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EXAMINE THE EFFECTS OF GOODS AND SERVICES TAX (GST) AND ITS COMPLIANCE: REFERENCE TO SIERRA LEONE

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Abstract

This study analyzes the effects of (GST) and how it is being implemented in Sierra Leone. GST replaces previous taxes, including domestic sales tax, import sales tax, entertainment tax, hotel room tax, restaurant tax, food tax etc. The objectives of this study are to know the effect of GST on the Sierra Leone Economy, to know if GST implementation will lead to an increase in prices of

goods and services; to assess GST compliance rate in Sierra Leone; and to know the reasons for GST implementation in Sierra Leone. The data collection method used both primary and secondary sources the study's participants were 89 employees of NRA and business owners in Sierra Leone 2021 to 2023. Questions were analyzed using SPSS in the form of descriptive analysis, chart, and correlation coefficient. The results showed that GST implementation has positive effects on Sierra Leone Economy. The introduction of GST is to boost revenue and promote economic growth in Sierra Leone. GST introduction in Sierra Leone has resulted in increased prices of goods and services. It is recommended that the NRA should provide tax education and awareness and provide availability and accessibility of technological infrastructure for GST implementation in the country.

Keywords:

Goods and Services Tax, National Revenue Authority, Price, Implementation, Compliance

1. Introduction

Goods and services Tax is a single tax that applies to the provision of goods and services. It's also the types of tax on the consumer. In other nations, including the United Kingdom, Finland, and Canada, GST is sometimes referred to as value-added tax (VAT). More than 146 nations, including Australia, Hong Kong, and Singapore, have introduced the GST as a revenue-generating measure. i.e., the range is between 5 percent and 24 percent. Every link in the supply chain for products and services, from the producer to the consumer, will be responsible for paying for them. GST is a type of "consumption tax" on goods and services (Guna & Anuradha, 2021). Taxes paid on the acquisition of goods or services, whether they are intended for resale or the creation or manufacture of a new product, are used as credits to reduce the tax that must be paid on the sale of such products. This procedure will be followed each time the aforementioned commodities are transferred, whether they are in their original form or a new one. According to Hakim et al., (2016), the goods and services tax's implementation has certain possible flaws and may actually have a detrimental effect on emerging nations' levels of efficiency. Sierra Leone also faces numerous obstacles, including difficulty getting funding and a high goods and services Tax (GST) burden.

In 2003, National Revenue Authority of Sierra Leone (NRA-SL) was created to improve revenue collection in accordance with IMF recommendations. The NRA administers domestic taxes, customs charges, and other taxes. After the NRA was formed, revenue collections improved,

and the adoption of GST that was advised by IMF along with Sierra Leone government brought GST into effect. GST became active in January 2010 instead of the originally scheduled date of 1st March. Domestic sales tax, import sales tax, entertainment tax, hotel accommodation tax, restaurant tax, food tax, message tax, and professional services tax are all replaced by GST.

If a business's taxable sales exceed a certain threshold, it must register for goods and services tax. Sierra Leone GST system was established with the goal of developing a tax structure that will be straightforward and effective for all parties with the least amount of negative effects on business operations. Also, GST registration requirements are expected to be met by only the top 20% of enterprises in Sierra Leone, streamlining the country's tax structure. Due to the ease of use and understanding of the system, the cost of compliance for enterprises that meet the registration requirement should be as low as possible. Taxpayers who have registered for GST will function as agents and tax collectors, enabling the system to be self-policing. A simple approach would lower the number of NRA employees needed and government expenses. It is a blessing that, GST has been implemented in Sierra Leone. It has a lot of advantages that make it an alluring method for increasing tax revenue there.

1.1. Statement of the Problem

Despite the fact that introduction of GST in September 1, 2009, was the largest global tax reform in decades, Sierra Leone has made only modest preparations. The implementation of goods and services tax will increase economic activity, which will in turn promote the production of products and services and lead to national economic growth.

