



A Study on Perception of Taxpayer towards E-filing of Income Tax Return

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Abstract

E-filing of income tax return help to files return by using the internet. As now the current scenario is on the rise of using of digital tools and mediums. Electronic Filing of Income Tax return helps the tax payers to file the Taxes with the help of using technology This paper deals with to know about Awareness and satisfaction level of taxpayers while filing the return. And address the problems faced by the taxpayers in way of E-filing.

Keywords: Awareness Level, E-filing, Government and Tax returns

1. Introduction

In India E-filing Income tax was introduced in September, 2004, initially on a voluntary usage basis for all categories of Income tax assesses. But from July, 2006 it was mandatory for all corporate firms to E-file their Income tax returns. Filing of Income tax return is a legal obligation of every person whose total Income for the previous year has exceeded the maximum amounts that is not chargeable for the Income tax under the provisions of the Income tax Act 1961. Income tax department has introduced a convenient way to file these returns online using the internet. The process of electronically filing Income tax returns through the internet is known as E-filing. It is mandatory for the companies and firms requiring statutory audit under section 44AB to submit the Income tax returns electronically. E-filing is possible with or without digital signature. Digital signature is mandatory for companies from assessment year 2010-11.

Taxable income is generally the total income less generating expenses and deductions. The rate of tax may increase/decrease as taxable income increases/decreases. Tax rates may differ depending on the characteristics of the taxpayer. However, income tax came into existence in 1922. Major change from the previous act by granting a charge in the assessment on the income of previous year. After that in 1956 act was passed with some new changes and the committee was formed to review the changes in the act and later it was passed in 1961 and now the government of India followed the same Income Tax Act,1961.

Objective of the study

- To understand the awareness level of respondents.
- To know the satisfaction level of respondents.
- To know the problem faced by the respondents in E-filing of ITR.

2. Literature Review

1) Thivya Sundar and Mathiraj Subramanian (2020): "Perception of Tax assesses on E- filing of tax returns".

This study was expressed the income tax assesses strains of website many ecological. That means when the assesses sites to gives the procedure for e-filing of returns if changes improved. And, don't depend to others for filing the own tax payment. Govt. focuses the assesses expectations and our problems befall of filing the returns website that helps to income tax assesses. And focus the website server properly. The income tax returns that peak time the technology makes advanced to filing of returns. The Indian government is very good work to introduced the E-filing. The assesses are so blessed and the income tax payment is advance technology.

2) Yi-shuns Wang, (2002), "The Adoption of Electronic Tax Filing Systems: An Empirical Study".

He explained that the benefits, trends, and highlights (ITRs) of E-filing among the residents of the country. E-filing Income tax return using internet is a gift to a tax payer. Using the Technology Acceptance Model (TAM) as a theoretical framework, this study introduces 'perceived credibility' as a new factor that reflects use of E-tax filing system.

3) **Priya Sharma and Ajay R, "Perception towards e-filing of Income tax and Investigating the Relationship between Privacy and Security perception."**

Government should more focused on assuring security and privacy to the e-filers and should take other creative and awareness steps to make sure people should know about e-learning. The ease of operation is also a major factor for decision to e-fill. IT websites or portals should be created in a user-friendly way and less complicated.

4) **Gayathri P and Kavitha Jayakumar, "Perception towards E-filing of Income tax Returns with Reference to Teachers in Bengaluru East, Karnataka".**

One of the main challenges in e-filing of income tax returns is the risk of security. As individual tax payers are the most important end users, sufficient understanding of tax payer's 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 timely basis to ensure further acceptance among the non-users of E- filing.

3. Research Methodology

- **Research Design**

The research design in this project is Descriptive. Descriptive research includes surveys and fact-finding inquiries of different kinds. For this study, descriptive research design is used where the data is collected through the questionnaire. Primary data will be collected through google forms from respondents by drawing a sample size of 150 responses. Data which is collected will be analysed and interpreted in systematic analytical presentation through graphs. Data for the study was collected from primary as well as secondary sources. This research paper uses descriptive research.

