

Exploring small and medium-sized enterprises' (SMEs') perceptions of tax amnesty programmes in Zambia: A qualitative analysis of compliance behaviour and institutional constraints

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ABSTRACT

In emerging economies, tax forgiveness initiatives are commonly used to reclaim unpaid taxes and encourage businesses, particularly small and medium-sized enterprises (SMEs), to comply voluntarily with tax obligations. Nevertheless, there remains a lack of consensus on their effectiveness, and limited qualitative evidence exists regarding SME perceptions in sub-Saharan Africa. This study explores the views of SMEs that engage, or may potentially engage, in tax amnesty initiatives in Zambia, with a focus on institutional dynamics, administrative challenges, and behavioral responses. Data was collected through SME surveys and semi-structured interviews with tax officials, tax advisors, and policymakers using a qualitative research approach. The analysis employed Braun and Clarke's thematic analysis framework, informed by compliance theory and agency theory. The findings reveal significant gaps in understanding and awareness that hinder SME participation in tax amnesty programs. Although financial incentives such as penalty reductions and flexible payment arrangements strongly motivate participation, long-term compliance is constrained by complex administrative procedures, digital system challenges, inadequate tax knowledge, and limited post-amnesty support. Following the amnesty period, many SMEs reverted to non-compliance, indicating that observed behavioral improvements were largely temporary. Key informants further highlighted moral hazard concerns arising from repeated amnesty and persistent distrust between SMEs and tax authorities. The study concludes that while tax amnesty programs can generate short-term compliance gains, they are insufficient on their own to achieve sustained compliance among SMEs. This underscores the need for complementary reforms in taxpayer education, administrative support, digital capacity enhancement, and trust-building initiatives. Policy implications emphasize the importance of clear communication strategies, structured post-amnesty support mechanisms, tailored compliance assistance that recognizes SME heterogeneity, improved digital infrastructure with capacity development, and institutional trust-building between tax authorities and SMEs to transform tax amnesty from a revenue recovery tool into a foundation for a durable culture of compliance. The study suggests a few changes based on what it found. First, it's a good idea to offer more tax education specifically for small and medium enterprises (SMEs). Next, making administrative processes simpler would help a lot. Also, providing better support for digital systems is important. Finally, setting up ongoing assistance after tax amnesty programs can really make a difference. By doing these things, tax amnesty programs could become tools that encourage people to follow tax rules on their own over the long term, instead of just bringing in quick money.

Keywords: Agency Theory, Compliance Theory, Digital Taxation, SME Compliance, Tax Amnesty, Tax Administration, Tax Literacy, Qualitative Analysis, Voluntary Compliance, Zambia

I. INTRODUCTION

In emerging economies, small and medium-sized enterprises (SMEs) are widely acknowledged as a key factor in economic growth, job creation, and poverty reduction (Organisation for Economic Co-operation and Development [OECD], 2017; World Bank, 2020). SMEs make up a sizable share of registered companies in Zambia and play a major role in the country's economy, but because of ongoing compliance issues, their contribution to tax collection is still disproportionately low (Zambia Revenue Authority [ZRA], 2022).

In low- and middle-income nations, tax non-compliance among SMEs is a prevalent problem that is frequently caused by high levels of informality, inadequate administrative capacity, a lack of tax expertise, and the perception that tax systems are complex (Alm et al., 2016; Torgler, 2007). As a result, governments regularly use tax amnesty programs as a tool to promote voluntary disclosure, lower accumulated tax arrears, and reintegrate non-compliant taxpayers into the official tax system (Baer & Le Borgne, 2008; Luitel & Sobel, 2007).

The Zambia Revenue Authority (ZRA) has occasionally carried out tax amnesty programs aimed at SMEs in Zambia, providing short-term relief by waiving penalties and interest. Concerns about these programs' long-term efficacy in promoting consistent voluntary compliance persist, despite administrative data indicating that they produce short-term income inflows (ZRA, 2021). Poorly crafted or often repeated amnesties may create moral hazard, erode

deterrence, and promote strategic non-compliance, according to empirical data from various countries (Andreoni, 1991; Alm & Beck, 1993).

