Individual Assesee's Perception Towards E-Filing Embracing In India: An Empirical Investigation

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ABSTRACT

E-filing is one of the e-government facilities that have been embraced by various developed countries, where the public has to release their obligation to the government through online tax filing. E-filing of taxes has been adopted by many countries and India is no exception.

One protruding type of e- government is the introduction of the e-filing system for income tax. Through this system, taxpayers are able to submit their tax returns electronically to the tax authorities. However the success of such systems depends on citizen's satisfaction and intention to re-use the e-filing system. This paper attempts to analyze the factors that influence individual assesee in adopting electronic tax-filing services. A survey has been used to collect primary data and questionnaire approach was used in final analysis. This paper deals with the primary data collection method through questionnaire of primary data filled stabilized and analyzed to use SPSS. The overall results of the study point out that tax payer are enthusiastic as regards new technology. By paying overt attention to intended tax users' technology inclination may assist the tax authority in formulating strategy to accelerate the acceptance of e-filing system more easily among the people in the country.

Keywords – E-filing, Income Tax Return, Awareness, Individual assessee.

INTRODUCTION:

In India, individual assessee constitutes the largest single group among tax payers. Their contribution constitutes majority of the total Income Tax revenue when progressive rates are high. The group is unable to suppress their income and thus noted for high tax compliance. They are becoming easy targets for garnering more taxes. Income Tax payers felt that the Income Tax System in India is very difficult to understand. It is a mandatory thing to update them self as an individual tax payer with the latest tax laws. By having a sufficient awareness about the taxation by an assessee, it is possible to have some knowledge about the tax system. To increase the awareness level about the tax system, Government is taking various steps. But, in practical, awareness level of the assesee is not up to mark.

Tax payers employ tax professionals to represent them for the purpose of lodging accurate returns, to minimize the tax burden and low awareness level about the tax system. The attentiveness level of the individual tax payers about the Income Tax system may depends upon the socio economic characteristics like gender, age, educational status, occupational status etc. Of course, computation of taxable income and tax liability are cumbersome process. In the Income Tax System, individual tax payers are finding a lot of problems in the aspect of rate of tax,

procedure for computation of taxable income and tax payable, provisions relating to deductions, procedure in filing of Income Tax Return etc.

In India, income tax e-filing was introduced on a voluntary usage basis for all categories of income tax assesses in September, 2004. It was made mandatory for all corporate firms in July, 2006 and for all companies and firms requiring statutory audit under section 44AB of Indian Income Tax Act in 2007. As per the notification dated 1st May 2015, every individual with an annual income of over Rs.5 lakhs will have to file tax returns in electronic form.

REVIEW OF LITERATURE

In any study, the review of previous studies are considered as an important for getting a better understanding of the problem, objectives, the methodology followed and to identify the unexplored part of the field of study under consideration. In this regard, a review of some of the studies in the field of present study has been undertaken.

Gabriel Simon Thattil and Jain Rani (2011) found that tax planning is still a neglected area among tax payers and suggested that awareness should be created in the minds of assessees towards tax planning. Radha Gupta (2012) undertook a study to evaluate the tax payers' knowledge about the tax saving schemes. The study suggested that Government should take necessary steps to increase the knowledge of the tax payers about the tax saving schemes. Geetha and Sekar (2012) conducted a study to analyse the awareness and satisfaction level of individual tax payers towards e-filing of Income Tax Return in Coimbatore city. The researchers concluded that majority of the individual tax payers are satisfied with the various aspects of e-filing. Puneet Bhushan and Yajulu Medury (2013) made a study to define the level of tax literacy among salaried individual and the relationship between tax literacy and various demographic and socio-economic factors. Researchers suggested that the tax literacy level is very low in our country and necessary measures should be taken by Government to increase awareness about tax related matters

amongst the population. Samuel Alemnew Belay and Viswanadham (2013) conducted a study to know the tax fairness perceptions and compliance behavior, findings that business income tax payers have multidimensional perceptions on the fairness of the Income Tax system. Amna Obeid (2015) made a study to examine the perceptions of tax payers on tax compliance in Sudan. The study analyzed the perception for non-compliance is enhanced because of the lack of knowledge about tax rules and computations. Parmanand Barodiya and Ankesh Bhargava (2015) made a study to assess the tax payers' perception, awareness towards the e-filing of Income Tax Return. They found that the e-return filing is getting popularity in the country especially amongst the service class people.

