Predicting Taxpayers Attitudes towards of Indian Tax Payers towards the E-Return Filling: An Empirical Study of Delhi, NCR, India

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Authors' contributions

This work was carried out in collaboration among all authors. Author RM designed the study, wrote the protocol and wrote the first draft of the manuscript. Author BJP managed performed the statistical analysis and the analyses of the study. Author Vishal managed the literature searches. All authors read and approved the final manuscript.

Original Research Article

ABSTRACT

The aim of the present study is to examine the attitude, awareness, perception of the individual tax-payers in Delhi, National Capital Region (NCR) towards the e-filling tax portal started by Government of India (GOI). The study is based on the quantitative variables in which different dimension of Technology acceptance model [1], are taken for assessing the individuals behaviour towards e-filing. The data is collected from 200 individual tax payers through purposively sampling method from Delhi NCR region. The findings of the study indicate that the e-tax filling has reduced the cost, time, convenience, improve the efficiency, and better from traditional method of tax filling procedures. The study reveals that age, education level and gender of the individuals are affecting the attitude, perception and awareness towards the e-tax filling tax system. This study makes a novel attempt to identify or to examine the tax payers' satisfaction, problems they face in filing ITR online, awareness levels, and their perception towards E-filing system. The work has a relevant practical justification, to evaluate the user's satisfaction with Online Import Declaration system,

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used to make it more transparent and secure, both for taxpayers and for the government. In this way, the study contributes to increasing the efficiency of the collection system, making the financing of the public projects more viable, without the need to increase the tax burden.

Keywords: E-filling; Delhi NCR; income tax; consumer behaviour; accounting system.

JEL classification: E16, H83, M4, Q56.

1. INTRODUCTION

In the globalized world, where digital transformation is taking place at various levels, governments around the world are increasingly using information and communication technologies to improve to deliver the public administration services to the citizen of the country [2]. One of the prominent technologies gifted to tax payers by the government is filing their income tax return through online. The E-filing is the new effective and efficient method of filing income tax return through online and make an Electronic tax payment. It saves the time, energy, and cost of the individuals payers.

The revolution of in the income tax department of India started in the year 2004, when the concept of voluntary e-filling of the income tax returns was introduced for different categories of income tax assesse. In July, 2006, e-filing of the income tax was made mandatory for the corporate firms. With the advancement of the technology in the assessment year 2007 to 2008, e-filing of income tax return was made mandatory for all companies and Indian Tax Department launched the TRPS and Saral forms for individual tax payers. Finally, in the year 2013 Individuals having more than INR 10 lakh income are made compulsory to for filling income tax online [3]. Income tax department has been making huge investment in developing the e-filing system, in-order to make it secure, safe and sensitizing the tax payers about the benefits of e-filing.

E-filing is the process of filling your tax documents through internet with the help of software's or by registering yourself to the income tax website [4]. In regards to the considerable number of endeavours on part of the Tax Department, the citizen's recognition about this new data innovation situated framework is a reason for stress. Since the open don't legitimately speak with assessment work force, see or contact the tax documents as the administration is given on the web, the e-return recording framework may give minimal mental fulfilment. Other problems may lies in reluctance of learning new technology system, time involvement, stability and reliability of system during e-return filing process, confidentiality, privacy and security issues may also create challenges in acceptance of electronic return filing [5].

In the light of the above facts, when Government is leaving no stone un-turned to promote the e-filing of the tax returns, it becomes imperative to study that the individual's taxpayers are satisfied with the E-filing facilities. But most of the individual tax payers are not aware about the E-filing procedures, so government should take sufficient steps to create more awareness in the minds of tax payers regarding E-filing of income tax [4].

In this paper the few most important dimensions of the Theory of Acceptance Model (TAM) to study the behaviour of the individual tax payers of India [1]. This study contributes to the existing literature by studying three novel dimensions of the e-filing tax system: firstly, the attitude, awareness and perception of the individual tax payers are studied in the India. Secondly, till date no study has been conducted in the Delhi NCR. Region, so the sample is for this study is chosen form the capital region of India. Thirdly, suggestions have been given improve the acceptability of the e-filing system among the individuals. The government should organise regular camp in the rural areas of Delhi NCR to promote the e-filing system, the e-filing form is found to be complex by the tax-payers, specially the business categories so, and government should work upon the simplification of the process.

The paper has been organized in the following parts. The first part provides a review of the existing literature on the subject. The second part focuses on the research methodology, hypothesis and conceptual framework of the proposed model. Finally, the results, managerial implication and suggestion for future research are presented.

