

THE ACCEPTANCE OF THE E-FILING SYSTEM BY INDIAN TAXPAYERS: A CONCEPTUAL STUDY.

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ABSTRACT

In the present world day by day new technologies are introduced and improved very fast in all fields. Now new technology gifted to tax payers for filing their income tax return through online is E-filing. The E-filing is the new effective method of filing income tax return through online and make E-payment tax. It saves our golden time, energy, cost and also reduces our tension. So the tax payers are required to use E-filing facilities. This present study examine that the existing users are satisfied with the E-filing facilities but most of the individual tax payers are not aware of the E-filing procedures so sufficient steps are required for create more awareness in the minds of tax payers regarding E-filing of income tax.

Keywords: E-filing, tax payers, income tax, technology

INTRODUCTION:

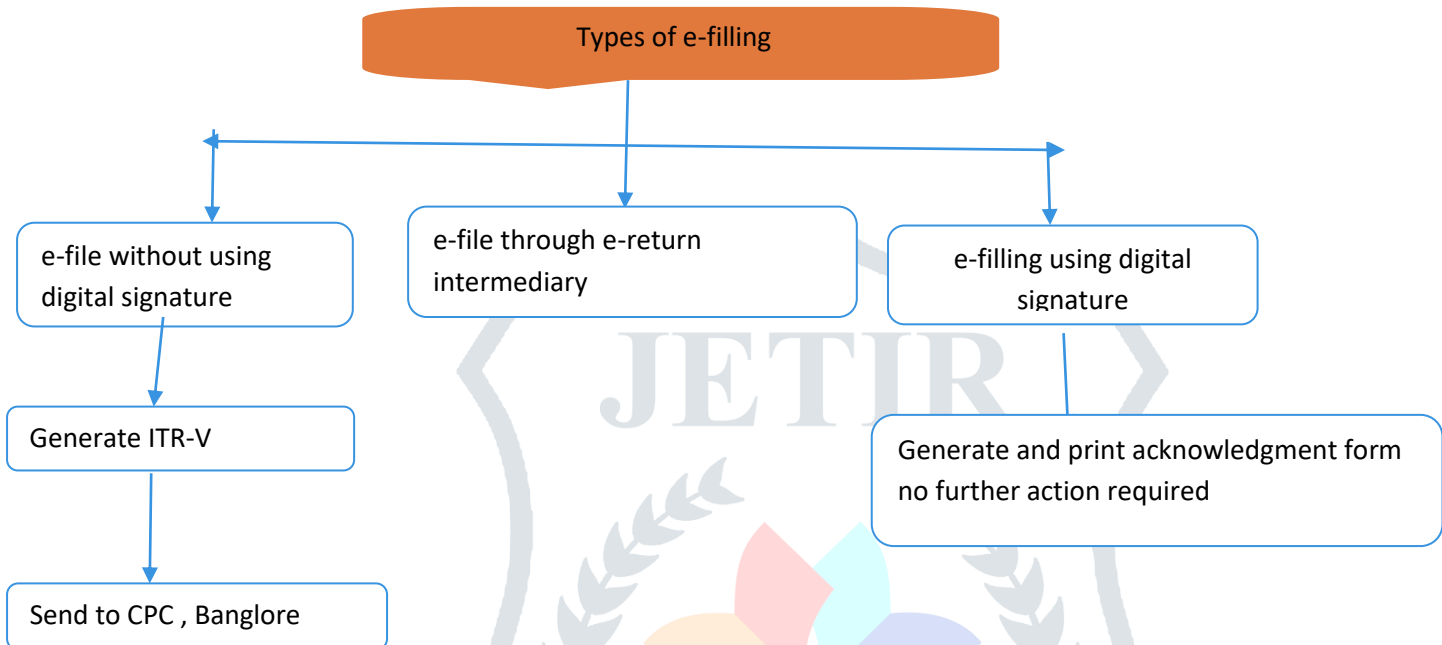
Income tax is an annual tax on income. The Indian Income Tax Act (Section 4) provides that in respect of the total income of the previous year of every person, income tax shall be charged for the corresponding assessment year at the rates laid down by the finance Act for that assessment year. Section 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. The Income Tax Department is governed by the Central Board for Direct Taxes (CBDT) and is part of the Department of Revenue under the Ministry of Finance, Government of India. The department desired a system that would make the process of filing of income tax returns (ITRs) easier for taxpayers as well as reduce the time required for data entry at their end on receipt of the ITRs. Electronically filing of ITRs was the most viable answer to the department's needs. While the facility would be beneficial to the taxpayers, the department had to create an environment wherein the user would feel secure about filing his ITRs online. e - Filing helped furnishing ITRs through authorized intermediaries who were called "e-Return Intermediaries". Response time for processing the ITRs as well as claiming refund dropped significantly. Duplication of efforts was eliminated since data entered by intermediaries was already available in the system for any time use and reference. The online process did not require the taxpayers to be physically present for filing their ITRs. This paper deals with the importance and awareness of e-filing among the citizens of the country.

