The Rwanda Revenue Authority (RRA) announced Tuesday that it exceeded its tax collection target for the 2024/2025 fiscal year, collecting RWF 3.08 trillion (about $2.5 billion), 1.3% above its projected goal.

The revenue total, which accounts for 52.9% of Rwanda's annual national budget, marks a 16.7% increase from the previous fiscal year, when RRA collected RWF 2.62 trillion.

Speaking at a press briefing in Kigali, RRA Commissioner General Ronald Niwenshuti credited the increase to several factors, including a nationwide push to digitize tax reporting, a voluntary tax compliance program, and stronger anti-smuggling enforcement.

"This performance is the result of combined efforts to promote transparency, widen the tax base, and use technology to make tax compliance easier and more effective," Niwenshuti said.

The number of Electronic Billing Machines (EBMs) in use rose sharply over the year, reaching 147,700 up from 117,631 in 2023/2024. Among newly registered users, 44,000 businesses were added to the VAT system, up from 32,529 a year earlier.

RRA also collected RWF 18.1 billion through its voluntary disclosure program, which registered over 5,300 new taxpayers. Imports, a major source of tax revenue, increased by 21.9%, surpassing earlier projections of 16.3%.

Anti-smuggling operations contributed RWF 14.6 billion to the total, while efforts to recover tax arrears yielded an additional RWF 278 billion.

The authority said Rwanda's economic growth—measured at 8.0% between July 2024 and March2025 —also supported the rise in tax revenue. That growth rate outpaced the 7.6% projection for the same period.

New target for 2025/2026

For the current fiscal year that began in July, RRA has set a higher tax collection target of RWF 3.63 trillion, which represents 53% of the national budget of RWF 7.03 trillion.

To meet the goal, RRA plans to increase tax enforcement in underperforming sectors such as construction and manufacturing, which are often prone to informal

transactions and underreporting.

“We’re seeing gaps in construction, where many materials are traded without invoices, and where some businesses are still operating off the grid,” Niwenshuti said.

The tax body also plans to introduce new digital tools, especially at customs points, and expand the use and oversight of EBMs to ensure more accurate tax reporting.

“Our focus is not just on increasing revenue, but on making tax compliance simpler, fairer, and more efficient for everyone,” Niwenshuti added.

RRA emphasized that sustained public education, private sector collaboration, and economic resilience will be key to maintaining growth in domestic revenue collection in the years ahead.