

A Study on Tax Payer's Perception Towards E-Filing of Income Tax Returns with Reference to Teachers in Bengaluru East, Karnataka

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Abstract: E-filing of income tax refers to successful filing of Income Tax Returns through the internet. The e-governance has developed the concept of e-filing of Income Tax Returns through the internet. Thus the IT department has expedited the tax payers with defining the provisions to be followed, which can be filed and the procedure to file Income Tax returns for the benefit of income tax payers as well as the government. Thus this paper deals with the awareness level of individual tax payers about e-filing, to measure the level of satisfaction of the respondents towards e-filing. To study the factors that motivate for the use of e-filing and to know the problems of respondents towards e-filing. This study thus focuses on the Pre-university government and non-government teachers who do online filing of Income tax returns on their own.

Keywords: Awareness level, E-filing, Government and Non-government teachers, Tax returns.

I. INTRODUCTION TO INCOME TAX

An **income tax** is a government levy on individuals or taxpayers that differ with the income or profits of the taxpayer. Many executives refer income tax on business entities as corporate tax. Partnerships normally are not taxed; rather, the partners are taxed on their share. Tax may be charged by both a country and divisions. Most executives exempt charitable organizations from tax.

The rate of tax may increase as taxable income increases/decreases. Tax rates may differ depending on the type or the characteristics of the taxpayer. Capital gains may be taxed at different rates when compared with other income.

Taxable income of resident taxpayers is normally the total income less income generating expenses and other deductions. Normally, net gain from sale of property, including goods taken for sale, is included in the income. Deductions include all income generating or business expenses which includes an allowance for attainment of costs of business assets. Many jurisdictions grant notional deductions for individuals, and may also include deduction of some personal expenses. Most jurisdictions either/ do not tax income earned outside the jurisdiction or grant a credit for taxes that are paid to other jurisdictions on such income. Therefore Non-residents are taxed only on certain types of income within the jurisdictions, with few exceptions.

Most of the jurisdictions require self-assessment of tax and also may require payers of some types of income to retain tax from those payments. Advance payment of tax by taxpayers may be enforced.

II. EXISTENCE OF INCOME TAX

Income tax (IT) department is one of the essential parts of Ministry of Finance, Government of India. It is also one of the important sources of revenue to the Government of India. In the year 1860, it started with the implementation of first Income Tax (IT) Act. After practicing of this Act, people came to know of the actual meaning and motto of IT Department. This act continued for five years after which, in the year 1865, the second act came into action. This Act made a major change in relevant to the first Act. With this Act, the department started functioning with a new concept of agriculture income.

However income tax came into existence in 1922 with the implementation of Income Tax Act -1922. It resulted a major change from the previous act by granting a charge in the assessment on the income of previous year. It also announced that tax rates would be declared by finance Acts.

After this, in the year 1956 a revision in this act by the Government with few not affecting the original format. For its analysis a committee was formed. This committee made changes and submitted the IT Bill in Lok Sabha at the time April 1961. The President approved this bill on 13th Sep, 1961. Since then, our government has been using this Act.

A. Objectives of The Study

- To understand the awareness level of individual tax payers about e-filing.
- To measure the level of satisfaction of the respondents towards e-filing.
- To study the factors that motivate for the use of e-filing.
- To know the problems of respondents towards e-filing

III. REVIEW OF LITERATURE

(Haryani, Motwani, & Matharu, 2015): This paper makes an attempt to develop an understanding of the factors that influence citizen's adoption of electronic tax filing services. The information was collected from structured questionnaires from 250 respondents from Indore town.

The investigator used descriptive analysis as well as skewness and kurtosis, kolmogorov and smirnov check to visualize the normality of the information. The study conclude that behavioral intention of e tax payers towards the online tax classification system is greatly influenced by perceived easy use and perceived quality. The findings suggests that a system that's simple to use, easy, give simple mode of payment includes a positive impact on attitude of the tax payers to voluntarily e-file their tax returns.