2. REVIEW OF LITERATURE

The e-governance has evolved the concept of e-filing of Income Tax Returns through the internet. In every field new technologies are emerging day by day with improved and fast speed [6]. Internet has changed the present scenario of working by reducing the work load from manual to sitting on chair [7]. In further, issue to be considered is that the online tax declaration system reduces the occurrence of deviations and frauds in the system, giving taxpayers more security that the taxes paid are being used/applied for the correct purpose. This note can contribute to increase the system's acceptability among citizens. Thus, the Income Tax department has expedited the tax payer 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.

The literature review discusses the studies related to awareness level of the individuals regarding the e-filing procedures in the different parts of the word and derives hypothesis on these basis.

2.1 Awareness of E-filing Procedures

This paper point out that integration of technology acceptance may provide wide and comprehensive understanding of e-filling adoption behavior. The individual intension depends upon the individual adoption behavior [8]. [9] Elaborated that behavior intentions are immediate antecedents to behavior that would lead to a specific results and therefore seen as predictors of behavior. Several authors [10], [11], and [12] have measured the behaviour intention as a surrogate measure of future behaviour. [12] Mainly focus on the assessing awareness and satisfaction level of tax payers while adopt the e-filling tax procedure. The study focused that most of the tax individual were not aware about the e-tax filling procedures. [13] rectified that most of individual tax payers were not accepting new technology due to lack of knowledge about the technology.

2.2 Perception of E-Filling Procedures

The perception word derived from the Latin words "percepio" means "receiving, collecting, possession, apprehension with mind/sense [14]. Thus the perception can better to describe once own experience through processing of individual

learning input [15]. However the present study deals with the individual perception while e-tax filling, in other words the e-filling taxation system usefulness of system, security, facilitating support to individuals. The technology adoption predicts the acceptance of new technology among the individual [16]. An individual may understand that e-filling is favourable for them but the intent to failure of e-content use may be decrease by risk perception [17]. The perceived risk of e-filling might a negative influence among individual on adoption intention [11,18]. The perceived security and credibility of the website/internet make assessment for both receiver and sender. If the end user feels the website is secured he feel more reliable on technology adoption [19]. The perceived ease of use, perceived usefulness, and reliability, creditability and computer awareness are significantly influences the tax payers to adopt e-filling system. Remember that the adoption of the system is influenced not only by the behavior of adopting new technology, but also by access to technology. In this case, by the availability of computers and internet access, thus, the work should address a computer and internet infrastructure in the region [10].

2.3 Attitude E-Filling Procedures

The several models have been developed to decode the customer behavior intension to adopt the new technology. Among them Technology Acceptance Model (TAM), is most used due to ease of use and perceived usefulness to predict the acceptance of information technology [1], Theory of Reasoned Action-TRA [9] and Theory of Planned Behaviour (TPB) [20] although not used frequently but work as an alternative approach. TAM is one most acceptable conceptual model which have been widely adopted and tested by users and large number of researchers. It is constructed on two basic proposition of perceived usefulness and perceived ease of use [17]. The number of researchers has indicated that customer psychological satisfaction towards personal visit of the service provider, staff and other bodies; however some studies confirmed that social pressure may play significance role to adopt new technology [4].

The tax payers have multi opinion i.e favourable or unfavourable towards e-tax return filling because of perception of society, and sometimes it's became mandatory [21]. The cost benefit is another significance measure that influences to

adopt the new information technology, in layman, an individual may consider about the prices expenses while searching, purchasing and uses for services (opportunity cost) [22]. The computer literacy is another important tool to adoption of the new technology [13]. [23], accepted that the new technology is much better than the traditional technology of paying income tax. [5] in his study calculated that majority of tax payers use e-filling for the sake of convenience, user friendly and faster to get refund. The e-governance, e-tax filling system aimed to analyse the antecedents and consequences of online satisfaction with context to e-governance [10].

3. RESEARCH DESIGN

In the present study the three major dimensions Technology Acceptance Model by [1] are taken. The TAM model is widely used by the researchers for assessing the relationship between the perceptions and usage of technology among the individuals. This TAM model is provide the uses of ease and perceived benefit of technology in the Indian context where there is a relationship in demographic variables such as the age, gender and education with the Attitude, Awareness and Perception of the tax payers. [23], study identified that the existing users were satisfied with the E-filing facilities but most of the individual tax payers were not aware of the E-filing and E-payment procedures so effective steps should take to create more awareness among the tax payers regarding E-filing of Income tax.

