



E-Filing of income tax returns: Awareness, satisfaction and difficulties of salaried assesses

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Abstract

E-filing is a system for submitting tax documents to the income tax department through the internet or direct connection, usually without the need to submit any paper documents. Various tax return preparation software with e-filing capabilities are available as standalone commercial use. E-file is the term for electronic filing, or sending your ITR from tax software via the Internet to the tax authority. Various tax return preparation software with e-filing capabilities is available as standalone programs or through websites or tax professionals or from major software vendors for commercial use. "E - File is the term for electronic filing, or sending your ITR from tax software via the Internet to the tax authority". Thus, in this light the paper proposes to know the awareness of e-filing among salaried assesses, satisfaction level on e-filing and the problem faced by the assesses.

Keywords: e-filing, tax returns, assessee

Introduction

E-filing of Income tax return online refers to the process of filing Income Tax electronically. Now no longer have to stand in long queues and no waiting for deposits. Customized return forms have been devised by the Income Tax Authority which is available on the site of the department. These forms have been devised with such details that tax payers need not file any supporting document along with. 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. E-filing helped furnishing income tax returns through authorized intermediaries who were called e-return intermediaries. Response time for processing the income tax returns as well as claiming refund dropped significantly. Duplication of efforts were eliminated by these intermediaries and most of all in the online procedure the tax payers do not have to be physically present for filing their returns.

It is mandatory for companies and firms requiring statutory audit u/s. 44AB to submit the income tax returns electronically for AY 2007-08 onwards. E-filing is possible with or without digital signature. Digital signature is mandatory for Companies from AY 2010-11 onwards.

Statement of problem

E-filing was introduced in the year 2007-2008 but it was made mandatory in the year 2012 so many of the tax payers are not aware of the system and the payers who are partly aware find difficult in understanding certain terms and conditions in the beginning. Our study focuses whether the

tax payers still face problems while filing income tax through e-filing.

Objectives

- To know the awareness on E-filing system among salaried assesses. To know the satisfaction level on E-filing among them. To know the problems faced by the assesses in E-filing system.

Need for the study

The study is conducted to find out the awareness, satisfaction and the problems faced by the salaried assesses. This is conducted to know whether the government has to take much more steps to create more awareness about E-filing procedures among the salaried assesses, to improve the satisfaction level of the assesses and also to reduce the problems that are faced by the assesses in the E-filing system.

Research methodology

Primary data

The questioners were distributed among the salaried assesses for collecting data relating the awareness, satisfaction and the problems of assesses in E-filing system. 138 questionnaires were distributed, in that 125 were collected from the assesses.

Secondary data

The secondary sources for the data are journals, internet, and newspapers.

Area of study

The study of satisfaction, awareness and problem in E-filing system of salaried assesses in Coimbatore city.

Statistical tool used for the study

1. Percentage analysis
2. Descriptive analysis

Period of study

The study was made for a period of four month from June 2019-August 2019.

Sample size

The study was made by distributing the questionnaire to 125 respondents in the Coimbatore city.

Analysis and Interpretation**Percentage Analysis****Limitations**

1. The survey was conducted only in Coimbatore city. Hence the results arrived at from this study may not be applicable to other areas.
2. This study mainly focuses on salaried assesses awareness, satisfaction level and problems of tax payers through e-filing of income tax returns.