Even while there is an increasing amount of research on the results of tax amnesty, most of it focuses quantitatively on revenue performance, paying little regard to taxpayer perceptions and lived experiences, especially among SMEs in sub-Saharan Africa (Mascagni et al., 2014). Because compliance behavior is influenced not only by statutory incentives but also by trust in tax authorities, perceived fairness, administrative capability, and information access, it is critical to comprehend SME attitudes (Kirchler et al., 2008).

Therefore, the perceptions of SMEs that are likely to take part in tax amnesty programs in Zambia are investigated qualitatively in this study. The study offers a comprehensive knowledge of how tax amnesty programs are experienced in practice and the institutional and behavioral elements that influence their efficacy by combining the viewpoints of SMEs with insights from tax administrators, tax advisors, and legislators.

By supplying context-specific qualitative data from Zambia, expanding compliance theory and agency theory through empirical insights, and making policy-relevant suggestions for improving SME tax compliance in emerging economies, this study adds to the body of knowledge.

1.1 Statement of the Problem

In Zambia, tax amnesty programs have been rolled out multiple times, but small and medium enterprises (SMEs) still struggle to comply with tax rules. Sure, the government sees some quick revenue boosts from these initiatives, but there's a lack of deep understanding about how SMEs actually view these programs. People don't really know what barriers exist that make these programs less effective or if joining them leads to lasting changes in behavior. Most research looks only at the numbers how much money comes in but doesn't really explore what SMEs go through, the problems with digital tax systems, or how companies behave after the amnesty ends. This lack of information makes it hard to create policies based on solid evidence and weakens efforts to get SMEs to pay their taxes willingly over time. To close this knowledge gap, it's important to explore how SMEs see things, look into institutional capabilities, understand how businesses react, and consider the impact of digital tax systems within the amnesty framework.

1.2 Research Questions

- i. What are SME perceptions of tax amnesty programmes in Zambia?
- ii. How do institutional constraints and administrative capacity affect the efficacy of tax amnesty programmes for SMEs?
- iii. What behavioural changes, if any, result from SME participation in tax amnesty programmes, and how sustainable are these changes?
- iv. What role do digital tax systems play in facilitating or hindering SME compliance within tax amnesty frameworks?

II. LITERATURE REVIEW

2.3 Theoretical Review

2.1.1 Compliance Theory

As per Compliance Theory, factors such as deterrence, ethical norms, a sense of justice, and access to information affect the actions of taxpayers (Kirchler et al., 2008; Torgler, 2007). Even when rewards exist, ineffective communication, complex bureaucracy, and a lack of confidence in tax authorities can diminish voluntary compliance. The compliance theory's "slippery slope framework" suggests that tax compliance is shaped by two concurrent aspects: power (enforcement and deterrence) and trust (perceived fairness and quality of service). This framework is especially useful for analyzing how tax amnesty initiatives relate to both coercive and cooperative incentives for compliance.

2.1.2 Agency Theory

As stated by Allingham and Sandmo (1972), agency theory interprets the tax system as a relationship where tax authorities act as principals and taxpayers are agents, characterized by a lack of information and challenges in monitoring. The effectiveness of tax amnesty programs in small and medium-sized enterprises (SMEs) tends to decline over time due to agency challenges, which worsen due to weak enforcement, inconsistent monitoring after the amnesty, and a lack of transparency. Within tax amnesty discussions, agency issues are evident as a result of adverse selection (strategic non-compliance by certain individuals) and moral hazard (lower compliance in the future because of expectations from the amnesty).

This study explores SME perceptions of tax amnesty shaped by limitations in institutional capacity and behavioural motivations, combining elements of Compliance Theory with Agency Theory. This combined approach

facilitates an analysis of how information gaps (Agency Theory) collaborate with trust factors and feelings of fairness (Compliance Theory) to influence decisions about participation and compliance patterns after the amnesty.

2.2 Empirical Review

2.2.1 Tax Amnesty Programmes and Compliance Outcomes

As noted by Baer and Le Borgne (2008), tax amnesty programs are limited-time policy actions that allow taxpayers who have not paid their taxes to bring their payments up to date with lower penalties, interests, or legal consequences. Governments often cite reasons such as expanding the tax base, recovering revenue quickly, and improving administrative processes to support tax amnesty (Luitel & Sobel, 2007).