On the basis of this conceptual framework, the following hypothesis has been proposed:

H_1: There is no significant relationship between Age with Attitude, Awareness and Perception.
H_2: There is no significant relationship between Gender with Attitude, Awareness and Perception.
H_3: There is no significant relationship between Education with Attitude, Awareness and Perception.

3.1 Data

The study is quantitative in nature. A survey of questionnaire was distributed among the tax payers of Delhi NCR and depth information regarding the usefulness, awareness, perception and attitudes for e-filling was taken. A sample size of 450 tax payer's respondents was purposively selected the variable according to convenient in the study period of May 2019 to November 2019. But out of 450 questionnaires 211 were only filled and return back to researcher, again out of 211 only 200 respondents were completed the whole questionnaire with valid information. 11 questionnaires were rejected due to non-complication and omission of data with valid input. Questionnaire were designed through use of goggle form to gather the information from the individuals, the questions were includes from socio economic information, problems occurs while adopt e-filling system, perception, awareness and attitude towards filling the ITR.

Second phase of questionnaire is prepared through '*Likert Scale*'. Likert scale is a scale used to represent people's attitude towards a topic. As per this survey, Likert Scale is a five point scale which is used to allow the individual to express how much they agree or disagree with a particular statement, means each question will judge on the basis of 5 options Agree, Strongly agree, Neutral, Disagree, and Strongly Disagree. This phase contain the questions regarding Tax payer's attitude towards E-Return filing. Questions are prepared while taking some issues into consideration like the tax payers' satisfaction, problems they face in filing ITR online, awareness, and perception and attitude towards E-filing system.

The data collected through questionnaire were analyzed through the SPSS 25 software for window. The factor analysis and reliability were used to verify the goodness of fit and check the reliability and consistency of data. On way ANOVA is used to find out the demographic relationship with attitude, awareness and perception of individual tax payers in Delhi NCR.

4. EMPIRICAL RESULTS AND DISCUSSION

4.1 Demographic Profile of Respondents

Table 1 shows the descriptive statistics on the demographic characteristics of respondents. The study includes 200 respondents form the various age groups, and gender from Delhi NCR zone. The demographic information of the respondents of Delhi revelled that the percentage of male respondents (77%) is much higher than female respondents (23%).

The percentage of male respondent to female respondent differs significantly. Approximate 23.5%, of respondents are from the age group of 18-26, between 26-35 years 41%, the age group between 36-45 years 33.5% and the individuals above 45 ages are only 2%. It is inferred from the above that majority of the individual tax payers are between the age of 26-35 years (41%). Moreover it is found from the study in educational qualification 81.5% of respondents are graduate, post graduate (7%), professional (4.5%), matric (3%) and Pre-university (4%). Almost 77% of the respondents reported they received income from salary, while only 11% respondents have income from business and Profession.

The Table 1 also demonstrate that 18.5% respondents having annual income less than Rs. 2.5 lakhs, whereas 41.5% income between Rs.2.5 lakh to Rs. 5 lakhs, 36.5% income between Rs. 5 lakh to 10 lakh and only 3.5% of respondents having annual income more than 10 lakhs. It is referred that the majority of

respondents tax payers are earning annually between Rs. 2.5 lakh to 5 lakh. A question asked to know about the knowledge the documents required for the filling of ITR, majority of respondents having knowledge that Adhar Card, Pan Card and Form 16 are required to file the ITR.

4.2 The Exploratory Factor Analysis: Validity and Reliability of Data

To analyse the more effectively and accurately reduce the data and identified the suitable attributes for them. The Principle component analysis is the suitable method to reduce the data according to their correlation among the observed variables. In this section research reduced the data with factor analysis and checks the internal consistency and reliability of latent. To check the reliability of the data Coarebach Alpha measure has been used to check the reliability and internal consistency of set of data, the Coarebach alpha is computing the correlation

Table 1. The descriptive statistics on the demographic characteristics of respondents

Demographic Characteristics		Frequency	Percentage
Gender	Male	154	77
	Female	46	23
Age	18-25 years	47	23.5
	26-35 years	82	41
	36-45 years	67	33.5
	Above 45 years	4	2
Education	Matric	6	3
	Pre-university	8	4
	Graduation	163	81.5
	Post-Graduation	14	7
	Professional	9	4.5
Source of Income	Income from Salary	154	77
	Income from House Property	4	2
	Income from Capital Gains	11	5.5
	Income from Business and Profession	22	11
	Income from Other Sources	9	4.5
Annual Income	Less than Rs 2.5 lakh	37	18.5
	Rs 2.5 lakh to Rs 5 lakh	83	41.5
	Rs 5 lakh to Rs 10 lakh	73	36.5
	Above Rs 10 lakh	7	3.5
Document Required For File ITR	Aadhaar Card	6	3
	Aadhaar Card, Form 16	3	1.5
	Aadhaar Card, Pan Card	11	5.5
	Aadhaar Card, Pan Card, Form 16	137	68.5
	Form 16	14	7
	Pan Card	5	2.5
	Pan Card, Form 16	23	11.5
	Passport	1	0.5
	Total	200	100

