

**Automated Tax Payment and Revenue Performance:
A Case Study of Lira City Council.
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Abstract

There is an increasing need by local government to collect more revenue through own source revenue (OSR) to finance the increasing public expenditures of the country. This study therefore aimed at assessing the effects of automation of tax payment on revenue performance of Lira city council. The objectives of the study were to: 1) Assess effects of online registration on revenue performance 2) To assess the effects of online billing and assessment on revenue performance 3) To assess the effects of online collection and payment on revenue performance and lastly 4) To assess the effects of online receipting on revenue performance. The study was anchored on theory of Technology Acceptance Model and Rational expectation theory of technology adoption. The study used a cross sectional designs and employed quantitative and qualitative approaches. Questionnaire was used to collect data for quantitative data and interview guide was used to collect qualitative data. The population size of the study was 103 and a sample size of the study was 81. Using binary logistic regression analysis, the result found that; the online billing is not significant on revenue performance, online payment and revenue collection also had no significant effects on revenue performance, and online receipting has effects on revenue performance. In conclusion, online registration, billing, assessment, payment, and collection has negative effect on revenue performance with exception of online receipting, these come with notable challenges like; Technical issues, security risks, high implementation and maintenance costs, user resistance, integration difficulties, and the loss of personal interaction that negatively impact revenue performance. This study therefore recommends that the administration of Lira City should invest in Integrated Revenue Administration Systems especially on receipting and run an extensive sensitization and awareness, conduct a detailed investigation into the implementation barriers of the online tax payment system by Identify technical, operational, and user-related challenges that might be causing the observed negative impact on revenue performance. City council should provide thorough training and awareness campaigns to educate taxpayers on the benefits and usage of the online tax payment system. This could help mitigate resistance and improve user adoption rates. City should establish a continuous monitoring and feedback mechanism to track the performance of the online tax payment system and gather user feedback and use the information to make iterative improvements to the system. By addressing these areas, the potential positive impact of online tax payment systems on revenue performance can be more fully realized, aligning empirical outcomes with the positive perceptions of the respondents.

Keywords: Automated Tax Payment, Revenue Performance, Case Study, Lira City Council.