Table 1: Age of respondents

		No of respondents	Percentage (%)
Age	20-25 years	16	12.8
	25-35 years	36	28.8
	35-45 years	32	25.6
	45-55 years	29	23.2
	55 & above years	12	9.6
Educational qualification	School level	1	0.8
	Graduate	42	33.6
	Post graduate	50	40.0
	Professional degree/Diploma	32	25.6
Occupational Status	Administrative	40	12.0
	Lecturer	16	12.8
	Teacher	6	4.8
	IT	14	31.2
	Nurse	2	1.6
	Profession	18	14.4
	Bank employee	13	10.4
	Staff/clerk	16	12.8
Employment status	Central government	7	5.6
	State government	31	24.8
	Private sector	87	69.6
No of years of service	Less than 10 years	65	52.0
	10-20 years	28	22.4
	20 years and above	32	25.6
Residential status	Urban	106	84.8
	Rural	19	15.2
Marital status	Married	95	76.0
	Unmarried	30	24.0
No of children	No children	37	29.6
	One	35	28.0
	Two	48	38.4
	More than two	5	4.0
Type of family	Nuclear	82	65.6
	Joint	43	34.4
No Of Family Members	2-3	43	34.4
	4-5	65	52.0
	Above 5	17	13.6
No of earning members	One	29	23.2
	Two	83	66.4
	Three and more	13	10.4
Annual income in Rs	Below Rs. 10 lakhs	96	76.8
	Rs.10- 20 lakhs	26	20.8
	Above Rs. 20 lakhs	3	2.4
No. of years of filing IT returns	5-10 years	79	63.2
	10 to 20 years	23	18.4
	More than 20 years	23	18.4
Awareness of e-filing	Yes	102	81.6
	No	23	18.4
Payment of returns through E-Filing	Yes	95	91.3
	No	9	8.7
No. of years of filing IT through e-filing	Less than 2 years	38	40.0
	2-4 years	37	38.9
	More than 4 years	20	21.1

Source: computed

- 28.8 per cent of respondents are from the age group of 25-35year.
- 40per cent of respondents are from the post graduates.
- 32per cent of respondents are from the administration category.
- 69.65per cent of respondents are working in the private sector.
- 52per cent of respondents are having less than 10 years of service.
- 84.8per cent of respondents are from the urban area.
- 76 per cent of respondents are from married assesses.
- 38.4per cent of respondents are having two children.
- 65.6per cent of respondents are belonging to nuclear family.
- 52per cent of respondents have 4-5 members in a family.
- 66.4per cent of respondents have 2 earning members in their family.
- 76.8per cent of respondents are earning below Rs.10,00,000.
- 63.2 per cent of respondents are filing their Income Tax returns from 5-10years.
- 81.6 per cent of respondents are having awareness about E-Filing system.
- 91.3 per cent of respondents those who are aware about e-filing are filing their IT returns through E-filing.
- 40 per cent of respondents those who are filing their IT returns through E-filing are filing their returns less than 2years.

Descriptive analysis

Awareness level of the respondents

Table 2: Descriptive analysis on awareness level of respondents

	N	Mean
Awareness of Filing Tax	95	1.51
Awareness of e-filing procedure	95	1.66
Awareness of e-form	95	1.77
Awareness of time limit of return	95	1.81
Awareness of cost of e-filing	95	1.96
Awareness of website address	95	1.77
Awareness of digital signature	95	2.16
Awareness of itr-v form	95	2.08
Awareness of payment	95	1.89
Awareness of filing the challan for payment	95	1.93
Awareness of using the computer software for e-filing	95	1.89
Awareness of list of banks for payment	95	2.00
Awareness of tds returns	95	1.93
Awareness of irs	95	2.39
Awareness of terms and conditions of e-payment	95	2.01
Average Mean		1.92

Source: computed

Interpretation

The above table explains the mean rating obtained for the awareness level of salaried assesses regarding e-filing system. The average mean is calculated as 1.92, so the calculated mean rating which is above the average mean (1.92) is considered that the assesses have highest awareness and the mean value that are lower than the average mean is considered that the assesses are Least Aware about the terms of e filing. Hence it is Inferred that the assesses are highly aware about the following terms such as IRS(2.39), ‘Digital

signature’(2.16), ‘ITR-V form’(2.08), ‘terms and conditions of E-payment’(2.01), ‘list of banks for payment’(2.00), ‘cost of E-filing’(1.96), ‘filling the challan for payment’(1.93), ‘TDS returns’(1.93). Whereas the assesses are least aware of the terms like ‘Filing tax’ (1.51), ‘E-filing procedure’(1.66), ‘E-forms’(1.77), ‘time Limit Of Returns’(1.81), ‘Web Site Address’(1.77), ‘Computer Software For E-filing’(1.89), ‘payments’(1.89) since their mean value are less than the average value.