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.

RESEARCH METHODOLOGY:



The following paragraphs elucidate the methodology followed in this study:

Type of research: This study is an empirical in nature, conducted to know the proposed study intends to study the problems and prospects of E-filing of income tax returns.

Scope of the Study: The proposed study intends to study the problems and prospects of E-filing of income tax returns. For this purpose, it is proposed to study the various factors relating to E-filing and also its contribution to Economy. Therefore the study is restricted to Karnal district.

Research tool: This study is conducted through random sampling method.

Sample size: Sample size is 50 respondents. Respondents are scattered over Karnal district, so interview is conducted only for the selected respondents of the study area.

Sources of Data: For the purpose of data collected in two ways:

Primary data: Primary data is collected through structured questionnaire and personal interview with respondents.

Secondary data: Secondary data is collected through Journals, Books, E-Sources, and Reports etc.

Procedure for E-filing or How to File Your Income Tax Return Online

The income-tax department has started an independent portal for e-filing tax returns — www.incometaxindiaefiling.gov.in. As per the procedure, Returns can be e-filed either with or without a digital signature.

Those who e-file returns without a digital signature need to take a copy of form ITR-V, sign it and send it within a specified period (120 days) to a specified address (Income Tax Department – CPC, Post Bag No. 1, Electronic City Post Office, Bengaluru–560100, Karnataka) by ordinary or speed post. In case the return has been filed with digital signatures you need to send the ITR-V by post.

ANALYSIS AND INTERPRETATION:

The data collected through field study is presented in tables and interpreted as below:

Table 5.1: Demographical factor- age of respondents

Sr. no	gender	No. of respondents	Percentage (%)
1	male	27	54.00
2	female	23	46.00
	total	50	100

Table No 5.1 Represents gender of the respondents. It is clear that, out of 50 respondents, 54% of respondents are male and remaining 46% are female. Here interpreted that majority of respondents are male as they are the earners and head of the family.

Table 5.2: Demographical factor –Age of the Respondents

Sr. no	age	No of respondents	Percentage(%)
1	20-30	19	38%
2	31-40	08	16
3	41-50	11	22
4	Above 51	12	24

Source : field survey

Table No 5.2: represents Age of the respondents. Out of 50 respondents 38% of respondents comes under the age group of 20-30 years, 16% are under 31-40 years, 22% are under 41-50 years and above 51 years are 24%.It is interpreted that majority of respondents who pay tax comes under the age group of 20-30 years 38% out of 100%. Because of youths are aware about E-filing Income tax.

Table 5.3: Classification of Respondents on the basis of Way to File the Return

Sr. no	Particulars	No of respondents	Percentage (%)
1	E-filing using a digital signature	32	64 (%)
2	E-filing without a digital signature	18	36(%)
	total	50	100

Source : field survey

Table No 5.3: shows that out of 50 respondents 64% of respondents are file the Return by using a digital signature and remaining 36% file the return by using without a digital signature .It is interpreted that majority of respondent are using digital signature while paying the income tax, because it is easy to file a tax.

Table 5.4: Classification of Respondents on the basis of Reasons for facing the problem in E-filing

Sr. no	Particulars	No. of Respondents	Percentage (%)
1	Lack of security	10	26%
2	Difficult in procedure	10	27%
3	High cost	07	18%
4	Lack of technical knowledge	11	29%
	Total	38	100%

Source :Field survey

Table No 5.4: represents reasons for facing the problem in E-Filing.Out of 50 respondents, 38 respondents are facing the problem while making the E-filing. In that 26% of respondents are facing the problem of lack of security, 27% of respondents opined that difficult in procedure, 18% of respondents opined that high cost and remaining 29% respondents are facing the problem of lack of technical knowledge while making E-filing. It is interpreted that majority of respondents are facing the problem of lack of technical knowledge.