1.2. Objectives of the Research

- To know GST effect on Sierra Leone economy.
- To know if GST implementation will increase prices of goods and services
- To assess GST compliance rate in Sierra Leone.
- To know the reasons for GST implementation in Sierra Leone

2. Literature Review

2.1. Goods and Services Tax in Sierra Leone

Developing nations like Sierra Leone frequently struggle to generate domestic revenue for development. Researchers have suggested that one approach to resolving this problem is to expand the tax base. This is because it is necessary to build infrastructure, generate employment, lower unemployment, broaden productive economic sectors, and considerably increase public

revenue from non-mining sectors. By following this process, tax policy should aim to put all taxable goods and services in a tax band with a progressive rate, and ensuring that the wealthiest pay their fair amount while providing incentives for low-income earners to save. The success of any nation should depend heavily on its ability to administer its tax systems effectively and efficiently (Tee et al., 2016). GST is a modernized version of a sales tax. It is paid at the time of importation, sale, exchange, or delivery as a proportion of the value of the products or services. Since September 1, 2009, goods and services delivered in Sierra Leone for domestic use are subject to a single rate of 15% products and services tax. Import sales tax, domestic sales tax, entertainment tax, restaurant and food tax, message tax, hotel accommodation tax, and professional services tax were replaced by GST in order to simplify the indirect tax system and lower administrative costs of National Revenue Authority (NRA).

2.2. Impacts of GST on Sierra Leone's Economy

Sierra Leone economy is likely to expand after the adoption of GST. However, macroeconomic advantages of introducing GST vastly exceed the disadvantages; it is also a significant step that signals to the world macroeconomic advantages of introducing goods and services tax, however, vastly exceed the disadvantages; it is also a significant step that signals to the world at large that we are committed to one route for economic advancement. One taxation system, GST, has taken the role of other indirect levies. Lowering the cost of products and services, enacting anti-profiteering regulations, and eliminating the indirect tax system's cascading effect may be able to reduce inflation. Consumers can anticipate nationwide uniformity in commodity costs. States would be less reliant on the federal government for funding if the central and state governments shared revenues equally. This might result in equal opportunities for state growth. States with a high consumer population will profit more from GST because it is a consumption-based destination tax. This would encourage industrial growth in poor nations. Due to the fact that resale homes and properties that are ready to be moved into will not be subject to the GST levy, the country's introduction of GST will benefit the real estate sector. One option to diversify the government's revenue sources might be the implementation of GST. The government may keep earning money while enhancing its capacity to expand the economy and stabilize the nation. In addition, the introduction of GST might help the government boost national savings in order to prepare for inflation in the future. Governments all across the world need finance to increase income and cover rising expenses. The introduction of GST is part of large tax reform initiative

designed to help Sierra Leone adapt to the internationally accepted tax structure and principles. It improves the nation's revenue performance and makes GST's collection of all indirect taxes simpler. Several indirect taxes are having a cascading impact in Sierra Leone (A. K. Kamara & Kamara, 2023). Taxes may increase the cost of capital and lessen investment incentives in the first channel. Economic growth will suffer if tax rates are raised because they deter investment. Taxes can also affect capital allocation by giving some industries preferential incentives, which lowers the productivity of all investment. Taxes also have an impact on total factor productivity, which has an impact on growth. Taxes cause resource allocation to lose efficiency and distort factor prices (Ferede & Dahlby, 2012). Taxes harm efficiency, which lowers overall production across the board. Taxes may have an impact on entrepreneurship, which has the potential to have an additional impact on total factor productivity. Goods and services tax supporters argue that the tax is necessary to reduce the federal government's deficit spending (Saira et al., 2010). In addition, it has been seen as a way to diversify the government's revenue sources. GST would be able to give the government a steady flow of income, enhancing its capacity to enhance public services and enhance economic stability. However, those who are opposed to this new tax reform claim that it will be difficult to implement GST and that higher tax revenues will only lead to higher government spending (Saira et al., 2010).

Kamara & Kamara, (2023) conducted research on the effect of GST on prices of goods and services in Odisha. The research identified benefits like ease of administration and enforcement, as well as the development of a national market. Nonetheless, the state governments of India receive compensation for any revenue losses brought on by the introduction of GST by the central authority. The research's conclusions were attained through the collection of secondary data. As a result of the adoption of the GST, India's tax GDP ratio will rise to 12% in 2020, and this indirect tax reform in India will enhance Indian economy because of the rising value of tax income. Few studies have looked at how the implementation of a national retail consumption tax will affect inflation.