(Xin, Khai, Fong, & Chen, 2015): The study focuses on analyzing the factors poignant individual tax payers in Malaysian tax filing system. Sample size of fifty Malaysian tax payers are chosen supported past literatures, tax data and compliance cost. This study is carried out to see factors poignant individual tax payer's compliance in Malaysian tax filing system and also the factors known are tax knowledge and tax agents.

(Barati, Shokrinia, Najaf, & Safar, 2015): The main objective of the study is to judge the implantation of electronic tax obstacles. During this study descriptive survey type is employed to analyze the obstacles and issues of implementation of e-taxation. The investigator used a sample size of 383 respondents. The result showed that technical and infrastructure variables, social effects, expectation of effort and efficiency, the legal problems, access to data and also the perceived risk have a lot of importance and a lot of influence on the factors poignant the acceptance of e-taxation system.

(Barati, Moradi, Ahmad, & Azizpour, 2014): The target of the study includes to review the models of adoption of e tax returns, measuring, ranking and characteristic the e-tax returns and planning and optimized model for adoption of e-tax returns. Information was collected from primary (questionnaire) and secondary with sample size of 382 people. The outputs of the analysis were analyzed through the application of Amos software package. The results of the study incontestable that the amount of adopting the electronic income tax return depends upon the effective factors of attitudes, perceived activity management and subjective norms respectively.

(Islam, Yusuf, & Bhuiyan, 2015): This study tried to analyze the influence of demographic factors on e-filing user's satisfaction in Malaysia. The information was collected from randomly chosen respondents using survey technique. The sample size of 275 respondents was chosen and ANOVA tool was accustomed to analyze the information. The result showed that respondents with differentiate occupation considerably differ in various user's satisfaction towards tax e-filing in Malaysia.

IV. RESEARCH METHODOLOGY

Tools for the date collection: For the purpose of the study primary data was collected by distributing questionnaires containing 33 questions to the respondents

Sample size/Frame: For this study a sample of 100 respondents were taken out of which 59 government pre-university teachers and 41 non-government pre-university teachers of Bengaluru East.

Statistical Analysis: Chi-square test was used to test the association between occupation and satisfaction level of easiness of E-filing and ANOVA was used to test the relationship between age group and awareness level of individual tax payer

V. RESULT AND DISCUSSION

Table 1: Gender

| | Frequency | Percentage |
|--------|-----------|------------|
| Male | 35 | 35.0 |
| Female | 65 | 65.0 |
| Total | 100 | 100.0 |

Interpretation

Table no 1 reveals that 35% of respondents are male and 65% of respondents are female. It is inferred from the above that majority of individual tax payer's are female.

Table 2: Occupation

| | Frequency | Percent |
|----------------|-----------|---------|
| Government | 59 | 59 |
| Non-Government | 41 | 41 |
| Total | 100 | 100 |

Interpretation

Table No-3 Motivation

| | | Frequency | Percent |
|-------|---------------------|-----------|---------|
| Valid | Extension Of Filing | 46 | 46 |
| | Faster Tax refund | 43 | 43 |
| | Special Cash Rebate | 4 | 4 |
| | No Motivation | 7 | 7 |
| | Total | 100 | 100 |

Table no 2 reveals that 59% of respondents are government pre-university teachers and 41% of respondents are non-government pre university teachers of Bengaluru East. Hence from the above table it can be concluded that majority of pre-university teachers who do e-filing on their own are government teachers.

