

## E-Filing of Income Tax Returns: Satisfaction level of Individual Tax Payers in Udaipur District, Rajasthan

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### **Abstract**

New technologies are emerging day by day with improved and fast speed in all the fields. Internet has changed the present scenario of working by reducing the work load from manual to sitting on chair. Even the Income Tax Department is not an exception to this new technology. E-filing of income tax is understood as successful filing of income tax return through the internet. The purpose of the current study is to analyse the satisfaction level of individual tax payers towards e-filing features. A structured likert based questionnaire was prepared and was filled by the individual tax payers of Udaipur district, Rajasthan. Microsoft Excel has been used to analyze and interpret the data and the z test was applied to study the satisfaction level of individual tax payers. The study shows that the individual tax payers are positively satisfied with the features of e-filing of Income Tax Returns.

**Keywords:** E-filing, Features of E-filing, Satisfaction level.

### **Introduction**

Indian Income Tax Department's Vision Document 2020 focused on "To partner in the nation building process through progressive tax policy, efficient and effective administration and improved voluntary compliance". New technological development, accelerated globalisation, exchange of information between revenue authorities and the new Direct Tax Code offer both challenges and opportunities. ITD is poised to seize the opportunities and meet the challenges to realise its Vision. In India, income tax e-filing was introduced in September, 2004, initially on a voluntary usage basis for all categories of income tax assessee. With each passing year, Income tax Department is making necessary modifications by way of circulars and notifications to make e-filing mandatory for the tax assessee.

E-Filing simply means filing your returns electronically on the website. ITR documents are prepared in a pre-defined format and then uploaded on the web portal. The department desired a system that would make the process of filing of Income Tax Returns easier for tax payers as well as reduce the time required for data entry at their end on receipt of the income tax returns. Enabling the filing of income tax returns over the internet was the most viable answer to the department's needs. While the facility would be beneficial to the tax payers, the department had to create an environment wherein the user would feel secure about filing his income tax returns online.

Moreover, the purpose of the current research article is to analyse the satisfaction level of the tax payers towards the features of e-filing such as e-filing procedure on the income tax website, safety of e-filing, accuracy of e-filing, easiness of e-filing, acknowledgement generated through e-filing etc.

### Review of Literature

Barati et al (2014), in their article "A study of the models for adoption of e-tax returns from the perspective of taxpayers" aims to delve into the models for adoption of electronic tax returns from the perspective of taxpayers; The results demonstrate that the technical-infrastructural variables, social implications, expected efforts, regulatory issues, expected efficiency, access to information and perceived risk hold the highest significance coefficients and the most impact on the effective factors of adopting the electronic tax returns respectively in taxpayers' eyes.

Rajeswari and Mary (2014), in their research article "E-Filing of Income Tax returns: Awareness and Satisfaction level of salaried employees" measured the satisfaction level of individual tax payers towards e-filing of income tax returns. To analyze the level of satisfaction of the respondents, some important components were identified and a comprehensive study was made by measuring the level of satisfaction. Chi-square test was used to test the hypothesis. The result showed that respondent's gender and educational qualifications influences their level of satisfaction towards e-filing of income tax returns.

Azmi et al (2012), in their article "Perceived Risk and the Adoption of Tax E-Filing" uses the technology acceptance model to understand how perceived risk and its facets influence the adoption behaviour of consumers. By analyzing data from 249 Malaysian taxpayers, the authors found that facets of perceived risk have a positive relationship with the adoption of tax e-filing whereas perceived ease of use of the system does not have a positive relationship with the adoption of tax e-filing. The model suggests that different risk facets may influence the adoption of tax e-filing and perceived usefulness of the system differently.

Brahmbhatt (2012), in her article "Tax Payers' Perception towards E-File Adoption: An Empirical Investigation" makes a comprehensive study dealing with the Taxpayers' Perception towards E-File Adoption in Gujarat. The study investigated whether the tax payers have problems/ (or facilities) in using the e-filing system. The data were analyzed using statistical software tool with the uses of rank analysis, Anova and Descriptive Statistic. The study concluded that taxpayers should be encouraged to use e-filing as there are many benefits of this system (both to government and to Taxpayers). There has been extensive advertisement in national newspapers; this can be extended

to local newspapers and using radio stations and local channels thru local languages. The awareness can be increased by organizing awareness programs in offices/workplaces.