Nawi et al., (2020) investigation looked into how goods and services tax adoption affected the Malaysian stock market. From June 2009 to November 2016, the study looked at daily closing prices of Malaysian Stock Exchange and futures markets. Before the government adopted GST, they discovered that Malaysian stock market was less volatile than futures markets, and vice

versa. They came to the conclusion that the implementation of goods and services tax increased the cost of goods and services while lowering household purchasing power.

According to Gelardi, (2012), The implementation of a consumption tax would probably result in a one-time price increase in order to prevent an economic contraction. As a result, it's unclear what the impact of introducing a tax will be on national consumption. When a consumption tax replaces an income tax, it has been proposed that people typically start saving more and consume less. But, as time goes on, consumption finally surpasses that of the initial course, leading to increased consumption and a larger capital stock (Gelardi, 2012).

Nawi et al., (2020) investigated the effects of GST on national growth in ASEAN member nations using least squares dummy variable model. He added that seven of ASEAN's ten member countries had already implemented GST. He also asserted that final consumption expenditure for household and the general government are positively and significantly correlated with GDP. However, the post-GST modifications have different implications in different countries. Thailand and the Philippines both significantly hampered the development of their respective countries. Singapore, however, has a very favorable association. The empirical literature in industrialized nations demonstrates that taxes have a negative impact on GDP.

Using panel data from 25 affluent OECD countries between 1975 and 2010, (Thaçi & Gërxhaliu, 2018) studied the link between corporate and personal income tax rates and economic growth. According to the research findings, taxes on company and individual income have a detrimental impact on economic growth. However, there is a significant link between corporate income tax and expansion of the economy.

Mahammad Rafee & ., (2020) examined the impact of VAT and GST on customers and restaurant owners while comparing the two tax assessment frameworks for the café business. The analysis is predicated on the idea that goods and services tax is a crucial foundation for eateries and their patrons, strengthening the core of the consumer by lowering the tax rate. It will also boost the GDP of the Indian economy. However, according to Agrawal, (2017) The following are the negative impacts of GST on India's economy: Sierra Leone is an exception to this.

- GST is a confusing term that refers to double taxation under the guise of a single tax.
- The majority of dealers swindle the government by merely providing VAT instead of paying the central excise tax. But now, each of those sellers would have to pay GST.

- The immediate effects of the GST are anticipated to be neutral to adverse for the overall economy.
- It will be a mixed bag for customers, as certain products will become less expensive while others will become more expensive.
- Services like telecom, banking, and air travel will increase in price.
- Because this tax is new, it will take some time for the public to comprehend its effects.
- It is simpler to say than to do. There are usually certain issues that come up. It is a tax based on consumption; hence, the location of the service must be specified in the case of services.
- If a vendor improves his profit margin without passing on the actual benefit to the consumer, the price of items may similarly trend upward.

2.3. GST Compliance

Tax compliance is the observance of tax rules and regulations by taxpayers, but the idea presupposes that taxpayers are willing to fulfill their obligations without being inspected, prosecuted, or in need of a warning or a consequence (Saraçoğlu et al., 2018). Tax compliance is taxpayers' willingness to abide by tax regulations, including tax computation, registration, disclosure, and payment, to create a stable National economy (Nawi et al., 2020). Taxpayers' willingness to abide by the law may be influenced by a number of factors, including their moral principles, the legal system in place, and other local contexts. Without resorting to enforcement action, tax compliance refers to a person's or another taxable entity's desire to operate in accordance with the letter of the tax law and administration (Ling et al., 2016). To minimize any misunderstandings about the implemented tax, taxpayers demand to be made aware of the advantages of paying taxes before doing so. According to prior research, tax knowledge and compliance are positively correlated (Nawi et al., 2020). An optimistic tax compliance result would depend on the taxpayer's attitude toward tax services and the financial penalties imposed by tax authorities. The most important macroeconomic aspect that determines how taxes are seen to be paid is the tax burden, which also has an impact on tax consciousness. The difficulty of tax compliance increases with an individual's tax burden, especially given the perception that the system is unfair. Depending on how much of tax structure is made up of direct and indirect taxes, the notion that tax burden is unfair may arise. Taxpayers may act differently due to the fact that indirect taxes are levied on all goods and services and that the burden is inversely related to income.

