

**Effectiveness of Electronic Revenue Collection on Enhancement of Local
Government Revenues in Tanzania
A Case of Moshi Municipality**

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The electronic revenue collection system is important in developing the revenue collection status of the country. The study aimed at determining the effectiveness of electronic revenue collection system on enhancement of local government revenues in Tanzania, a case of Moshi Municipal Council. The study specifically aimed to examine the effectiveness of revenue sources that uses electronic revenue collection system; compare revenue collection levels before and after the introduction of electronic revenue collection system; and analyse challenges of using electronic revenue collection system. The study used a cross-sectional research design. The sample size of this study was 79 revenue collectors. The study utilized two sampling procedures namely; purposive sampling and simple random sampling. Questionnaire and documentary review were used as data collection tools. In this study data were analysed by using descriptive statistic, Pearson correlation and multiple response analysis. The study found that revenue collection sources were reported to be underperforming despite the use of electronic collection system. On the other hand, it was found that the adoption of electronic revenue collection experienced a significant increase in Municipality revenues and the challenges facing the revenue collection system were that revenue payers did not have skills which lead into uncomfortable use of the system. The study concludes that electronic revenues collection brought about significant increase in revenue despite of the challenges encountered. The study recommends that Municipality tax payers should use electronic revenue collection system despite its uncomfortability also training should be conducted to revenues payers to enhance the use of e-payment system.