There are mixed empirical findings regarding the effectiveness of tax amnesty. Some studies indicate positive immediate impacts on collecting revenue and re-engaging taxpayers (Alm et al., 1990; Hasseldine, 1998). However, other studies caution that repeated amnesties may diminish tax compliance and increase anticipated future leniency, potentially leading to a decline in adherence to tax regulations (Andreoni, 1991; Alm & Beck, 1993). Weak enforcement abilities, a high degree of informality, and a lack of taxpayer awareness greatly affect the outcomes of tax amnesty programs in less developed countries (Bird & Zolt, 2008). These structural constraints indicate that, besides revenue strategies, taxpayer views and administrative realities must be considered when evaluating the effectiveness of tax amnesty.

The strong emphasis on numerical revenue data in tax amnesty research leads to significant gaps in understanding the behavioural and institutional factors that influence the success or failure of these programs. Although econometric studies provide valuable insights into immediate revenue effects, they often assume taxpayer compliance is a consistent, rational reaction to incentives, failing to recognize the diverse experiences, views, and challenges encountered by various taxpayer groups, especially small and medium-sized enterprises. This quantitative focus masks vital implementation issues like information disparities, administrative obstacles, trust issues, and limitations in capacity that qualitative research can effectively reveal. Moreover, prioritizing overall revenue results offers little understanding of the lasting changes in compliance or the varied effects across different company sizes, sectors, and degrees of formalization factors crucial for creating effective, context-sensitive solutions in developing nations.

2.2.2 SME Tax Compliance and Structural Constraints

The dimensions of a firm, the extent of formal procedures, the capability to keep documents, and the access to professional tax services all influence the tax compliance of SMEs (Coolidge & Ilic, 2009; Joshi, et al., 2014). Smaller and informal businesses often find it difficult to comply consistently, as they might incur higher compliance costs in relation to their revenue (OECD, 2015). Research in sub-Saharan Africa indicates that SMEs often struggle with weak accounting systems, possess limited understanding of tax matters, and perceive tax authorities as punitive rather than supportive (Mascagni et al., 2014; Fjeldstad & Heggstad, 2012). These factors create doubt and lower willingness to engage in tax programs such as amnesty schemes.

Recent studies have increasingly acknowledged how digital transformation is changing the tax compliance landscape for SMEs. Research from Kenya and Rwanda shows that mobile tax platforms can decrease compliance expenses and enhance filing rates, although their success is largely dependent on the levels of digital literacy and the reliability of infrastructure (Mascagni & Mengistu, 2016). Nonetheless, studies point out ongoing digital gaps that could unintentionally leave smaller, less established businesses out of the advantages of digitalization (Santoro, 2022).

III. METHODOLOGY

3.1 Research Design

This research adopts a qualitative approach with an exploratory design to obtain comprehensive insights into the perceptions of tax amnesty programs among small and medium-sized enterprises. Qualitative methodologies are particularly well-suited for examining complex behavioral and institutional dynamics, especially when considering the importance of interpretations, personal stories, and surrounding factors (Creswell & Poth, 2018).

3.2 Target Population

The Study was carried out in Lusaka District and participants comprised the Zambia Revenue Authority, tax consultants and Policy makers in the Ministry of Finance and Small and Medium enterprises.

3.3 Sampling and sample size

To choose respondents with pertinent experience in SME tax administration and compliance, a purposive sample technique was used (Patton, 2015). According to accepted qualitative research norms, data saturation was reached when

no significant new themes surfaced (Guest et al., 2006). The study sample size was 15 and it was determined upon reaching data saturation for qualitative.

3.4 Data Collection

Semi-structured key informant interviews and SME individual survey surveys were used to gather data. According to Kvale and Brinkmann (2009), semi-structured interviews are ideal for examining expert viewpoints and providing flexibility to go deeper into new concerns.

3.4 Data Analysis

The six-phase theme analysis framework developed by Braun and Clarke (2006) was used to analyze the data. In order to allow analysis to be directed by study objectives and theory while being open to emergent themes, a hybrid deductive–inductive approach was used (Fereday & Muir-Cochrane, 2006).

3.5 Ethical Considerations

In accordance with best practices for qualitative research, the ethical precepts of informed permission, confidentiality, and anonymity were closely adhered to (Creswell & Poth, 2018).

IV. FINDINGS & DISCUSSION

4.1 Findings

4.1.1 Qualitative Findings

This section showcases the qualitative outcomes derived from interviews with key informants and responses from the SME survey. The results are organized by themes to demonstrate the perspectives of SMEs on engaging in tax amnesty and the institutional elements that affect their compliance behaviours. Table 1 offers a summary of major themes, sub-themes, and pertinent comments from participants in line to the research questions.

