**Factors Influencing Tax Evasion Among Small and Medium Entreprises Owners in Tanzania**
**A Case of Konondoni Municipality**
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This study examined factors influencing tax evasion among small and medium enterprises owners in Tanzania, a case of Kinondoni Municipality. It was guided by specific objectives which were: to examine social factors such as sex, age and education level contributing to tax evasion, to examine economic factors such as tax penalty, tax rates and income contributing to tax evasion and to assess other factor rather than social and economic factors contributing to tax evasions. The study used a survey research design, and a total sample of 96 respondents were involved in this study. Quantitative and qualitative data were analysed by SPSS and Microsoft excel, and interpreted by descriptive statistics, regression and correlation coefficient method. The study findings revealed that high tax rates in taxation absence of effective and unavoidable penalty rate in taxation, low level of income earned by SMEs, corruption and the number of procedures involved in assessment and collection of tax by TRA significantly influence tax evasion among small and medium enterprises. Through the findings, the study concluded that huge amount of tax is lost through tax evasion among SMES. The study recommended that SMEs should be educated, especially education concerning tax and SMEs should stop tax evasion, the government should provide adequate social services to the people and TRA should improve the process of tax collection and assessment.