

A STUDY ON LEVEL OF PERCEPTION TOWARDS E-FILING AMONG INDIVIDUAL TAX PAYERS IN PALAKKAD TALUK

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ABSTRACT

With the advent of internet, world stepping towards digitalization. E-filing is one of the prominent innovative online services. E-Governance has led a pave to develop e-filing of income tax returns over internet. Through this system, tax payers are very much convenient for filing their returns even at home and as a result it reduces the time required for entering data. E-filing can be considered as a revolution in Information Technology which gives a great dynamism in the field of income tax returns. Income tax department becomes more touch with the tax payers. The paper clearly attempting to study about the concept of e-filing, the level of awareness and extend of usage of e-filing among individual tax payers in Palakkad Taluk.

Keywords: - E-filing, ITR, Awareness.

INTRODUCTION

E-filing-“A new Revolutionary change in Taxation.”

Meaning of E-filing

E-filing is the process of submitting tax documents to the income tax department through internet without the need to submit paper documents. Electronic Filing System(EFS) was implemented by Singapore Judiciary to provide a platform for law firms to file documents to the courts electronically over the internet.

Income tax is an annual tax on income. The Indian Income Tax Act(Section 4) provides that in respect of the total income of the previous year of every person, income tax shall be charged for the corresponding assessment year at the rates laid down by the finance Act for that assessment year.

Section 14 of the Income Tax Act further provides that for the purpose of charge of income tax and computation of total income all income shall be classified under the following heads of income: salaries, income from house property, profits and gains of business or profession, capital gains, income from other sources. The total income from all the above heads of income is calculated in accordance with the provisions of the Act as they stand on the first day of April of any assessment year. The Income Tax Department is responsible for all activities related to the taxation process.

In India Income tax department is governed by Central Board of Direct Taxes (CBDT) and is a part of Ministry of Finance, Government of India. As a result of implementation of E-Governance income tax department introduced e-filing with the objective of enabling tax payers more comfort in their filing process.

In India e-filing was first introduced in September 2004, initially on a voluntary basis, but from July 2006 onwards it was made mandatory for all corporate to e-file their income tax returns. There are 2 options for filing income tax online:

- 1) Self prepared return by Assessee.
- 2) Online submission of returns using a tax professional's computer and tax preparation software.

REVIEW OF LITERATURE

Wang[1] in his study discussed about adoption of electronic tax filing systems. This paper discusses the factors affecting the adoption of electronic tax filing systems. Using the technology acceptance Model(TAM) as a theoretical framework, the study introduced “perceived credibility” as a new factor that reflects the user's intrinsic belief in the electronic tax filing systems. The findings of the study provided important implications for developing effective electronic government services in general and effective electronic tax filing systems in particular.

Mamta[2] explained that the felt it easy to use e-filing system. To investigate whether the tax payers had encountered any problems /(or facilities) in using the e-filing system. To analyse the situation , 300respondents and their result were recorded. It can be concluded that majority of the tax payers have own enough facility to use e-filing system at home or at the workplace and ease of use is the most important reason to file returns online.

Arora[3] analysed about the process of electronic filing used in India and the progress of e-taxation system in India by comparing its yearly progress on the basis of income tax returns. The data source was secondary in nature and Descriptive statistics had been used for the study. The study proved that e-taxation had shown some dynamic results will change in the Indian Tax systems.

Kennedy and Henry A[4] in their study states that, the Income Tax Act may appears as though it is difficult to comprehend but once a methodical approach is employed in reading and using it, understanding the income tax law becomes easier. The reader should find out who is liable to pay the tax, based upon which the tax will be levied, the tax rates to be applied to the tax base and how or when the tax is to be paid. These are the four requirements of a tax law which can be found in the divisions of each part of the act. When these are identified, understanding of the other structural elements will not be difficult.

Mukesh Kumar and Dr Mohd Anees(2014)[5] in the study “E-Filing: Creating New Revolution in Taxation of India” has highlighted the benefits and challenges of E-filing. They stated that Income Tax Department has to promote e-filing campaigning and enhance job opportunities as TRPs in the society so that people become more aware about this new opportunity. Like other researcher opinion they also state that main challenge is risk of security. Their study shows that the e-filing is the new effective method of filing income tax return through online and make e-payment tax.

OBJECTIVES OF THE STUDY

The study focusing the following objectives

- To determine the awareness level of e-filing among individual tax payers.
- To study the extend of usage of e-filing among tax payers.
- To get feedback among tax payers on their satisfaction level.
- To get relevant suggestions from tax payers if any.

RESEARCH METHODOLOGY

The study is attempting to know the level of awareness and extend of usage among 100 respondents which includes individual and merchants. The study is completed with the help of a structured Questionnaire and conducted an interview with them.

Research instrument for the study

In order to measure the responses from various respondents the Percentage is used as a tool in this study.