Table 1

Summary of Key Themes and Sub-Themes

Participant Statement	Rank	Theme
“Tax amnesty programs have been useful in recovering arrears and encouraging defaulters to re-engage with ZRA.” – [A]	1	Tax Amnesty as Dual-Edged Mechanism
“Some taxpayers view amnesty as a recurring event rather than one-time opportunity.” – [B]	1	Tax Amnesty as Dual-Edged Mechanism
“Digital filing reduced processing time significantly, but SMEs still face challenges.” – [C]	2	Digital Transformation – Innovation with Constraints
“SMEs express concern about complexity, unclear communication, lack of support from ZRA.” – [D]	2	Digital Transformation – Innovation with Constraints
“For SMEs without proper recordkeeping systems, increased tax knowledge simply reveals the extent of their exposure without providing pathways for compliance.” – [E]	3	Tax Knowledge Paradox
“SMEs with professional accounting support use tax knowledge to structure their operations efficiently and maintain consistent compliance.” – [F]	3	Tax Knowledge Paradox
“Many SMEs know audit probability very low.” – [G]	4	Enforcement – Implementation
Micro-, Small-, and Medium-Enterprises differ significantly in structure and compliance behaviour	5	SME Heterogeneity – One-Size-Fits-All Policies Fail
“ZRA struggles to maintain staffing, especially in provincial offices.” – [H]	6	Institutional Capacity Constraints at ZRA

The majority of SME replies revealed a general lack of awareness and comprehension of tax amnesty programs. Responses like "Nil" and "Nill" indicate that a number of participants said they were unaware of the goal, eligibility requirements, or methods. Participation was severely hampered by this ignorance since SMEs were unsure of the prerequisites and possible repercussions. Participants frequently said that businesses with low tax literacy could not access the current communication because it was too technical. Simplified explanations of eligibility, deadlines, and procedural requirements were requested by SMEs. The lack of organized sensitization programs was seen as a significant obstacle, indicating that knowledge asymmetry is still a key barrier to successful involvement.

4.1.2 SME Perceptions of Tax Amnesty Programmes

Research Question 1: *How do SMEs perceive tax amnesty programmes in Zambia?*

Addressing the first research question, the study shows that small and medium-sized enterprises (SMEs) in Zambia have mixed feelings and a limited grasp of tax amnesty programs. Most people hear about these initiatives through informal means like talking to peers or hearing media reports. The Zambia Revenue Authority (ZRA) doesn't seem to engage them directly. Because of this, many view these amnesties as short-term chances to dodge penalties rather than long-term compliance tools. Some SMEs are skeptical about how consistently and fairly these amnesties are applied. They feel that offering multiple amnesty programs sets up expectations for future ones, which can weaken tax enforcement's power and reduce incentives for following the rules in the long run. Yet, a few participants appreciate these programs when they come with clear instructions and temporary relief from fines or interest. In summary, SME views on tax amnesty programs are more influenced by communication issues and past enforcement patterns than by what the policies actually aim to achieve.

Knowledge and Awareness Gaps: The majority of SME replies revealed a general lack of awareness and comprehension of tax amnesty programs. Responses like "Nil" and "Nill" indicate that a number of participants said they were unaware of the goal, eligibility requirements, or methods. Participation was severely hampered by this ignorance since SMEs were unsure of the prerequisites and possible repercussions. Participants frequently said that businesses with low tax literacy could not access the current communication because it was too technical. Simplified explanations of eligibility, deadlines, and procedural requirements were requested by SMEs. The lack of organized sensitization programs was seen as a significant obstacle, indicating that knowledge asymmetry is still a key barrier to successful involvement.

Influence of Business Size, Structure, and Formalisation: Business size, financial capability, and level of formalization were identified by SMEs as important factors influencing compliance and amnesty participation. Because they have access to expert support and established accounting processes, larger, more formalized SMEs reported less problems. Smaller and informal businesses, on the other hand, were more dependent on amnesty relief due to their difficulties with recordkeeping and tax literacy. Consistent compliance was especially difficult for microbusinesses with erratic revenue streams, and accumulating fines were seen as unduly oppressive. These results show that the perceived benefit of tax amnesty programs and compliance behavior are greatly influenced by SME heterogeneity.