2.4. The A–S Model of Taxation

The article on compliance with income tax administration among micro, small, and medium enterprises in Ghana (Peprah et al., 2020), studied taxpayer's genuine choice regarding their input supply (labor and capital) and gross revenues as individuals and corporate entities cannot be identified and accounted for. With this plan, it will be possible to predict how much of the taxpayer's income will be disclosed and how much will be kept secret. The idea goes that when choosing whether to pay taxes, taxpayers are assumed to be risk-averse. However, if it is assumed that as people become wealthier, they become more eager and engage in riskier activities, a person with a greater gross income would steer clear of them more. The A-S model indicates that the state's economy is being impacted by the higher tax rate. Therefore, a higher tax rate has an impact on both income and substitution. A high tax rate reduces the income of the taxpayer, which decreases their desire to pay taxes. This phenomenon is called the "income effect." The substitution effect, however, is applied to greater evasion in the reverse way, suggesting that a high tax rate promotes tax evasion. There are no doubt that larger and medium-sized enterprises can comply with tax regulations, but smaller businesses cannot.

2.4.1. Policies of the 2009 GST Act in Sierra Leone

There has been lots of research done on the GST policies to ensure that they are implemented correctly and effectively (M. Z. Kamara & Mingfei, 2010).

2.4.2. Zero-Rated Supplies (Schedule one of GST Act)

Although, some goods and services are taxable, they are taxed at 0% (zero percent) for economic reasons. Goods transported as storage on ships or aircraft departing Sierra Leone and exports (apart from export of all minerals, including gold and diamonds) are two examples of zero-rated supplies. Due to Sierra Leone's increased ability to compete in international markets, exports are profitable.

2.4.3. Exempt Supplies (Schedule two of GST Act)

There are several goods that are not taxed due to social, economic, or tax administration issues. Examples of excluded supplies include rice, pipelines, water, fuel, books, medical, educational services, particularly pharmaceutical supplies, financial services, and minerals for export, including gold and diamonds.

2.4.4. Institutional Reliefs (Schedule three of GST Act)

- Republic of Sierra Leone president.
- Missions of the Commonwealth and foreign embassies (Reciprocal only).

- Other international organizations that have agreements with government of Sierra Leone and clearly state that they are exempt from paying local taxes on products and services that have been legally recognized by parliament
- The importation of products for use in post-natural disaster recovery or aid, as authorized by the Ministry of Finance.

2.4.5. Transactions Outside the Scope (Schedule three of GST Act)

One item only, the transfer of going concern is designated as falling ‘beyond the scope of GST’ for example, products imported from foreign embassies and those used in rehabilitation or relief efforts after a natural disaster are exempt from tax specific institution an under certain condition

3. Material and Method

Primary and secondary sources are both used in the data collection process for this study. Secondary sources like the website of the national revenue authority, newspapers, and published articles. The primary sources are by submitting questionnaires via a Google form to respondents who have provided written information or have given a well-structured response, which will then be completed and returned to the researcher. The study's participants were 89 employee of National Revenue Authority the institution handling tax issues in Sierra Leone and business owners in Sierra Leone from 2021 to 2023, and the questions were evaluated using SPSS in the form of descriptive analysis by using chart and correlation analysis.

4. Results and Discussion

4.1. Results:

Table 1: Descriptive Statistics

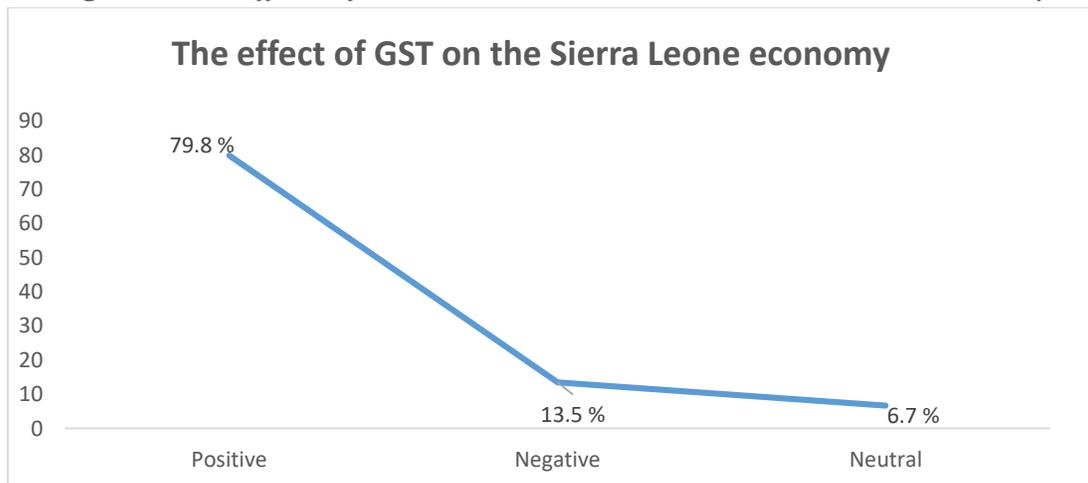
	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
The effects of GST on the Sierra Leone economy.	89	1.00	3.00	1.2697	.06140	.57926