Interpretation

Table no-3 deals with the factors that motivate for the use of income tax returns. From the above table it can be concluded that extension of filing was one of the major factor that motivates the respondents to do e-filing. Followed by 43% of respondents do e-filing due to faster tax refund, 4% of respondents do e-filing for special cash rebate and only 7% of respondents have said they have no motivation to do e-filing, the reason may be they were forced to do e-filing

Table 4: Satisfaction Level of Respondents Towards E-Filing

| PARTICULARS | HS | S | N | NS | HNS |
|---|----|-----|----|----|-----|
| E-filing procedure | - | 85 | 15 | - | - |
| Safety of e-filing | - | 75 | 25 | - | - |
| Time limit given for e-filing | - | 96 | 4 | - | - |
| Easiness of e-filing | 3 | 76 | 21 | - | - |
| Facilities provided by e-filing | - | 70 | 30 | - | - |
| E-payment procedure | - | 83 | 17 | - | - |
| Accuracy of e-filing | - | 96 | 4 | - | - |
| Availability of e-filing | - | 100 | - | - | - |
| Acknowledgement generated by e-filing system. | - | 100 | - | - | - |
| Services through banks. | - | 69 | 31 | - | - |

HS-Highly satisfied, S-Satisfied, N-Neutral, NS- Not satisfied, HNS-Highly not satisfied

Table no- 4 represents the percentage of respondent’s satisfied towards e-filing of Income Tax Returns. From the above table we can conclude that out of 100 respondents 85% of respondents are

satisfied towards e-filing procedure, 75% of respondents are satisfied with safety of e-filing, 96% of respondents are satisfied with time limit given for e-filing, 3% of respondents are highly satisfied with easiness of e-filing, 76% of respondents are satisfied with easiness of e-filing, 70% of respondents are satisfied with facilities provided by e-filing, 83% of respondents are satisfied with e-payment procedure, 96% of respondents are satisfied with accuracy of e-filing, 100% of respondents are satisfied with availability of e-filing and acknowledgement generated by e-filing system and 69% of respondents are satisfied with services through banks

Table No-5 Problems

| | Frequency | Percent |
|-----------------------------|-----------|---------|
| Security of E-filing | 57 | 57 |
| No trust on e-filing system | 17 | 17 |
| No Experience and Knowledge | 15 | 15 |
| Unsuccessful Attempts | 11 | 11 |
| Total | 100 | 100 |

Interpretation

Table 5 deals with problems faced by the respondents during filing on-line. From the above table it can be concluded that security of e-filing was one of the major problem faced by the respondents while filing tax on-line. Followed by 17% of respondents have said that they do not trust e-filing system. 15% of respondents said they have no experience and knowledge to file tax online and 11% of respondents said unsuccessful attempts to be the problems of filing tax online.

CHI-SQUARE

Testing the association between occupation and satisfaction level of easiness of e-filing using chi-square.

H₀: There is no significant association between occupation and satisfaction level of easiness of e-filing
H₁: There is significant association between occupation and satisfaction level of easiness of e-filing

| Chi-Square Tests | | | |
|------------------------------|--------------------|----|-----------------------|
| | Value | df | Asymp. Sig. (2-sided) |
| Pearson Chi-Square | 6.383 ^a | 2 | 0.041 |
| Likelihood Ratio | 7.409 | 2 | 0.025 |
| Linear-by-Linear Association | 0.076 | 1 | 0.783 |
| N of Valid Cases | 100 | | |

The chi square test reveals that the calculated value is 0.041 which is lesser than 5% level of significance. So the null hypothesis is rejected. Hence it is concluded that there is significant association between occupation and satisfaction level of easiness of e-filing.

ANOVA

Testing relationship between age group and awareness level of individual tax payers using ANOVA

H₀: There is no significant relationship between age group and awareness level of individual tax payer's
H₁: There is significant relationship between age group and awareness level of individual tax payer's

Interpretation

From the below table no-7 we can conclude that the relationship between age group and awareness level of individual tax payers are significant in aware of filing tax, aware of e-filing procedure, aware of time limit of returns, aware of digital signature, aware of ITR forms, aware of using computer software, aware of registration number, aware of teams and conditions of e-payment. The significant level is less than 0.05 which mean it does effect. Therefore we accept H₁ and reject H₀. The remaining option that is aware of e-forms and aware of website address has no significant relationship between level of

income and awareness level of individual tax payer, these two cases we accept H₀ and reject H₁.

