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E-Filing of Income Tax returns: Awareness and Satisfaction level of salaried employees

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A B S T R A C T

The Income Tax Department has established a system for centralised processing of returns and one prominent type of e - government is the introduction of the e-filing system for income tax. The department desired a system that would make the process of filing of Income Tax Returns (ITR's) easier for tax payer as well as reduce the time required for data entry at their end on receipt of ITR's. The biggest impediment to the proper functioning of the IT department is the severe shortage of officers and staff. It is widely accepted that a significant portion of potential tax revenue is not collected because of poor tax administration and high tax evasion in India. The e-filing is the new effective method of filing income tax return through online and make e-payment tax. Despite many benefits associated with e-filing, tax authorities face some major challenges towards the implementation of the e-filing system. One such challenge is the public perception of the e-filing system. After using an e-service over the Internet, the public may find that whether the e-service system is easy and useful or otherwise

Introduction

The Governments around the world are increasing the use of information and communication technologies to improve the delivery of public services and the dissemination of public administration information to the public. Thus, the success of e-government depends on the importance that citizen's place on factors such as convenience and usefulness of such services. Various measures have been taken by the Indian government over the past few years.

Simplification of tax administration has been high on the government's agenda. E-filing is one of the most important and advanced e-government services. It provides convenience to taxpayers for tax assessments and payment. Internet allows consumers to conduct transactions within a few mouse clicks. This convenience can serve as a key driver of e-filing adoption. E-filing provides many aspects of 'convenience' to taxpayers. Hence it is time

to file, place to conduct the filing, ease-of use, information searching and online transactions at a degree that is not available through traditional channels..E-filing also offers flexibility of time and reduces calculation error on the tax return form to the taxpayers. Furthermore, e-filing offers many benefits to service providers, which are the tax authorities. To the service provider, e-filing minimizes their workload and operational cost due to the submission of tax returns in a paperless environment. It also reduces the cost of processing, storing and handling of tax returns. The present article has discussed on awareness level of a sample of 120 salaried employees towards e.filing of income tax returns in Sivakasi

E- Filing initiative of Indian government

The e-filing project is an eminent e-governance and e-delivery measure taken by the Income Tax Department for better services to the taxpayers and was notified in 2006-2007. During the Financial Year 2012-13, the e-filing website has been revamped and made live on 9th November, 2012 with many new utilities like extension of electronic filing of all other forms as prescribed in the I-T Rules 1962, enabling access to history of returns filed, and other Services in the e-filing website. The project is aimed at enabling E-filing of Income tax returns, Audit Reports and other forms of the Income Tax over Internet directly by taxpayers and through e-return intermediaries (ERIs) on Virtual Private Networks, enabling e-filing of Income Tax Returns and other web enabled services using XML to enable public private participation in the filing of returns. A portal <https://incometaxindiaefiling.gov.in> is functional with a host of services to taxpayers. The new system also offers personalized services including pre-filling of returns with assessee details and 26AS

data; online and offline filing of returns etc. The system includes submission of online rectifications, verification of status updates for receipt of ITR-V, processing status and refunds for e-filed returns processed at CPC, Bangaluru. Select information is also available through a mobile interface.

The new e-filing project has following features, apart from the earlier ones

- ◆ Facility to download Pre-filled XML File -(after Login feature).
- ◆ PAN Details at one place (Name, D.O.B, Status, Gender, Address) -(after Login feature).
- ◆ Request for Intimation - Earlier there was no option to download if mail not received. (Submit request for resend print of Intimation to ITR/PAN Address/New Address or via Email) – (After Login Feature).
- ◆ For New Users, Resend Activation Link Feature - Helpful if link not received or mail deleted earlier.
- ◆ User Password can be changed now with Digital Signature Verification also.
- ◆ Feedback Option for User.
- ◆ User can register as a Legal Heir to do e-Filing on behalf of the deceased. This is a new feature provided for Individual user.
- ◆ Quick e-File for ITR-1 (No need to download any utility, No requirement of any software. Just fill and submit like an Online Application Form).
- ◆ Mobile Services can be availed using the url <https://incometaxindiaefiling.gov.in/mobile/>.
- ◆ Forms to be authorized by CA with Digital Signature and XML to be uploaded in e-filing portal. (3CA, 3CB, 3CD, 3CEB, FORM 29B).
- ◆ Tax Professional is a new user on this portal. They can e-File Income Tax audit

report Forms (other than Income Tax Returns).