The reasons for GST implementation in Sierra Leone.	89	1.00	3.00	1.3933	.07078	.66773
GST implementation leads to an increase in the prices of goods and services.	89	1.00	2.00	1.2022	.04282	.40395
The GST compliance rate in Sierra Leone.	89	1.00	3.00	1.8764	.05722	.53979
Valid N (list wise)	89					

(Source: Primary Source by Researchers through SPSS)

The variables under discussion and their statistical measurements are as follows: mean, standard deviation, and standard error for the variables under investigation. Table 1 above displays the descriptive statistical analysis linked to the GST in the economy of Sierra Leone. Below are the variables and their means that are being taken into account: the effect of the GST on the economy of Sierra Leone; the reasons for implementing GST in Sierra Leone GST implementation leads to an increase in the prices of goods and services, and the GST compliance rate in Sierra Leone (1.2697, 1.3933, 1.2022, 1.8764, and 1.4157, respectively).

Figure 1: The Effects of Good and Services Tax on the Sierra Leone Economy

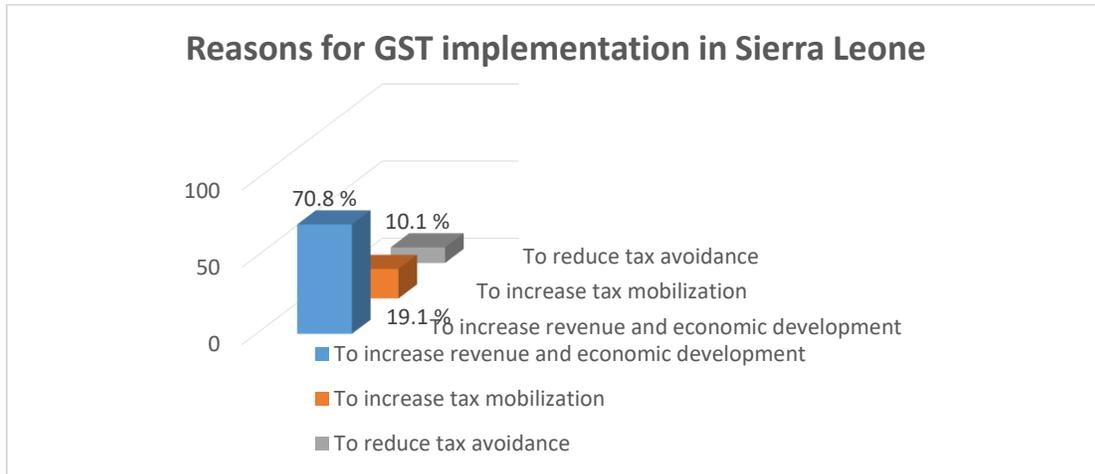


(Source: Primary Source by Researchers through SPSS)

The majority of respondents, or 79.8%, concluded that the GST has a good effect on Sierra Leone. Figure 1 above shows that the GST has beneficial effects on Sierra Leone. Only 13.5% of respondents, as seen in the graph, believe that GST has a negative effect on Sierra Leone's

economy, while 6.7% are indifferent. Therefore, 6.7% of respondents claim that GST has neither beneficial nor negative effects on the Sierra Leonean economy.

