

## **A STUDY OF SATISFACTION LEVEL AND AWARENESS OF TAX-PAYERS TOWARDS E-FILING OF INCOME TAX RETURN – WITH REFERENCE TO MORADABAD CITY**

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### **ABSTRACT**

*New technologies are emerging day by day with improved and fast speed in all the fields. Internet has changed the present scenario of working by reducing the work load from manual to sitting on chair. In previous year's tax filing was a load full task for any individual as he/she has to go through a long process such as depositing the tax amount in the bank and then again queuing in for tax filing but by emerging technologies it has reduced to almost no effect. But with emerging technologies in new era one thing that is lacking is awareness and use of these technologies. This study thus focuses upon the facility of e-filing of returns of income tax and its awareness and satisfaction towards it. For the purpose a field survey was conducted at Moradabad city covering different level of employees both men and women at private sector. The data was collected through questionnaire and then was tabulized and analyzed with the help of respective tests using SPSS and MS Excel. The study resulted that the existing users are satisfied with the procedure of e-filing but others are not aware of such facility.*

**Keywords:** Tax-payers, E-filing, Awareness, Satisfaction level, Perception

### **INTRODUCTION**

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 softwares 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.

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.

### **OBJECTIVES OF THE STUDY**

- To assess the perception and awareness of tax-payers on gender basis towards e-filing of income tax returns
- To study the satisfaction level of tax-payers on gender basis towards e-filing of income tax returns

### **HYPOTHESIS**

**H1.** There is no significant relationship between gender and awareness of tax-payers towards e-filing of income tax return

**H2.** The satisfaction level of tax-payers towards e-filing, accessibility of e-filing and easiness of e-filing of income tax return is very low

### **REVIEW OF LITERATURE**

Hite and McGill in their study state that tax practitioners must be a credible source of information for tax payers they are to offer tax advice and have it receipted. As tax system become more complex tax payers turn to tax practitioners for expert advice.

Kalyani, in her study on tax planning of salaried employees in Coimbatore city of the financial year 1998-1999 identified that older the age higher the tax liability. Private sector employees get higher income than the government employees. Tax payment decreases when tax saving investment increases tax saving along with the income and employees preferred to invest in life insurances corporation provident fund and national savings certificates.

Kennedy and Henry A., in their study state that, the Income Tax Act may appear 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.

## **METHODOLOGY**

For the purpose of the study the targeted population was service class persons belonging to Moradabad city of different ranks and classes of private organizations. 300 filled questionnaires from respondents (162 male and 138 females) were used to analyze the results by using mean score for ranking by using a lickert scale of 5, ANOVA and chi-square test through SPSS was also used. MS Excel was used to present tabular data.

## **FINDINGS AND RESULTS**

**Table 1.** Classification on Educational Qualification basis of Tax-Payers<sup>3</sup>

<b>Educational Qualification</b>	<b>Frequency</b>
Intermediate	88
Graduate	94
Post Graduate	65
Diploma	53
Total	300

Table 1 shows that out of 300 respondents 88 are intermediates, 94 are graduates, 65 are post graduates and 53 are diploma holders.

**Table 2.** Classification on the basis of sources of awareness

<b>Sources of Awareness</b>	<b>Frequency</b>
Friends/Colleagues	138
TV Advertisements	56
Internet (Mails)	66
Tax Department	40
Total	300

Table 2 shows that 138 persons are aware of e-filing of tax through friends or colleagues, 56 through TV Advertisements, 66 through mails and 40 through income tax department.

**Table 3.** Level of Awareness of individual tax-payers and Gender

**ANOVA**

		Sum of Squares	df	Mean Square	F	Sig.
E-filing of Tax	Between Groups	32.182	1	32.182	33.181	.000
	Within Groups	192.038	198	.970		
	Total	224.220	199			
Procedures of E-filing	Between Groups	1.843	1	1.843	2.195	.140
	Within Groups	166.237	198	.840		
	Total	168.080	199			
Terms of E-payment	Between Groups	3.113	1	3.113	3.334	.069
	Within Groups	184.887	198	.934		
	Total	188.000	199			
Website information	Between Groups	5.858	1	5.858	5.212	.023
	Within Groups	222.522	198	1.124		
	Total	228.380	199			
Digital Signature	Between Groups	15.844	1	15.844	13.697	.000
	Within Groups	229.031	198	1.157		
	Total	244.875	199			
E-payment criteria	Between Groups	16.340	1	16.340	12.143	.001
	Within Groups	266.440	198	1.346		
	Total	282.780	199			
Filing of chalan for payment	Between Groups	29.666	1	29.666	16.126	.000
	Within Groups	364.254	198	1.840		
	Total	393.920	199			
ITR V form	Between Groups	8.992	1	8.992	6.825	.010
	Within Groups	260.883	198	1.318		
	Total	269.875	199			
E-forms	Between Groups	1.643	1	1.643	2.280	.133
	Within Groups	142.737	198	.721		
	Total	144.380	199			