The review of literature indicates that no systematic and comprehensive analysis has been conducted for the 21st century reform period in India to test the individual asssessee perception towards in e-filing which the present study takes into account.

OBJECTIVES OF THE STUDY

To identify the factors influencing individual assesee perception to use of e-filing of income tax returns.

RESEARCH METHODOLOGY:

A survey has been used to collect primary data and questionnaire approach was used in final analysis. A sample of 100 individual tax payers was purposively taken from the state of Goa. The primary data collection method through questionnaire of primary data filled stabilized and analyzed to use SPSS. The relevant secondary data has been collected from books, journals, newspapers, magazines and web portals of ITD.

A purposive sampling method has been used for data collection. Since the data is not normally distributed, t-test has been used to study the factors influencing the use of e-filing. The target population consisted of individual tax-payers located in the state of Goa during the period 1st June 2021 to 31st March 2022. This period will

be taken up as it is income tax returns filing season. The most widely used measure for diagnosing the reliability of entire scale (Cronbach's Alpha) has been estimated as 0.927.

RELIABILITY TEST: CRONBACH'S ALPHA

		N	%
	Valid	99	99
Cases	Excluded	1	1
	Total	100	100
a. List wise deletion based on all variables in the procedure.			

Reliability Statistics			
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items	
0.932	0.927	143	

FACTOR ANALYSIS APPROACH

The Kaiser-Meyer-Olkin Bartlett's Test Measure of Sampling Adequacy shows that the proportion of variance in variables might be caused by underlying factors. The KMO and Bartlett test evaluate all available data together. A KMO value over 0.5 and a significance level below 0.05 suggest there is substantial correlation in the data.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.683
Bartlett's Test of Sphericity	Approx. Chi-Square	2132.404
	df	276
	Sig.	.000

The Kaiser-Meyer-Olkin Bartlett's Test Measure of Sampling Adequacy shows that the proportion of variance in variables might be caused by underlying factors. The KMO and Bartlett test evaluate all available data together. A KMO value over 0.5(.683) and a significance level below 0.05 suggest there is substantial correlation in the data. Through intensive relevant literature, a set of 36 statements was formulated to check the awareness among the respondents.

Factor analysis technique has been applied to find out the underlining dimensions that exist in the 36 variables relating to the e-filing of income tax returns. The results are presented here below Table- 1 gives the rotated factor loadings communalities, Eigen values and the percentage of variance explained by the factors. Out of the

36 variables, only 8 factors have been extracted and these factors are put together explain the variance of these perceptions towards e-filing of income tax return to the extent of 82%.

Table -1 Respondents' perception towards e-Filing of income tax return

Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	7.663	21.285	21.285	7.663	21.285	21.285	5.488
2	6.022	16.727	38.013	6.022	16.727	38.013	5.379
3	5.531	15.365	53.377	5.531	15.365	53.377	5.159
4	3.797	10.547	63.924	3.797	10.547	63.924	4.392
5	2.396	6.657	70.581	2.396	6.657	70.581	3.227
6	1.787	4.965	75.546	1.787	4.965	75.546	2.736
7	1.256	3.490	79.036	1.256	3.490	79.036	1.979
8	1.121	3.113	82.149	1.121	3.113	82.149	1.214
9	.950	2.640	84.789				
10	.783	2.176	86.965				
11	.635	1.763	88.728				

Extraction Method: Principal Component Analysis.

Source: SPSS Output

In order to reduce the number of factors and enhance the interpretability, the factors are rotated. The rotation increases the quality of interpretation of the factors. The Varimax rotation which is one such technique to obtain a better result for elucidation is employed and the result is given in table 2.