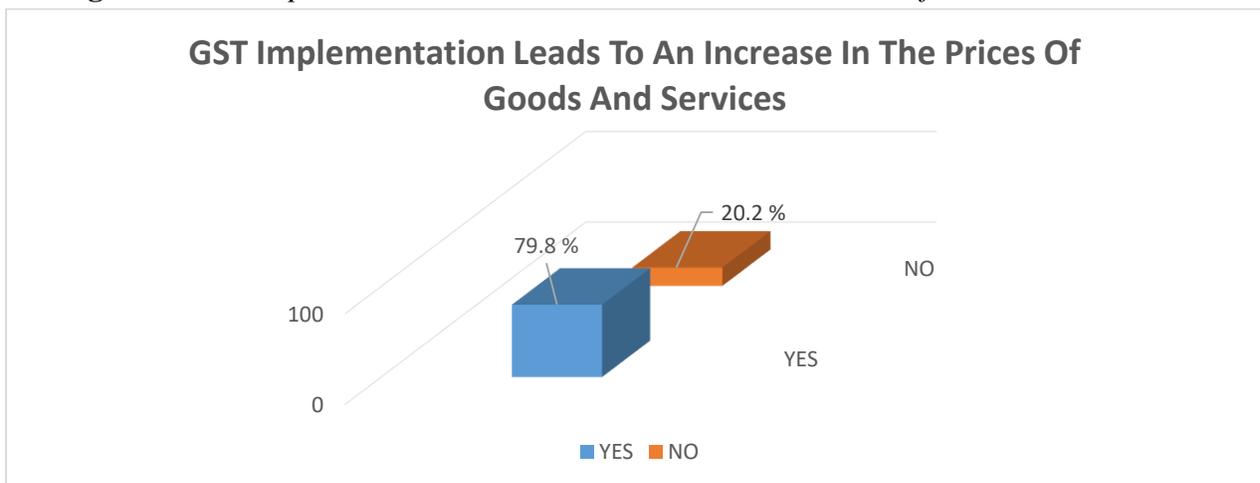
Figure 2: *Reasons for Good and Services Tax Implementation in Sierra Leone*



(Source: Primary Source by Researchers through SPSS)

As shown in Figure 2 above, the reason for implementing GST in Sierra Leone is to increase revenue and promote economic development. This means that the main purpose for which the government of Sierra Leone introduced GST was to improve its revenue base and develop the economy. Hence, 70.8% of the respondents believed that GST implementation in Sierra Leone can lead to increased revenue and economic development, whereas 19.1% believed that GST implementation in Sierra Leone is to increase tax mobilization, and 10.1% of the respondents believed that the purpose GST implementation is to reduce avoidance.

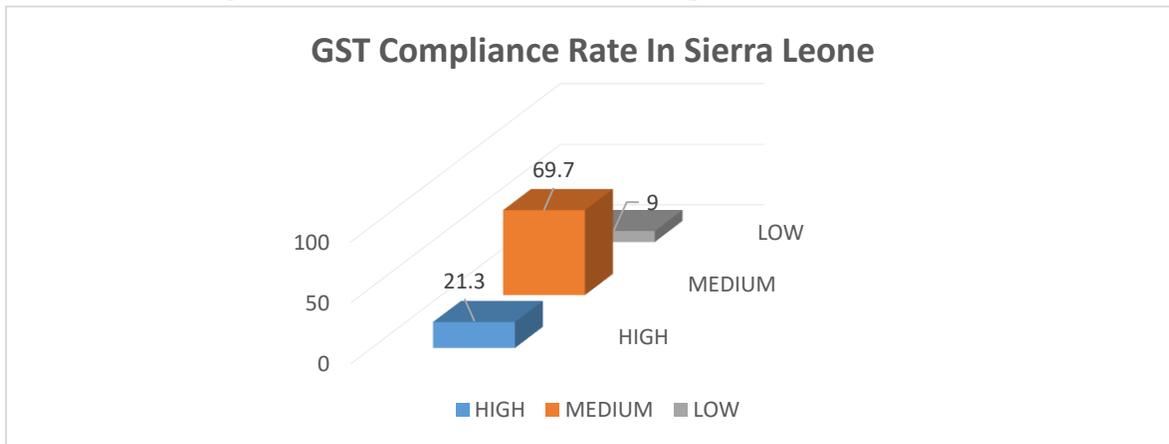
Figure 3: *GST Implementation Leads to an Increase in the Prices of Goods and Services*



(Source: Primary Source by Researchers through SPSS)

Figure 3 above looks at how the implementation of GST increases pricing for goods and services in the country. According to respondents, 79.8% of them agreed that the implementation of the GST in Sierra Leone has a resulted in an increase in the prices and services in the country. Additionally, 20.2% of the respondents disagree, stating that they do not agree that Sierra Leone's prices for goods and services rise because of GST implementation.