Table 5.5: Classification of Respondents on the basis learning to use tax E-filing and Payment system be Easy

Sr. no	Particulars	No. of respondents	Percentage(%)
1	Strongly Agree	09	18%
2	Agree	19	38%
3	Neutral	11	22%
4	Disagree	05	10%
5	Strongly Disagree	06	12%
	total	50	100%

Source:Field survey

Table No 5.5:From the above observation it reveals, out of 50 respondents,18% of respondents strongly agree that the payment system has efficiency in E-filing,38% Of respondents agree,22% of respondents are Neutral,10% are disagree and remaining 12% of respondents are strongly disagree the statement.It is interpreted that majority of respondents are agree that -filing payment system is efficient because it reduces time and cost.

Table 5.6: Classification of Respondents on the basis of Opinion about the Speed and Payment System in Tax E-filing Process

Sr. no	Particulars	No. of Respondents	Percentage (%)
1	Very Good	09	18%
2	Good	20	40%
3	average	10	20%
4	Poor	07	14%
5	Very Poor	04	08%
	total	50	100%

Source:Field survey

Table No 5.6: showing that out of 50 respondents,18% of respondents are said that functions of E-filing system is very good ,40% of respondents are good,20% of respondents are average,14 % respondent are poor and remaining 8% respondents are very poor about the speed and payment system. It is interpreted that majority of respondents are satisfied about the speed and payments in tax E-filing process.

FINDINGS OF THE STUDY

The following findings are drawn based on the study:

- The study shows that the individual tax payers are male, more tax payers are in the age group of 20-30 years and tax payers are businessman.
- Most of the respondents paid penalty and here the study finds, tax payers paid penalty because of their default more than the default made by the tax consultants.
- It is found that through newspaper has acquired as main source of awareness about E-filing system. The services provided in E-filing are better as per the respondents.
- Majority of respondents saysthat E-filing is the easiest mode for payment of tax return.
- It is found that E-filing system is a welcoming note and opined online system is acceptable.
- At the time of E-filing tax even if a single PAN number change means filing cannot be done.
- The study shows that protection given by the tax authority in E-filing return is average level of satisfaction.
- It is found that in-case of individual tax payers they have satisfied about E-filing procedure, safety, accuracy and easiness.
- The study finds firms and all companies using E-filing of income tax return was made mandatory.
- Electronic filing software and submission to be more confusing than paper filing tax filer is not technically efficient.
- Software glitches and internet issue cause unexpected problems for people who file electronically, if they wait until the last minute.

POLICY RECOMMENDATIONS

- As much as possible the tax payers have to make self-return of E-filing of income tax return by taking proper training and also there by avoid the charges paid to the tax consultants and also escape from paying penalties for late return.
 - The tax department should provide full security for the information and details provided by the tax payers by adopting updated technology regarding security and privacy.
 - The tax department should simplify the procedure of tax E-filing. Therefore it is possible for many taxpayers to pay their tax through E-filing.
 - The software should be programmed with full privacy and security there by protects the information and bank account details provided by the taxpayers from virus or malware on the computer.

- According to this survey that the income taxpayers demands the website more eco-friendly that means when the taxpayers operates the website then the websites gives the steps for filing the returns if these changes develop then the income taxpayers don't depend on others for electronic filing.
- 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 work in the peak months and make sure to use more and more advance technology for make easy website for the income taxpayers for filing the income tax returns.

CONCLUSION

E-Return filing is getting popularity in the country. Many researchers have highlighted the importance of perceived risk associated with E-Return. But there are many benefits of filling return electronically. It enables citizens to file anytime from anywhere, reduce requirement of physical space, accuracy of data ensured, and Enable faster processing of returns. However there are many challenges regarding adoption of e-filing by mass population. The main challenge is risk of security. Security includes confidentiality of data received through E-Return and Integrity of data maintained in proper manner so that no one can alter data received through E-Return. Income tax department done a lot to aware peoples but still there is need to promote e-filing campaigning and enhance some job opportunities as TRPs in the society so that people become more aware about this new opportunity. So importance should be given to security of private data of customers, so that more and more people electronically file their returns also some awareness drives should be arranged by tax department and also social media can be used motivate peoples to file their return electronically.

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