Administrative and System Challenges: Even among SMEs ready to comply, operational and administrative difficulties surfaced as significant obstacles. Participants reported that ZRA provided little follow-up assistance, inconsistent communication, and unclear procedures. Confidence in digital compliance solutions was weakened by regular reports of technical issues, such as system outages during online submissions. A number of SMEs reported dissatisfaction over system inefficiencies that hindered timely filing and diminished confidence in ZRA procedures. The sustainability of compliance gains was further undermined by the lack of organized post-amnesty assistance.

Behavioural Effects of Tax Amnesty Participation: Regarding the behavioral effects of participating in tax amnesty, SMEs reported varying experiences. While some participants reported either short-term or negligible gains, others said amnesty enhanced their commitment to timely filing and documentation. While already compliant companies reported little behavioral change, SMEs with inadequate pre-existing systems saw significant short-term advantages. A number of participants observed that increases in compliance behavior tended to wane over time in the absence of continuous supervision and direction. This implies that underlying structural and capacity limitations cannot be addressed by tax amnesty alone.

Motivators and Barriers to Participation: The biggest motivators for participation were repeatedly shown to be financial incentives, especially exemptions of penalties. Additionally, flexible payment plans boosted uptake, particularly among SMEs with limited funding. Willingness to participate was increased through better communication and encouraging encounters with ZRA officers. There were still major obstacles. These included administrative difficulty, mistrust stemming from previous dealings with ZRA, fear of future audits, and financial incapacity even after penalty reduction. Financial limitations were found to have equal influence with psychological and informational barriers.

4.1.3 Institutional and Expert Perspectives

Research Question 2: *What institutional constraints affect the effectiveness of tax amnesty programmes for SMEs?*

The research findings on the second question show that institutional barriers really hurt how well tax amnesty programs work. Small and medium-sized businesses often pointed out that dealing with complex administration, mixed messages about tax rules, and not having enough help are big problems. They shared their struggles with getting through

registration, understanding filing needs, and handling what comes after the amnesty, especially when they didn't have personal support. The limits of the tax system's capacity were obvious too. People complained about slow responses from the system, poor outreach in areas that don't get much attention, and lack of proper follow-up after they took part in amnesty programs. All these issues created confusion and made them trust the tax system less. Overall, these problems mean that small businesses find it tough to keep following tax rules even after using an amnesty program.

Tax Amnesty as a Dual-Edged Compliance Mechanism: Tax amnesty was frequently characterized by key informants as a policy tool with immediate advantages but long-term concerns. Amnesty programs help re-engage delinquent SMEs and collect income, according to ZRA officers, tax consultants, and legislators. But they also highlighted recurrent patterns of compliance slippage once amnesty periods expires. The emergence of moral hazard, in which SMEs postpone compliance in anticipation of future amnesties, was brought up by a number of respondents. Limited follow-up education and uneven post-amnesty enforcement contributed to this view.

Digital Transformation: Opportunities and Constraints: It was universally acknowledged that digital tax systems increased accessibility, efficiency, and transparency. Initiatives like TaxOnline2 and electronic fiscal gadgets expedited filing procedures and decreased in-person encounters. Despite these improvements, there were still major issues with digital literacy and technology. Particularly in places with inadequate internet connectivity, SMEs battled system outages, login problems, and a lack of ICT expertise. Administrative difficulties were further enhanced by integration gaps between ZRA systems and business accounting software.

Structural Compliance Barriers: The biggest obstacles to SME compliance, according to key informants, are inadequate internal controls, poor recordkeeping, and low financial literacy. Many SMEs depended on manual bookkeeping or operated informally, which led to delayed filings and erroneous returns. Sustained engagement was further discouraged by cash flow constraints and compliance costs. Although respondents acknowledged the benefits of streamlined tax systems, they also pointed out that their efficacy was diminished by a lack of knowledge and comprehension.

Trust and Enforcement Dynamics: There was a clear ongoing lack of confidence between SMEs and ZRA. ZRA was often seen by SMEs as enforcement-focused rather than supportive. Relationships had improved as a result of digitalization and taxpayer education programs, but perceptions of selective enforcement and audit fear persisted. Respondents emphasized that fostering voluntary compliance and establishing trust required open communication, equitable treatment, and regular participation.