Figure 4: Good and Services Tax Compliance Rate in Sierra Leone



(Source: Primary Source by Researchers through SPSS)

The compliance rate for GST in Sierra Leone is examined in Figure 4 above. GST compliance rate in Sierra Leone, according to the respondents, is medium, with 21.3% of them believing it to be extremely high. 69.7% of those surveyed reported and upheld believed that GST compliance rate is at medium. Finally, just 9.0% of respondents said that Sierra Leone's GST compliance is extremely low.

Table 2. Correlations

		The GST implementation in Sierra Leone	An increase in the prices of Goods and Services
The GST implementation in Sierra Leone	Pearson Correlation	1	.797**
	Sig. (2-tailed)		.000
	N	89	89
An increase in the prices of goods and services	Pearson Correlation	.797**	1
	Sig. (2-tailed)	.000	
	N	89	89

** . Correlation is significant at the 0.01 level (2-tailed).

(Source: Primary Source by Researchers through SPSS)

The adoption of GST in Sierra Leone was accompanied by an increase in the prices of goods and services, according to Table 2, the correlation analysis ($r = 0.797$, $p 0.01$). This indicates that the introduction of GST in Sierra Leone has resulted in an increase in the prices of goods and services in Sierra Leone. This means that strong correlation exists between the two variables.

4.2. Discussion

The first finding of our research revealed that GST has positive effects on the Sierra Leone economy. This means that if GST compliance rate is high, it will boost the gross domestic product (GDP) of Sierra Leone. This unified tax system will contribute significantly to market efficiency, enhance ease of doing business, and improve substantial reductions in logistics costs. As a result of these positive shifts, there has been a noticeable stimulation in economic activity and notable boosts in productivity levels that have ultimately contributed to the overarching economic growth in Sierra Leone. Kamara & Kamara, (2023) conducted research on the effect of GST on the prices of goods and services in Odisha. The study identified benefits like ease of administration and enforcement as well as the development of a national market. Another positive impact of GST is that its adoption in Sierra Leone has ushered in a cutting-edge tax administration system that capitalizes on technological advancements. Consequently, avenues for engaging in deceitful practices like tax evasion have been greatly limited while promoting better compliance with taxation laws. Furthermore, enhanced transparency coupled with the introduction of an invoice matching mechanism provides tax authorities with increased capabilities to identify inconsistencies and effectively combat any instances of attempted tax evasion.

Second, our findings indicate that Sierra Leone implemented GST in order to rise revenue and the nation's economic growth. This increase in revenue for Sierra Leone and its economic development is a result of an increase in tax compliance for goods and services tax, as opposed to other taxes where tax avoidance is high. Goods and services tax implementation has had very positive effects on manufacturers and exporters. In the area of manufacturers, they are relieved of the burden of tax because this tax is distributed to the final consumers buying the goods and services in Sierra Leone. Hence, the tax burden is distributed between the manufacturers and consumers or sometimes shifted to the final consumers, thereby leading the manufacturers to reduce their tax burden in Sierra Leone. This has encouraged manufacturers to invest in their manufacturing businesses and expand their operations. Consequently, a boost in manufacturing activities has directly contributed to increased exports, which leads to growth in exports that will

lead to higher foreign exchange earnings and has played a significant role in contributing to overall economic growth.

The third result of our findings revealed how goods and services tax implementation in Sierra Leone led to an increase in prices of goods and services. According to Gelardi, (2012), The implementation of a consumption tax would probably result in a one-time price increase in order to prevent an economic contraction. Its implementation impacted it indirectly via certain means, such as changes in the rate of tax, market dynamics, etc. In cases where the tax rate is very high, the manufacturers or business owners may transfer or shift the tax rate or tax burden to the consumers, resulting in higher pricing for such Goods and Services, which raises the cost of Goods and Services in Sierra Leone. Pricing decisions in the context of market dynamics are directly influenced by the forces of supply and demand for products and services. The cost structure of business is impacted by goods and services tax, and market forces have an impact on the ultimate prices. If there is high demand and competition for goods and services, the manufacturers or business owners may absorb the additional burden of GST to remain competitive and continue the business, which will keep prices constant. In a situation where there is high demand and low competition, the manufacturers will increase the tax rate and shift it to the consumers in the form of high prices of goods and services, in turn prices of Goods and Prices will be high in the country.