DATA ANALYSIS AND INTERPRETATION

Table 1: Criteria for Classification of Respondents

Variable	No. of Respondents	Percentage
Gender		
Male	100	100
Status		
Individual	78	78
Trading firm	22	22
Level of Education		
SSLC	85	85
12 th	10	10
Graduate	5	5
Age		
20-45	89	89
45-60	11	11
Annual income		

2.5 – 5 Lakh	26	26
5 – 10 lakh	58	58
More than 10 Lakh	16	16

The above table shows that most of middle income people (5 – 10 lakh) are filing income tax through e-filing.

AWARENESS/USEFULNESS OF E-FILING

	Frequency	% of frequency
Reasons for using e-filing		
To pay income tax	76	76
To get alert from income tax department	10	10
To claim for refund	11	11
Become mandatory to use	3	3
Sources of awareness		
Newspapers	5	5
Tax consultant	80	80
Internet	15	15

The above Table shows the level of awareness and usefulness of e-filing among the respondents. By analyzing the Table it is evident that among the respondents most of them depends tax consultants to e-filing of their returns because of lack of literacy in computer.

TESTING ANY RELATION BETWEEN AWARENESS LEVEL AND AGE OF RESPONDENTS

Ho: There is no significant relation between awareness level of e-filing and age of respondents

Table 3 showing relation between age and awareness level of e-filing

Age	High Awareness	Medium Awareness	Low Awareness	Total
20-45	38	44	7	89
45-60	7	2	2	11
Total	45	46	9	100

O	E	O-E	(O-E) ²	(O-E) ² /E
38	40.05	-2.05	4.20	0.105
7	4.95	2.05	4.20	0
44	40.94	3.06	9.36	0.23
2	5.06	-3.06	9.36	1.85
7	8.01	-1.01	1.02	0.13
2	0.99	1.01	1.02	1.03

Chi-square value : 4.193(at 5% level of significance)

As calculated value (4.193) less than Table value for 2 degree of freedom at 5% level of significance the framed hypothesis is accepted. Therefore, it could be concluded that there is no significance relation between age of respondents and awareness level of e-filing among them.

TESTING ANY RELATION BETWEEN AWARENESS LEVEL AND EDUCATION OF RESPONDENTS

Ho : There is no significant relation between Educational qualification and awareness level of e-filing

Table 4 showing relation between education and awareness level of e-filing

Educational Qualification	Highly aware	Medium aware	Low aware	Total
SSLC	12	47	26	85
Plus Two	3	5	2	10
Above Plus Two	3	2	0	5
Total	18	54	28	100

O	E	O-E	(O-E) ²	(O-E) ² /E
12	15.3	-3.3	10.89	0.71
3	1.8	1.2	1.44	0.8

3	0.9	2.1	4.41	4.9
47	45.9	1.1	1.21	0.027
5	5.4	-0.4	0.16	0.029
2	2.7	-0.7	0.49	0.18
26	23.8	2.2	4.84	0.20
2	2.8	-0.8	0.64	0.23
0	1.4	-1.4	1.96	1.4

Chi-square value : 8.476(at 5% level of significance)

From the test, calculated value is less than the table value for 4 degree of freedom, accept hypothesis. Hence, it is concluded that there is no significant relation between educational qualification and awareness level of e-filing.

FINDINGS

- The study reveals that all the respondents have a positive attitude towards e-filing.
- The study helps to determine that individuals and firms facing lack of computer and internet literacy depends tax consultants for documenting their returns.
- However, most of tax payers are very well aware about e-filing and its use irrespective of their age and educational qualification.
- Tax payers irrespective of their income adopted e-filing for documentation.
- A general opinion of respondents that through e-filing they avail a lot of benefits than in traditional mode of filing returns.
- The study showed that people are more convenient and good with e-filing.
- People trying to get more information about e-filing from various sources such as newspapers, internet, friends, tax consultants etc.
- The study clearly gave that India is stepped towards revolutionary change in information Technology which gives great advancement in e-filing.

SUGGESTIONS

As per the findings of the study, here are some of the suggestions would like to put forth.

- According to the survey that the income tax payers demands the website more user friendly that means when the tax payers operates websites they have to go through various steps as they feel it is a tedious job.
- Government also focus about the income tax payers expectations that what problems occurs for filing the returns online that will help to the income tax payers for filing the income tax returns.
- For the betterment of the website the government must focus on the website server that the website properly works in the peak months.
- Government makes sure to use more and more advance technology for make easy website for the income tax payers for filing the income tax returns.
- It is important on the part of government to ensure data security of each tax payers as today electronic data security facing problems in the form of hacking, viruses etc.

LIMITATIONS

- The study only covers limited number of respondents.
- The study only analyzed the awareness and usage of e-filing income tax returns in Palakkad Taluk only.

CONCLUSION

The study gave a clear fact that in India the number of tax payers filing their returns through e-filing shows a growing tendency. That means here the study which reflects that irrespective of computer literacy and age, tax payers who belongs to all income categories using e-filing for tax purposes. They disclosed that they are very much comfort with this online service. As tax payers listening the guidelines and usage of e-filing from various sources they much get educated.

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