Table-2 Clustering parameters of factors influencing use of e-filing of ITRs

Total Variance Explained

Component	Rotation Sums of Squared Loadings

	% of Variance	Cumulative %
1	15.245	15.245
2	14.941	30.186
3	14.331	44.517
4	12.200	56.717
5	8.963	65.680
6	7.600	73.280
7	5.497	78.777
8	3.372	82.149
Extraction Method: Principal Component Analysis		
Rotation method: Varimax with Kaiser Normalization		

Source: SPSS Output

8 factors were identified as accounting for maximum percentage variance. The 8 factors includes service, accuracy, convenience , speed , awareness, ease of use, social listening and status.

as e-filing facilitates better managing return by accessing old returns.

ANALYSIS AND INTERPRETATION

Hypothesis 2A: H0: There is no significant impact of gender opinion on factor influencing

Independent Samples Test					
		t-test for Equality of Means			
		df	Sig. (2-tailed)	Mean Difference	
Influence: E-Filing Facilitates Better Managing Return By Accessing Old Returns	Equal variances assumed	98	.994	.002	
	Equal variances not assumed	52.659	.994	.002	

Source: SPSS Output

P value is .002 which is less than the significance value .05. This means Null hypothesis has been rejected. This indicates that there is impact of gender on factor-e-filling facilitates better managing return by accessing old returns.

Hypothesis 2B: H0: There is no significant impact of gender opinion on factor influencing as e-filing of income tax return improves accuracy.

Independent Samples Test				
		t-test for Equality of Means		
		Df	Sig. (2-tailed)	Mean Difference
Influence: E-Filing Of Income Tax Return Improves Accuracy	Equal variances assumed	98	.551	-.206
	Equal variances not assumed	49.237	.553	-.206

Source: SPSS Output

Since P value -.206 is less than that of 0.05 indicates significant impact of gender on e-filling of income tax return improves accuracy. Thus null hypothesis is rejected indicating positive relationship between gender and e-filling of income tax return improves accuracy.

Hypothesis 2C: H0: There is no significant impact of gender opinion on factor influencing as time limit given for e-filing.

Independent Samples Test				
		t-test for Equality of Means		
		df	Sig. (2-tailed)	Mean Difference
Influence: Time Limit Given For E-Filing	Equal variances assumed	98	.973	.010
	Equal variances not assumed	53.383	.972	.010

Source: SPSS Output

P value .01 is less than significance value .05. This implies rejection of null hypothesis. This means there is impact of gender on factor influencing i.e. Time limit given for e-filling.

Hypothesis 2D: H0: There is no significant impact of gender opinion on factor influencing as speed of e-filing is excellent.

Independent Samples Test

		t-test for Equality of Means		
		df	Sig. (2-tailed)	Mean Difference
Influence: Speed Of E-Filing Is Excellent	Equal variances assumed	98	.994	.002
	Equal variances not assumed	52.659	.994	.002

Source: SPSS Output

P value .002 is less than the significance value .05. So Null hypothesis has been rejected. This means it is statistically different. This shows that there is impact of gender opinion on factor influencing as speed of e-filing is excellent.

Hypothesis 2E: H0: There is no significant impact of gender opinion on factor influencing as non- filing of ITR invites notice from IT Department.

Independent Samples Test				
		t-test for Equality of Means		
		df	Sig. (2-tailed)	Mean Difference
Influence: Non Filing Of Income Tax Return Invites Notice From Income Tax Department	Equal variances assumed	98	.133	-.460
	Equal variances not assumed	41.842	.173	-.460

Source: SPSS Output

Null hypothesis has been rejected as the p value -.460 is less than the significance value .05. This means it is statistically significant. This indicates there is impact of gender perception on factor influencing as non-filing of ITR invites notice from IT department.

Hypothesis 2F: H0: There is no significant impact of gender opinion on factor influencing as e-filing provides easy submission of return

Independent Samples Test				
		t-test for Equality of Means		
		df	Sig. (2-tailed)	Mean Difference
Influence: E-Filing Provides Easy Submission	Equal variances assumed	98	.994	.002

| Of Return | Equal variances not assumed | 52.659 | .994 | .002 |

Source: SPSS Output

P value .002 is less than the significance value .05. This means null hypothesis has been rejected. This implies that there is impact of gender on factor influencing as e-filing provides easy submission of return.

Hypothesis: 2G: H0: There is no significant impact of gender opinion on factor influencing as e-filing procedure is eco-friendly.