Lastly, our findings revealed that GST compliance rate is at medium in Sierra Leone. There are various factors that put the compliance rate at medium, such as tax education, technological infrastructure, and GST complex system. There are quite a number of business owners who have little or no knowledge or education about the goods and services tax regulations and requirements, their impact on compliance, and their implication for the economy in Sierra Leone. As a result, the rate of acceptance in the country is medium. Even those that have knowledge of the implementation of GST regulation's, requirements and benefits have serious issues with the accessibility and availability of the technological infrastructure, such as online tax filing systems, electronic invoicing, and taxpayer portals, which make it difficult to facilitate compliance. Efficient technology platforms make it easier for business owners or taxpayers to accomplish their goods and services tax obligations, reduce the likelihood of mistakes, and improve compliance. Besides technological infrastructure accessibility, Sierra Leone is a developing country and has quite a number of illiterate business people in the business sectors,

which makes it quite difficult to use the instrument for the processing of goods and services. As a result, they did not comply with the use of this tax system. Hence, its compliance rate is medium.

5. Conclusion and Recommendations

5.1. Conclusion

In conclusion, the study of goods and services tax in Sierra Leone has had strong positive effects on the country's economy. Several indirect taxes have been replaced by the goods and services tax, creating a single tax structure, which has reduced administrative costs for the country's tax authority. And also lead to economic advantages in the country like promotion of state development, rousing industrial growth, improving the real estate market, and stabilizing the economy. However, there are some critics who argue that the introduction of GST has led to an increase in prices of goods and services. The objective of the research is to examine the impacts of goods and services on the economy of Sierra Leone and their effects on the general prices of goods and services in Sierra Leone.

Furthermore, the research findings indicate that there are positive effects of the implementation of goods and services tax in Sierra Leone, and its high compliance rates will lead to economic growth, market efficiency, and improved business operations in the country. It also revealed that one of the main reasons for the implementation of goods and services tax in Sierra Leone is to increase revenue for the economic development of the country. And adoptions have led to economic activity stimulation and the modern tax system or administration introduction. Even though the introduction of GST has led to increases in prices of goods and services in Sierra Leone, the effect is indirect and dependent on tax rates and market dynamics as compared to the indirect tax system, where the impact is directly on the taxpayers. Moreover, GST compliance rate in Sierra Leone is medium due to factors like a lack of knowledge about GST and technological infrastructure limitations.

5.2. Recommendations

As per research findings, it is recommended that:

- The national revenue authority in charge of tax system in Sierra Leone should provide tax education and awareness to increase tax awareness in the country. Through this, business owners, manufacturers, and taxpayers will be able to gain knowledge about GST in Sierra

Leone. This can be achieved through training seminars, giggles, or educational campaigning.

- National Revenue Authority should invest in and develop technological infrastructure and make it accessible to all business owners and manufacturers in Sierra Leone to increase compliance with goods and service tax.
- National Revenue Authority should continuously monitor and assess the impacts of GST and its effectiveness in Sierra Leone so as to identify areas for improvement and address any challenges facing GST implementation in the country.
- National Revenue Authority handling taxation in Sierra Leone should provide clear guidelines that will improve tax compliance. By so doing, business owners or taxpayers will have a clear and comprehensive understanding of their obligations regarding goods and services tax in Sierra Leone, which will in turn improve compliance.
- Further research has to be carried out on the distributional impacts of GST among different regions and income groups in Sierra Leone. To know as to whether goods and services tax have any change in income inequality and regional differences and to have an understanding of how goods and services affect the purchasing power and welfare of different sections of the Sierra Leone population.

If these recommendations are implemented, Sierra Leone will improve the positive effects of GST, promote economic growth, and increase the rate of GST compliance.

CONFLICT OF INTEREST

Authors disclosed zero conflicts of interest concerning the article's writing.

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