Table 7: Testing relationship between age group and awareness level of individual tax payers using ANOVA

| | | Sum of Squares | df | Mean Square | F | Sig. |
|-----------------------------------|----------------|----------------|----|-------------|--------|------|
| Filing Tax | Between Groups | 2.909 | 3 | .970 | 4.309 | .007 |
| | Within Groups | 21.601 | 96 | .225 | | |
| E-filing Procedure | Between Groups | 1.273 | 3 | .424 | 5.271 | .002 |
| | Within Groups | 7.727 | 96 | .080 | | |
| E-forms | Between Groups | .115 | 3 | .038 | .218 | .884 |
| | Within Groups | 16.795 | 96 | .175 | | |
| Time Limit Of Returns | Between Groups | 3.258 | 3 | 1.086 | 10.240 | .000 |
| | Within Groups | 10.182 | 96 | .106 | | |
| Website Address | Between Groups | 1.394 | 3 | .465 | 1.976 | .123 |
| | Within Groups | 22.566 | 96 | .235 | | |
| Digital Signature | Between Groups | 6.609 | 3 | 2.203 | 4.374 | .006 |
| | Within Groups | 48.351 | 96 | .504 | | |
| ITR Forms | Between Groups | .624 | 3 | .208 | 3.390 | .021 |
| | Within Groups | 5.886 | 96 | .061 | | |
| Using Computer Software | Between Groups | .810 | 3 | .270 | 4.194 | .008 |
| | Within Groups | 6.180 | 96 | .064 | | |
| Registration Number | Between Groups | .624 | 3 | .208 | 3.390 | .021 |
| | Within Groups | 5.886 | 96 | .061 | | |
| Teams And Conditions Of E-payment | Between Groups | 1.708 | 3 | .569 | 2.265 | .086 |
| | Within Groups | 24.132 | 96 | .251 | | |

FINDINGS OF THE STUDY

- In this study majority of the respondents were female.
- A majority of government pre-university teachers do e-filing on their own when compared to non-government pre-university teachers.
- Majority of the respondents are satisfied with e-filing procedure, safety, time line, easiness of e-filing, facilities provided by e-filing, e-payment procedure, accuracy, availability, acknowledgement generated by e-filing system and services through banks.
- The study revealed that among the factors extension of filing, faster tax refund, special cash rebate and no motivation, extension of filing was one of the important motivation factor for the respondents to do e-filing.
- The study revealed that security of e-filing was one of the major problems faced by the respondents while filing tax online.
- Chi-square test reveals that there is significant association between occupation and satisfaction level of easiness of e-filing.

- The study reveals there is no significant relationship between age group and level of awareness regarding the e-forms and aware of website address.

SUGGESTIONS

- Awareness to be created among non-government pre-university teachers about on-line filing of Income Tax.
- Tax consultancies, advertisement and website should also create more awareness towards e-filing
- Knowledge about convenience of e-filing should be given to those who do not have any motivation towards e-filing.
- Campaigns on e-filing should be taken up in certain places, so that all are aware of its flexibility.
- Awareness towards correct ITR forms should be given to the tax payers.

CONCLUSION

In the present world, new technologies are introduced in all fields. The new technology gifted to a tax payer for filing their Income Tax Returns is e-filing. This study is carried out to determine the tax payer's perception towards e-filing of income tax returns. One of the main challenges in e-filing is the risk of security. The survey found that e-filing has gained momentum among government pre-university teachers. As individual tax payers are the most important end users, sufficient understanding of tax payers acceptance and usage of e-filing system should be made to reduce the risk of user rejection, preventive and predictive measures ought to be

taken on a timely basis to ensure further acceptance among the non users of e-filing.

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