Independent Samples Test				
		t-test for Equality of Means		
		Df	Sig. (2-tailed)	Mean Difference
Influence: E-Filing Procedure Is Eco-Friendly	Equal variances assumed	98	.536	.165
	Equal variances not assumed	55.080	.516	.165

Source: SPSS Output

P value .165 is more than significance value .05 hence it is not statistically significant and gives evidence for our research hypothesis.

Hypothesis: 2H: H0: There is no significant impact of gender opinion on factor influencing as personal factors are affected by e-filing

Independent Samples Test				
		t-test for Equality of Means		
		Df	Sig. (2-tailed)	Mean Difference
Influence: Personal Factors Are Affected By E-Filing	Equal variances assumed	98	.600	-.165
	Equal variances not assumed	44.950	.619	-.165

Source: SPSS Output

Null hypothesis has been rejected as p value -.165 is less than the significance value. This implies that there is impact of gender opinion on factor influencing as personal factors are affected by e-filing.

REVIEW OF HYPOTHESIS TESTED

Hypotheses	Accept/Reject	Inference
Hypothesis 2A: H0: There is no significant impact of gender on opinion of respondents on factor influencing as e-filing facilitates better managing return by accessing old returns	Rejected	Statistically significant
Hypothesis 2B: H0: There is no significant impact of gender on opinion of respondents on factor influencing as e-filing of income tax return improves accuracy	Rejected	Statistically significant
Hypothesis 2C: H0: There is no significant impact of gender on opinion of respondents on factor influencing as time limit given for e-filing.	Rejected	Statistically significant
Hypothesis 2D: H0: There is no significant impact of gender on opinion of respondents on factor influencing as speed of e-filing is excellent	Rejected	Statistically significant
Hypothesis 2E: H0: There is no significant impact of gender on opinion of respondents on factor influencing as non-filing of ITR invites notice from IT Department	Rejected	Statistically significant
Hypothesis 2F: H0: There is no significant impact of gender on opinion of respondents on factor influencing as e-filing provides easy submission of return	Rejected	Statistically significant
Hypothesis 2G: H0: There is no significant impact of gender on opinion of respondents on factor influencing as e-filing procedure is eco-friendly	Accepted	Not significant
Hypothesis 2H: H0: There is no significant impact of gender on opinion of respondents on factor influencing as personal factors are affected by e-filing	Rejected	Statistically significant

FINDINGS AND CONCLUSION

The sample consisted of 72% male respondents and 28% females. About 35% of the respondents were under the age of 35 years, 11% were in the age group of 36-50 years and20% above 50 years of age. About 77% of the respondents were graduates, and 18% were post graduates.71% of the respondents had an annual income under 5 lakhs, 24% between 5- 10 lakhs and 5% above 10 lakhs. Taxpayers should be optimistic to use e-filing as there are many benefits of this system (both to government and to taxpayers). There has been widespread advertisement in national news papers; this can be extended to local news papers and using radio stations and local channels through local languages. The awareness can be best reached by introducing the e-filing in the high school or college curriculum. The awareness can be improved by organizing awareness programs in offices/workplaces. Thus, the tax authorities should have to enlarge marketing strategies to lessen and resolve the e-filing interrelated issues.

The overall results of the study point out that tax payer are optimistic as regards new technology. By paying overt attention to intended tax users' technology inclination may assist the tax

authority in formulating strategy to accelerate the acceptance of e-filing system more easily among the people in the country. To exploit effectiveness of e-filing system, the agency-staff needs to play effectual role especially those in charge of tech-support to counter to the public complaints about the e-filing system timely. Such a step can amplify the level of tax compliance amongst the taxpayers.

Due to augmented awareness among taxpayers, e-filing has revealed some progressive result and it is surely going to create its full time place in the Indian Tax System. Hence, it is recommended that media channel sources like television and newspapers need to be used to persuade people for using e-filing and e-payment facilities. Although with the novel changes in the Indian tax system, the individual tax payers are flattering responsive of the e-filing and e-payment procedures, yet need is felt there by the income tax department to put together demo-fares and provide information to computer illiterates at the return-filing counters for creating the e-filing popular and easier to understand.

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