Goe et al (2012), in their article "E-Service Quality and User Satisfaction Toward E-Filing" aims to examine users' satisfaction toward electronic tax return filing (e-filing) in Malaysia. The mean analysis shows that the respondents are satisfied with the e-filing system. They agree that most with the e-filing system provides useful information and is a reliable and responsive system. The results from Pearson correlation analysis show all the nine dimensions of e-service quality are significance positive correlated with user satisfaction toward e-filing.

Meenal and Garg(2012), in their research article "E-filing of tax" deals with the importance and awareness of e-filing among the citizens of the country. There are many benefits of e-filing. Various researchers have different opinion regarding the benefits of e-filing; however according to some researchers many challenges are there regarding adoption of e-filing by mass population. Main challenge is risk of security. The three main aspects of security include: confidentiality, integrity and availability.

Sharma and Yadav (2011), in their article "An empirical study on tax payer attitude towards e-filing in India" analyzed various factors that affect the acceptance of new information system in light of the some previous tested model like TAM. It validates the applicability of TAM in understanding the acceptance of e-return filing. The study posits that acceptance of e-return filing can be improved by focusing perceived ease of use, perceived usefulness, perceived credibility and computer awareness. The study reveals the importance of focusing on enhancing a positive attitude of how easy e-return filing is to use and the degree it is useful to the focused group. In this parlance, the tax authorities should keep the ease of use and perceived usefulness in their priority.

### .Objective of the study

#### The objective of the study is:

- To examine the relationship between the satisfaction level of individual tax payer and the e-filing of Income tax returns.

### Hypothesis

**H0:** There is no significant relationship between the satisfaction level of individual tax payer and the features of e-filing of Income tax returns.

**H1:** There is a significant relationship between the satisfaction level of individual tax payer and the features of e-filing of Income tax returns.

**Research Methodology**

The present study is exploratory in nature. The type of data is primary data collected through questionnaire. In the present study, a structured 5 point likert based questionnaire (ranging from highly dissatisfied to highly satisfied) was prepared to collect data from the individual tax payer of the Udaipur district of Rajasthan.

The questionnaire is divided into two parts- part A dealt with demographic information and part B dealt with the opinion of the individual tax payers on the features of the e-filing on Income Tax Returns. In order to ascertain the relationship between the two, z-test has been applied.

**Analysis and Findings**

(A) Demographic Profile:

Table 6.1 Demographic Profile

Particulars	Number	Total	Percentage
Gender			
Male	38		69.09
Female	17		30.91
		55	
Age			
18-25 yrs	19		34.55
26-35 yrs	16		29.10
36-50 yrs	17		30.90
Above 50 yrs	3		5.45
		55	
Educational Qualifications			
Up to 12	10		18.18
College(including any diploma)	26		47.27
Post graduate/Professional	19		34.55
		55	

The questionnaire was mailed to 70 persons. However, out of them 55 replied back, hence the response rate stands at 78.57%.