4.2 Discussion

The findings provide important understanding of the institutional and behavioral elements that affect the participation of SMEs in tax amnesty programs in Zambia. According to Compliance Theory, the primary barriers to voluntary compliance were identified as limited awareness and poor communication (Kirchler et al., 2008; Torgler, 2007). The failure of SMEs to grasp eligibility criteria and processes illustrates information asymmetry that diminishes the effectiveness of incentive-driven policies. The notable effect of formalization and business size aligns with previous studies indicating that smaller and informal enterprises face disproportionately high compliance costs compared to their capacity (Coolidge & Ilic, 2009; Mascagni et al., 2014). For numerous businesses, tax amnesty provides a temporary relief, but it does not tackle the underlying structural issues related to financial management and documentation.

Concerns regarding moral hazard and relapse in compliance are backed by the varied behavioral impacts linked to participation in amnesty programs (Andreoni, 1991; Alm & Beck, 1993). While there were evident short-term advantages, the transformation of long-term compliance was hindered by the absence of ongoing post-amnesty support and education. Agency Theory suggests that principal-agent challenges are exacerbated by weak enforcement and monitoring, allowing strategic non-compliance to persist (Allingham & Sandmo, 1972). It has been demonstrated that digitalization is a key, yet inadequate, condition for improving compliance. While digital platforms reduced administrative barriers, limits in infrastructure and digital skills restricted their effectiveness. These findings coincide with regional data indicating that to achieve sustainable compliance results, technology-driven initiatives need to be accompanied by capacity development and system integration (Fjeldstad & Heggstad, 2012; Okunogbe & Santoro, 2021).

The digital issues highlighted in this research further worsen the information asymmetries that are central to Agency Theory. When SMEs lack the ability to effectively use digital tax systems, or if system instability leads to unreliable access, the mechanisms for monitoring and information sharing that could alleviate agency issues are compromised. Digital disparities generate a two-way information asymmetry: SMEs fail to adequately communicate their compliance status to tax authorities, while tax authorities struggle to monitor SME compliance efficiently or offer timely assistance. This reciprocal information breakdown reinforces the principal-agent challenge, as each party is unable to reliably assess the actions or intentions of the other. Furthermore, inconsistent digital access advantages SMEs that possess more resources and technical capability, potentially resulting in adverse selection where the most at-risk

taxpayers, who are most in need of amnesty assistance, are systematically excluded. Ultimately, the dynamics of trust played a vital role. The perception of the ZRA as punitive by SMEs reduced their willingness to engage, emphasizing the need to balance support with deterrence. This is supported by the "slippery slope framework," which outlines power and trust as complementary motivators for compliance (Kirchler et al., 2008).

V. CONCLUSION & RECOMMENDATIONS

5.1 Conclusion

This study offers qualitative data on how SMEs in Zambia view tax amnesty programs. It shows that although amnesty can increase revenue and compliance in the short term, its long-term efficacy is limited by knowledge gaps, administrative inefficiencies, digital difficulties, and a lack of trust. The results emphasize that tax amnesty should be seen as a transitional tool incorporated within larger institutional reforms rather than as a stand-alone compliance solution.

The study expands compliance and agency theories in developing-country contexts and adds to the tax compliance literature in sub-Saharan Africa by fusing SME perspectives with institutional and expert observations. The findings demonstrate that both theoretical frameworks require adaptation to account for the unique capacity constraints, information deficits, and institutional dynamics that characterize SME taxation in emerging economies.

5.2 Recommendations

The study results suggest several policy and administrative actions. Firstly, it's important to back tax amnesty programs with communication strategies that cater to small and medium-sized enterprises (SMEs). These should include simple language, targeted outreach, and hands-on guidance to bridge information gaps. Additionally, amnesty initiatives must be part of a structured post-amnesty support system. This could involve follow-up education sessions, automated reminders, and risk-based monitoring to maintain compliance improvements. Moreover, as digital tax systems are implemented, there should be efforts to boost digital literacy among SMEs and address infrastructure challenges, especially in regions that lack resources. It's also crucial to tailor compliance support mechanisms based on the size of the SME and their level of formalisation because there's diversity within the SME sector. Finally, fostering trust is vital. Consistent enforcement of rules, clear procedures, and better interaction between taxpayers and authorities can turn tax amnesty from merely a short-term fix for revenue recovery into a basis for sustained voluntary compliance over time.

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