- **Sources of Data**

- Primary- questionnaire and google form
- Secondary- by referring journals and research paper

- **Data Collection Method**

The data was collected through primary sources with the help of a questionnaire

- **Sampling Method**

Non-Probability convenience Sampling method.

- **Sampling Frame**

Perception taxpayers Towards E-filing of Income tax return with reference to Vadodara city.

Hypothesis 1:

Ho: There is no significant difference between awareness of the E-filing & Gender.

H1: There is significant difference between awareness of the E-filing & Gender.

Hypothesis2:

Ho: There is no significant difference between Occupation and Satisfaction Level of the Respondents.

H1: There is significant difference between Occupation and Satisfaction Level of the Respondents.

4. Data Analysis and Interpretation

| | | |
|---------------------------------|--------------|-----------|
| Total number of sample n | | 131 |
| Demographic Variables | Character | Frequency |
| Gender | Male | 94 |
| | Female | 37 |
| Occupation | Salaried | 52 |
| | Business | 21 |
| | Professional | 30 |
| | Housemaker | 1 |

| | | |
|--------------|---------------------------|-----|
| | Student | 27 |
| Income Level | Less than 15000 per month | 22 |
| | 15000 to 29999 | 39 |
| | 30000 to 49999 | 44 |
| | Greater than 50000 | 26 |
| Family Type | Nuclear Family | 112 |
| | Joint Family | 19 |

Demographic Summary

As from the table we can say that male population is very high compare to Female.

And as we can see that salaried person is responding more compare to others occupation followed by Professional and Businessman.

In respondents the major income level fall between 30000 to 49999 followed by the 15000 to 29999 the least was in Less than 15000 per month.

Most of the respondent belong to nuclear family with 112 respondents while 19 come from the Joint Family Background.

Awareness About E-filing Of Income Tax Return

Table No.1

| | | Awareness of E-filing | | Total |
|---------------------------|--------|-----------------------|----|-------|
| | | Yes | No | |
| Gender of the Respondents | Male | 91 | 3 | 94 |
| | Female | 35 | 2 | 37 |
| Total | | 126 | 5 | 131 |

Source of Awareness

Table No.2

| Particular | No. of Respondents |
|----------------|--------------------|
| Newspaper | 27 |
| Internet | 50 |
| Tax Consultant | 29 |
| Friends | 23 |
| Don't Know | 1 |

Majority of Respondents being aware about E-filing from Internet followed by the Tax Consultant and Newspaper. Only 23 people come to know about E-filing from Friends.

Purpose for Using E-filing

Table No.3

| Particular | . of Respondents | Rank |
|----------------------------|------------------|------|
| Speed of Filing | 100 | 2 |
| Convenience | 107 | 1 |
| Faster Tax Refund | 81 | 3 |
| Extension of Filing return | 20 | 4 |

Majority of respondent go for E-filing because of the Convenience factor among the top followed by the speed of Filing and Faster Tax Refund.

Difficulty Faced by Respondent in E-filing

Table No.4

| Difficulty | Rank |
|----------------------------------------|------|
| Technical Issue | 1 |
| Data Security | 2 |
| Unable to sign electronically with PIN | 3 |
| Unclear instructions from the E-filing | 4 |
| Lack of Limitations of time | 5 |

Technical issue is the major difficulty faced by the respondents followed by the Data security of respondents and Unable to sign electronically with PIN

Satisfaction level of Respondents

| Particular | Frequency | Percent |
|-------------------|-----------|---------|
| Very dissatisfied | 1 | 0.8 |
| Dissatisfied | 2 | 1.5 |
| Neutral | 27 | 20.6 |
| Satisfied | 79 | 60.3 |
| Very Satisfied | 22 | 16.8 |
| Total | 131 | 100 |

Testing of Hypothesis Regarding Awareness and Gender

Ho: There is no significant difference between Gender and Awareness level of the Respondents.