Table 3 shows that the calculated value is less than 0.005 at 5% significance level therefore the null hypothesis is rejected which shows that there is a significant relationship between gender and level of awareness towards e-filing of returns.

**Table 4.** Satisfaction Level of tax-payers

**Table 4 (a)** Answers \* Respondents Cross tabulation

Satisfaction towards E-filing			Respondents		Total
			Male	Female	
Answers	Highly Satisfied	Count	29	25	54
		Expected Count	27.0	27.0	54.0
	Satisfied	Count	44	35	79
		Expected Count	39.5	39.5	79.0
	Neutral	Count	39	35	74
		Expected Count	37.0	37.0	74.0
	Dissatisfied	Count	21	28	49
		Expected Count	24.5	24.5	49.0
	Highly Dissatisfied	Count	17	27	44
		Expected Count	22.0	22.0	44.0
Total		Count	150	150	300
		Expected Count	150.0	150.0	300.0

**Chi-Square Tests**

	Value	d.f.
Chi-Square	4.81	4

Table 4 (a) shows that the table value of  $\chi^2$  is 9.49 at d.f. 4 and 5% significance level is more than the calculated value of  $\chi^2$  that is 4.81 which states that the hypothesis that the satisfaction level of tax payers towards e-filing is low proves true.

**Table 4 (b)** Answers \* Respondents Cross tabulation

Satisfaction towards Accessibility of e-filing			Respondents		Total
			Male	Female	
Answers	Highly Satisfied	Count	39	31	70
		Expected Count	35.0	35.0	70.0
	Satisfied	Count	41	28	69
		Expected Count	34.5	34.5	69.0
	Neutral	Count	28	49	77
		Expected Count	38.5	38.5	77.0
	Dissatisfied	Count	21	24	45
		Expected Count	22.5	22.5	45.0
	Highly Dissatisfied	Count	21	18	39
		Expected Count	19.5	19.5	39.0
Total		Count	150	150	300
		Expected Count	150.0	150.0	300.0

**Chi-Square Tests**

	Value	d.f.
Chi-Square	9.52	4

Table 4 (b) shows that the table value of  $\chi^2$  is 9.49 at d.f. 4 and 5% significance level is less than the calculated value of  $\chi^2$  that is 9.52 which states the hypothesis that the satisfaction level towards accessibility of e-filing is low proves false.

**Table 4 (c) Answers \* Respondents Cross tabulation**

Satisfaction towards Easiness of e-filing			Respondents		
			Male	Female	Total
Answers	Highly Satisfied	Count	39	31	70
		Expected Count	35.0	35.0	70.0
	Satisfied	Count	44	28	72
		Expected Count	36.0	36.0	72.0
	Neutral	Count	29	49	78
		Expected Count	39.0	39.0	78.0
	Dissatisfied	Count	21	24	45
		Expected Count	22.5	22.5	45.0
	Highly Dissatisfied	Count	17	18	35
		Expected Count	17.5	17.5	35.0
Total		Count	150	150	300
		Expected Count	150.0	150.0	300.0

**Chi-Square Tests**

	Value	d.f.
Chi-Square	9.87	4

Table 4 (c) shows that the table value of  $\chi^2$  is 9.49 at d.f. 4 and 5% significance level is less than the calculated value of  $\chi^2$  that is 9.87 which states the satisfaction level of tax payers towards easiness of e-filing is low proves false.

**CONCLUSION**

In the present world new technologies are introduced very fast in all fields. New technology is been 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 time, energy and cost and also reduces our tension. So the tax – payers are requested to use e-filing and e-payment facilities. The study shows 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 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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