(A) Gender of the respondents

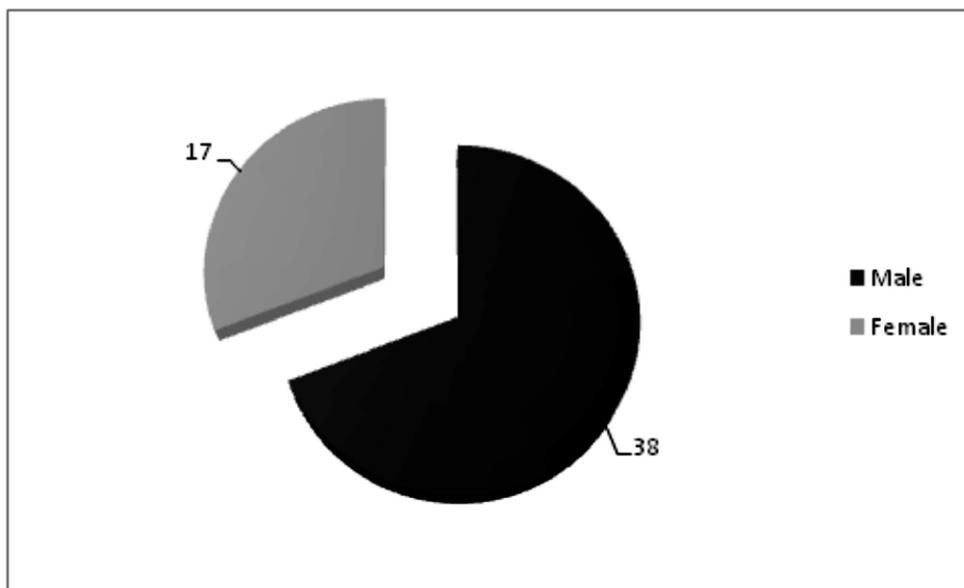


Figure 6.1(a) Gender of the respondent

**(B) Age group of the respondents**

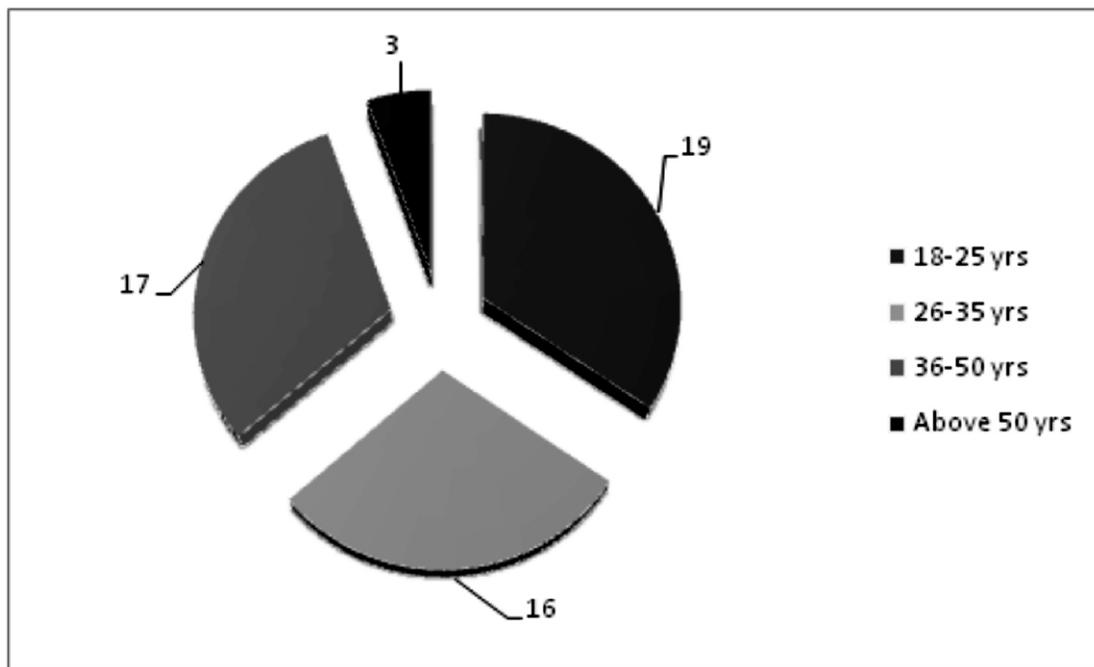


Figure 6.1(b) Age group of the respondents

**(C) Educational Qualification of the respondents**

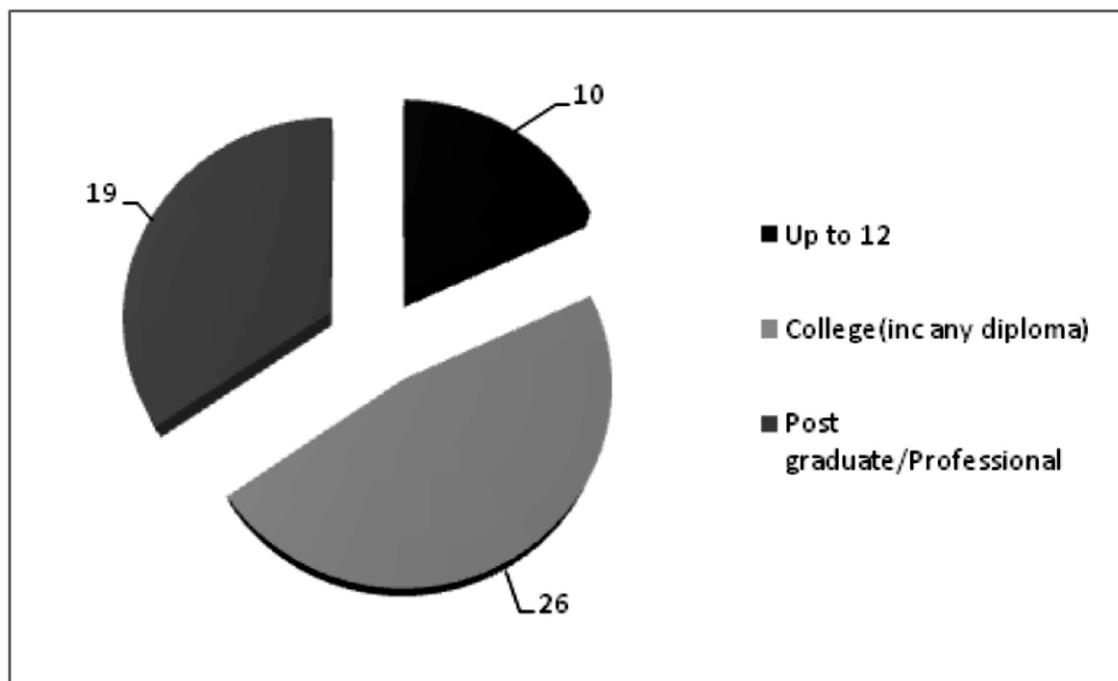


Figure 6.1(c) Educational Qualification of the respondents

## (B) Features of e-filing:

For testing the hypothesis, Z test was applied on the set of 9 questions as follows:

S No.	Particulars	N	Average	Standard deviation	Z	Overall customer satisfaction
1.	E-filing Procedure on the website of income tax department.	55	3.0545	1.2681	0.318965	Neutral
2.	Safety Of E-filing.	55	3.5090	1.12	3.370993	Satisfied
3.	Accuracy of E-filing.	55	3.6545	1.004	4.834859	Satisfied
4.	Time limit given for E-filing.	55	3.5636	1.118	3.738812	Satisfied
5.	Acknowledgement generated by E-filing System.	55	3.6363	1.094	4.313462	Satisfied
6.	Easiness of E-filing.	55	2.8363	1.182	-1.0271	Dissatisfied
7.	E-payment of Income Tax.	55	3.709	1.048	5.017256	Satisfied
8.	Ease of receiving Income Tax Refund.	55	3.291	1.328	1.625086	Satisfied
9.	Status tracking of I.T. Refund, Assessment order etc.	55	3.5454	1.135	3.563696	Satisfied
	Calculated Values		3.422	1.144	2.861781	

Table 6.2 Individual tax payer satisfaction level and features of e - filing. Level of Significance: 5%

**Analysis:**

The above table shows that the individual tax payers are satisfied with almost all the features of the e- filing; however their opinion is neutral with regard to e- filing procedure and they are dissatisfied with the easiness of e-filing of Income tax returns.

In the above table at 5% level of significance, calculated value of Z i.e. 2.861781

is greater than the z-critical value of 1.96, hence the null hypothesis is rejected and the alternate one is accepted.

This shows that the individual tax payers are positively satisfied with the features of e-filing of Income Tax Returns.

**Conclusion**

This research seeks to make an original contribution to knowledge by investigating the satisfaction level of tax payers towards e –filing features. The empirical results showed the positive relationship between the two. This shows that e- filing is gaining popularity with each passing day since it enables citizens to file anytime & from

anywhere, saves time of the tax payer, it reduces interface between the citizens and income tax department and moreover it ensures accuracy of data.

Moreover the easiness aspect of e-filing of income tax returns can be achieved by organising awareness camps in offices/ workplaces as to teach them the system expertise and the ease of using it.

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