Source: Authors Compilation on the basis of field survey

Table 2. The exploratory factor analysis, reliability and validity of the questionnaire

Construct	Factor Loading	Measure	Corbach Alpha
Awareness	.721	Do you think ITR E-Filing saves time and cost of tax payer	.666
	.673	Do you think Online Tax Filing is Easier than Traditional Filing	
	.650	Do you Aware of Acknowledgement generated by e-filing systems?	
	.633	Do you Aware about Revised Return that should be filed Online if some mistake is done in original return?	
	.518	Do you trust on the technology used in online tax filing?	
	.494	Do you think Online tax filing improves your performance of utilizing tax filing system?	
	.500	Do you think Tax authorities should provide help in case you got stuck somewhere while filing e-return?	
Perception	.770	Do you think Online tax filing system is more interactive?	.686
	.676	Do you think Using online tax filing enhances your effectiveness in tax filing?	
Attitude	.853	Do you think Online ITR Filing is easy if anybody demonstrate it?	.707
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.718	
Bartlett's Test of Sphericity	Approx. Chi-Square	366.598	
	d.f	45	
	Sig.	.000	

Source: Authors Compilation on the basis of field survey

Table 3. ANOVA analysis result

Independent Variables	Dependent Variables	F value	Significance	Result
Age	Awareness	4.404	.005	Supported
	Perception	.491	.689	Supported
	Attitude	.561	.641	Supported
Gender	Awareness	.040	.842	Supported
	Perception	.304	.582	Supported
	Attitude	1.525	.218	Supported
Education	Awareness	.567	.687	Supported
	Perception	1.164	.328	Supported
	Attitude	.582	.676	Supported

Source: Authors Compilation on the basis of field survey

score of each scale items with total score of the observed variables. It is indicated that, if the data score is more than .60 it's recommended for the further research work otherwise not suitable for the study [24]. In further, the Factor analysis has been used to factorized the data and correlation among the variables, In factor analysis, KMO-Bartlett test result indicates the performing the factor analysis structure is acceptable or not for the factorized the varibles in further. The KMO statistics value more than 0.5 indicate sampling is adequate and significance level must be .000 indicate that factors are suitable for factor analysis [25].

Table 3 shows the results of multiple regression analysis. Since the main objective of the hypothesis is to test the differences among the independent variables (Age, Gender and Education) with Dependent variables

(Awareness, Perception and Attitudes) of respondents. To identify the differences with these variables Analysis of Variances (ANOVA) was employed to analyse a mean difference among the three variables. A post-hoc multiple comparisons were subsequently done to perform a pair-wise comparison of the mean difference among these variables. In particular, the result from the ANOVA analysis rejected the null hypothesis and accepted the alternative hypothesis for the variables. The all the variables significance value are ($p \geq 0.05$).

A further analysis of Age & Awareness, Perception, and attitude through Duncan test (ANOVA) resulted that age group of below 35 are significantly differ from age group more than 40. It indicate that younger participates and more technology awareness and perceived to uses of new technology. This finding is early supported by [18] & [26]. The education level among the tax payers are also affected the three variables (Awareness, Perception and Attitudes). The ANOVA test for the gender over the three variables there has been significance difference among the males and females towards awareness, perception and attitudes towards e-filling. The study indicates that the educational level of the respondents are more affected that the level perception, awareness and attatitute towards technology adoption is higher. It can be concluded that young age with higher education has directly influenced the behavior of the e-filling adoption in Delhi NCR.

5. CONCLUSION

The present study predicted the tax payer's attitudes towards the e-filling in Delhi NCR region. The present study confined that male are the dominated over the female and younger age group (26-35) are much adopted the e-tax filling through self. The study resulted that age, education and gender are much effected the individual perception towards the e-tax filling.

To highlights the benefits of the e-filling system to encourage actions to encourage its dissemination though self an awareness scheme should spreads at block level and policies must also target women with low educated and higher age group. In addition to this factor, the availability of computer and internet literacy must be considered among older age group to ensure effort expectancy and technology expertise. The expense specialists ought to need to create advertising methodologies to resolve and resolve the e-filing related issues.

CONSENT

COMPETING INTERESTS

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