- ◆ In the new e-filing project there is dedicated call centre and help desk to deal with any query or grievance related to e-Filing.

In the near future following e-filing activities are planned to be added

- * Validation of third party Utilities,
- * Access to internal users such as Assessing Officers over departmental intranet,
- * E enabling all forms of the Income Tax department.

Objectives of The Study

- ❖ To measure the level of satisfaction of the respondents towards E-filing.
- ❖ To measure the problems of the respondents towards E-filing.
- ❖ To provide suggestions to make the E-filing pattern of salaried employees in a more attractive way.

Hypothesis

There is no significant difference between demographic profile and satisfaction towards e – filing of income tax returns.

Results and Discussion

Demographic profile of assesses

Demographic information presented in the table above reveals that 73.30 percent of the respondents are male, 43.30 percent of the respondents are between the age group of 30 and 40, 32.5 percent of the respondents are professional degree holders and 42.5 percent of the respondents' income level is between ₹ 3 Lakhs to 5 Lakhs,

Filing of Income tax returns

It is found that, a majority of 51.7 percent of the respondents are filing income tax as a regular provision, 32.5 percent of the respondents are filing income tax one month before due date, 60 percent of the respondents are filing income tax with digital signature and 65.8 percent of the respondents are filing income tax returns before due date of filing returns.

Awareness towards E-Filing

It is clear that out of 120 respondents, 75 respondents collect information about e-filing through tax consultants (62.50 %), 34 respondents know about e-filing through Website (28.33 %), seven respondents collect information about e-filing through friends (5.83 %), Two respondents know about e-filing through newspaper (1.67 %), Two respondents know about e-filing through Advertisement (1.67 %).

Level of satisfaction of respondents towards E-Filing

Satisfaction being an abstract concept cannot be measured directly in terms of quantitative terms. Satisfaction can be measured indirectly by devising an attitude scale. An attitude scale for measuring the level of satisfaction of e-filing of income tax returns. To analyze the level of satisfaction of the respondents, some important components are identified and a comprehensive study has been made by measuring the level of satisfaction.

It is reveals that out of 120 respondents contacted, 70 (58.3 %) respondents have high level satisfaction towards e-filing of income tax returns and 50 (41.7 %) respondents have Low level satisfaction towards e-filing of income tax returns.

Table.1 Demographic characteristics of the respondents

Characteristics	Group category of Respondents	No. of respondents	Percentage
Gender	Male	88	73.30
	Female	32	26.70
Age	Below 30	13	10.8
	30-40	52	43.3
	40- 50	35	29.2
	Above 50	20	16.7
Educational qualification	Secondary School	11	9.2
	Diploma	7	5.8
	Professional Degree	39	32.5
	Bachelor Degree	14	11.7
	Masters Degree	37	30.8
	Ph.D Degree	12	10.0
Level of Income	2 Lakhs to 3 Lakhs	28	23.3
	3 Lakhs to 5 Lakhs	51	42.5
	5 Lakhs to 10 Lakhs	29	24.2
	Above 10 Lakhs	12	10.0

Table.2 Filing of Income Tax returns

Particular	Group category of Respondents	No. of respondents	Percentage
Reason for filing returns	Regular Provision	62	51.7
	Refund Claim	38	31.7
	Carry forward of loss	6	5.0
	Notice from income tax department	14	11.7
Preparation for filing	1 Month before due date	39	32.5
	1 Week before due date	35	29.2
	2-3 days before due date	35	29.2
	After due date	11	9.2
Digital signature	Yes	72	60.0
	No	48	40.0
Filing of return after due date	Yes	41	34.2
	No	79	65.8

Source: Primary Data

Table.3 Awareness towards E-Filing

Source	No. of respondents	Percentage(%)
Newspapers	2	1.67
Friends	7	5.83
Tax consultants	75	62.50
Advertisement	2	1.67
Website	34	28.33
Total	120	100

