprises in Kariokor Market in Nairobi, Kenya. *Journal of Finance and Accounting*, *4*(2), 1-8

Musimenta, D. (2020). Knowledge requirements, tax complexity, compliance costs and tax compliance in Uganda. *Cogent Business & Management*, *7*(1), 181-220.

Mutisya, A., Nyangu, M., & Rono, L. (2026). Moderating Effect of Tax Amnesty on the Influence of Tax Systems Digitization, Taxpayer Education, and Perceived Fairness on Turnover Tax Compliance Among Micro and Small Enterprises in Machakos Town, Kenya. *Journal of Finance and Accounting*, *6*(7), 43-56.

Muturi, K., & Abdul, F. (2021). *Socioeconomic Attributes and Tax Compliance by Individual Tax Payers in Kenya*. MBA Project, Kenyatta University, Kenya.

Okpeyo, E. T., Musah, A., & Gakpetor, E. D., (2019). Determinants of tax compliance in Ghana: The case of small and medium tax payers in greater Accra region. *Journal of Applied Accounting and Taxation, 4*(1), 1-14.

Okuku, D. (2022). *Determinants of Turnover Tax Compliance Among Small and Medium Enterprises Sector in Kenya* (Doctoral dissertation, KESRA/JKUAT-Unpublished research project).

Omondi, N. M. (2020). Factors affecting turnover Tax Compliance among Small and medium enterprises in Kenya.

Onyango, C. A., Nekesa, M., & Bonuke, R. (2026). Influence of Knowledge of Taxation System on Turnover Tax Compliance among Small and Medium Enterprises in Embakasi Region, Nairobi, Kenya. *Journal of Accounting*, *8*(1), 1–13.

Tagem, M. (2023). The dynamic effects of aid and taxes on government spending. *International Tax and Public Finance*, *30*(6), 1656-1687.

Tin, S. (2019). An analysis of taxpayer compliance using a cost-benefit approach. *Journal of Asian Business and Economic Studies*, *26*(1), 45-73.