H1: There is significant difference between Gender and Awareness level of the Respondents.

Gender of the Respondents * Awareness of E-filing Crosstabulation

Count

| | | Awareness of E-filing | | Total |
|---------------------------|--------|-----------------------|----|-------|
| | | Yes | No | |
| Gender of the Respondents | Male | 91 | 3 | 94 |
| | Female | 35 | 2 | 37 |
| Total | | 126 | 5 | 131 |

Chi-Square Tests

| | Value | df | Asim. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
|------------------------------|-------------------|----|----------------------|----------------------|----------------------|
| Pearson Chi-Square | .354 ^a | 1 | .552 | | |
| Continuity Correction | .008 | 1 | .929 | | |
| Likelihood Ratio | .332 | 1 | .564 | | |
| Fisher's Exact Test | | | | .621 | .436 |
| Linear-by-Linear Association | .352 | 1 | .553 | | |
| N of Valid Cases | 131 | | | | |

As from Table we can conclude that the calculated value is $P=0.436$ which is greater than 5% level of significance. So, the null hypothesis is Accepted. Hence There is significant association between and Gender and Awareness level of the respondents.

Testing of Hypothesis Between Occupation and Satisfaction level of Respondents.

Ho: There is no significant difference between Occupation and Satisfaction level of the Respondents.

H1: There is significant difference between Occupation and Satisfaction level of the Respondents

Occupation of respondents * Satisfaction of respondents Crosstabulation

Count

| | | Satisfaction of respondents | | | | | Total |
|---------------------------|--------------|-----------------------------|--------------|---------|-----------|----------------|-------|
| | | Very Dissatisfied | Dissatisfied | Neutral | Satisfied | Very Satisfied | |
| Occupation of respondents | Salaried | 1 | 0 | 11 | 31 | 9 | 52 |
| | Business | 0 | 1 | 4 | 14 | 2 | 21 |
| | Professional | 0 | 0 | 6 | 21 | 3 | 30 |
| | Housemaker | 0 | 0 | 1 | 0 | 0 | 1 |
| | Student | 0 | 1 | 5 | 13 | 8 | 27 |
| Total | | 1 | 2 | 27 | 79 | 22 | 131 |

| Chi-Square Tests | | | |
|------------------------------|---------------------|----|-----------------------|
| | Value | df | Asymp. Sig. (2-sided) |
| Pearson Chi-Square | 14.405 ^a | 16 | .569 |
| Likelihood Ratio | 14.313 | 16 | .575 |
| Linear-by-Linear Association | .491 | 1 | .483 |
| N of Valid Cases | 131 | | |

As from table we can conclude that the Calculated Value is $P=0.569$ which is greater than 5% level of significance. So, the null hypothesis is accepted. Hence it is calculated that there is significant association between occupation and satisfaction level of Respondents.

5. Findings:

By the whole study the following were the finding based on the responses collected from Respondents.

1. In this study most of the respondents were male.
2. Majority of Respondents are satisfied with E-filing procedure because it gives various benefits to the respondents like Avoiding any kind of Penalty, claiming refunds and approval of loan.
3. From the study we can say that the main purpose for using the E-filing of ITR is Convenience, Speed of filing and Faster Tax refund.
4. As per the study the major difficulty faced by the respondents were the technical issue and Data security.
5. Chi-Square test reveal that There is significant association between Occupation and Satisfaction level of respondents.
6. The study suggest that There is also Significant association between Age and Awareness level of E-filing of Income Tax Return.

6. Suggestion:

1. Knowledge about convenience of E-filing should be given to those who do not have any motivations towards E-filing.
2. More Awareness should bring among the respondents by organising various Seminar and Virtual meetings.
3. Income Tax Authority should give full assurance about the Security of Information.
4. Tax Consultants and Government Institution should also create more awareness among the people.

7. References

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