Satisfaction level of the respondents

Table 3: Descriptive analysis on satisfaction level of respondents on e-filing

Descriptive Statistics	N	Mean
Anywhere anytime filing	95	1.48
No long queues	95	1.76
No personal interface	95	1.82
Quick processing	95	1.67
Accurate data in returns	95	1.73
Safe and secured mode	95	1.73
E-filing procedure	95	1.78
Time limit given for e-filing	95	1.93
Easiness of e-filing	95	1.76
Satisfaction level of irs	95	2.09
Payment procedure	95	1.93

Satisfaction level with dgft online payment	95	2.15
Services of e-payment banks	95	1.85
Satisfaction with payment procedures	95	1.84
Average mean	95	1.82

Interpretation

The above analysis state about the satisfaction level of the salaried assesses in E-filing system. The average mean calculated for the satisfaction level is 1.82. Therefore it is found that the calculated value of E-filing features which is above the mean value is consider as that the respondents are highly satisfied and the features which have the mean value less than the calculated average mean value is taken as that the respondents are highly dissatisfied. Hence it is inferred that the respondents are highly satisfied with the following e-filing features such as satisfaction level with ‘DGFT online payment’(2.15), ‘satisfaction level of IRS’(2.09), ‘payment procedure’(1.93), ‘time limit given for e-filing’(1.93), ‘services of e-payment banks’(1.85), ‘satisfaction with payment procedures’(1.84) and the features that are having the mean value which is less than the average mean are as follows ‘anywhere anytime filing’(1.40), ‘no personal interface’(1.82), ‘no long queues’(1.76), ‘quick processing’(1.67), ‘easiness of e-filing’ (1.76), ‘safe and secured mode’(1.73), ‘e-filing procedure’(1.78), ‘accurate data in returns’(1.73).

Difficulties faced on e-filing process by the respondents:

Table 4: Descriptive analysis of difficulties faced on e-filing process

Descriptive Statistics	N	Mean
Network busy	95	1.13
Understanding the procedure	12	1.83
Time consuming	12	2.17
Long process	12	3.08
E-form	12	2.75
Time limit of e-return	12	3.08
Cost of e-filing	12	3.25
Website address	12	3.08
Digital signature	12	3.17
Itr-v form	12	3.08
E-payment	12	3.08
Filling the challan for payment	12	3.25
Using the computer software for e-filing	12	3.08
List of banks for payment	12	3.08
Tds returns	12	3.50
Irs	12	2.83
Terms and conditions of e-payment	12	2.83
Average mean	12	2.84

Interpretation

The above table shows the difficulties faced by assesses. The calculated average mean value for the above analysis is 2.84. It is considered that the mean value of the e-filing terms which is above the average mean value is taken that the respondents are finding very difficult at the time of e-filing their IT returns and the mean value of the term which is below the average mean is considered easy by the respondents at the time of e-filing their IT returns. Hence it is inferred that the respondents e-filing terms which have more difficulties are ‘TDS returnsz (3.50), ‘filling the challan for payment’ (3.25), Cost of e-filing(3.25), Long process(3.08), Time limit of e-return(3.08), Website address(3.08), Digital signature(3.17), ITR-V form(3.08), E-

payment(3.08), Using the computer software for e-filing(3.08), List of banks for payment(3.08) and the terms that have less difficulty for the respondents are Network busy(1.13), Understanding the procedure(1.83), Time consuming(2.17), E-form(2.75), IRS(2.83), Terms and conditions of e-payment(2.83).

Suggestions

- In the technology development, e-filing process is a remarkable one and a boon for salaried class tax payers as it avoids the obstacles faced in manual filing. Refund of IT amount through National Electronic Fund Transfer (NEFT) is also very fast.
- Maximum of the respondents are from urban area and it shows that the persons of rural area are not aware of e-filing and if awareness is created through advertisement in rural area then the respondents will file their report through e-filing in the future.
- Some respondents feel that e-filing procedure is easy to follow and the process is quick and long queues are avoided. Accuracy in returns is possible making IRS satisfactory.
- Only those who have technical knowledge make use of this process. Therefore adequate steps have to be taken to create awareness among the public for the benefit of the tax payers.
- To maximize effectiveness of e-filing system, the agency’s staff must play effective role especially those in charge of tech-support to respond to the public complaints about the e-filing system timely.

Conclusion

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 returns 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 and cost and also reduces our tension. So the tax – payers are requested to use e-filing and e- payment facilities. This study reveals that the existing users are satisfied with the e-filing facilities but most of the individual tax payers are not awareness of the e-filing and e-payment procedures so sufficient steps are required to create more awareness in the minds of tax payers regarding e-filing of income tax.

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