Source: Primary Data

Table.4 Level of satisfaction

Category	No. of respondents	Percentage
High	70	58.3
Low	50	41.7
	120	100.0

Source: Computed data

H ₀	ANALYSIS	RESULT
Hypothesis 1	Gender is not influencing the respondents' level of satisfaction towards e-filing of income tax returns.	Rejected
Hypothesis 2	Age is not influencing the respondents' level of satisfaction towards e-filing of income tax returns.	Accepted
Hypothesis 3	Educational qualification is not influencing the respondents' level of satisfaction towards e-filing of income tax returns.	Rejected
Hypothesis 4	Annual income is not influencing the respondents' level of satisfaction towards e-filing of income tax returns.	Accepted

Table.5 Problems Faced - Weighted Arithmetic Mean

S.NO	STATEMENT	SA	A	N	D	SD	TOTAL	WAM	Rank
1	Lack of experience and knowledge to e-file	19	58	13	24	6	420	28	IV
2	Do not trust e-filing	8	26	34	36	16	334	22.27	VII
3	Unsuccessful attempt to e-file	1	48	34	23	14	359	23.93	VI
4	I do not have a step by step explanation to use e-Filing, therefore I feel nervous to use e-Filing.	0	21	53	36	10	325	21.67	VIII
5	Network problem during peak hours	47	39	22	7	5	476	31.73	I
6	Difficult to remember Reg. No/ Password	5	19	35	54	7	321	21.4	IX
7	Delay in execution	21	38	53	6	2	430	28.67	III
8	Digital sign renewal cost is high	22	35	47	9	7	416	27.73	V
9	Computer illiterate & so to depend on others	30	55	13	12	10	443	29.53	II

Source: Computed Data

Table.6 Suggestions

S.NO	STATEMENT	SA	%	A	%	N	%	D	%
1	Genuine usage of computer software	41	34.2	60	50.0	15	12.5	4	3.3
2	Usage of e-forms to be published effectively	17	14.2	97	80.8	6	5.0	0	0
3	Free training to individual	71	59.2	38	31.7	7	5.8	4	3.3
4	Tax payers to be motivated	77	64.2	38	31.7	5	4.2	0	0
5	Website of income tax dept to be made user friendly	73	60.8	39	32.5	8	6.7	0	0

Source: Primary data

Chi-square analysis

Chi-square analysis is used to test the hypothesis-there is no significant difference in demographic profile variables of the employees and their satisfaction level towards e-filing of income tax returns. In this

study, 15 statements have been formulated to measure the satisfaction level. Likert's five point scale is constructed by awarding scores to these 15 statements. With the help of the scale, the extent of satisfaction has been measured.

Problems in E-Filing

An analysis on attitude towards e-filing will be incomplete without going into the technical and managerial constraints and problems related to e-filing and options of e-filing pattern. To examine the problems faced in making e-filing, the respondents are asked to express their views on certain problems faced by them in their e-filing. Ranks are provided and weighted average has been calculated.

From the above table 3.29, it is known that the foremost problem faced by many respondents is Network problem during peak hours and the second one is Computer illiterate and so to depend on others. Other important problems faced by the respondents are Delay in execution, Lack of experience and knowledge to e-file, Digital sign renewal cost is high, Unsuccessful attempt to e-file, not trusting e-filing, not having clear idea of using e-Filing, The last one is the difficult to remember the Reg. No/ Password.

Suggestions to Improve E-Filing

E-filing brings a security among the income tax assesses. Suggestions to increase e-filing among the people may vary according to their economic position. To examine the suggestions to increase e-filing, the respondents are asked to express their views on certain suggestions included by them in their e-filing.

From the above table 3.30, it is inferred that 50.0 percent of the respondents have agreed for the suggestion to Genuine usage of computer software. 80.8 percent of the respondents have agreed for the suggestion that usage of e-forms to be published effectively. 59.2 percent of the respondents have strongly agreed for the suggestion to

free training to individual e-filing of income tax returns. 64.2 percent of the respondents have strongly agreed for the suggestion that individual taxpayers are to be motivated to e-return filing of income tax return. 60.8 percent of the respondent have strongly agreed for the suggestion that website of the income tax department to be made user friendly.

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