



E-FILING OF ITR- PROBLEMS AND PROSPECTS

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ABSTRACT

With the advancement of technology and use of internet in financial and fiscal affairs globally has necessitated the e-filing of Income Tax in India also. Considering its benefits and urgency, the e-filing has become mandatory for major chunk of tax payers in India.. 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, ITR, E-governance, Assesse, filing, tax payers, income tax, technology

1. INTRODUCTION

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. In India, e-filing of income tax was introduced in September, 2004, initially on a voluntary usage basis for all categories of income tax assessee. But from July, 2006, it was made mandatory for all corporate firms to

e-file their income tax returns. Filing of Income tax return is a legal obligation of every person whose total Income for the previous year has exceeded the maximum amounts that is not chargeable for the Income tax under the provisions of the Income tax Act 1961. Income tax department has introduced a convenient way to file these Returns online using the internet. The process of electronically filing Income tax returns through the internet is known as E-filing. It is mandatory for the companies and firms requiring statutory audit under section 44AB to submit the Income tax returns electronically. E-filing is possible with or without digital signature. Digital signature is mandatory for companies from assessment year 2010-11.

2. ADVANTAGES OF E-FILING

- Convenience – Returns can be filed at any time (day or night);
- Fast refunds – It allows taxpayers receiving refunds to get them sooner,
- Taxpayers get instant acknowledgement of receipt.
- Value added services like viewing Form 26AS, tracking of refunds, email, SMS alerts regarding status of processing and refunds.
- Certainty of delivery and quick confirmation – provides immediate confirmation from tax administration that returns have been received,
- Taxpayers can correct their mistakes or make and save changes in their ITR many times before the final submission of ITR form.
- Eliminates error notices from tax administrations caused by data entry errors, –
Increment in freelance job opportunities as Tax Consultant and TRPs etc.

3. REVIEW OF LITERATURE:

Gayathri P and Dr. Kavitha Jayakumar (2016) In the present world, new technologies are introduced in all fields. The new technology gifted to a tax payer for filing their Income Tax Returns is e-filing. This study is carried out to determine the tax payer's perception towards e-filing of income tax returns. One of the main challenges in e-filing is the risk of security. The survey found that e-filing has gained momentum

among government pre-university teachers. As individual tax payers are the most important end users, sufficient understanding of tax payers acceptance and usage of E-filing system should be made to reduce the risk of user rejection, preventive and predictive measures ought to be taken on a timely basis to ensure further acceptance among the non-users of e-filing.

Haryani, Motwani, & Matharu, (2015): This paper makes an attempt to develop an understanding of the factors that influence citizen's adoption of electronic tax filing services. The information was collected from structured questionnaires from 250 respondents from Indore town. The investigator used descriptive analysis as well as skewness and kurtosis, Kolmogorov and Simonov check to visualize the normality of the information. The study conclude that behavioral intention of e tax payers towards the online tax classification system is greatly influenced by perceived easy use and perceived quality. The findings suggests that a system that's simple to use, easy, give simple mode of payment includes a positive impact on attitude of the tax payers to voluntarily e-file their tax returns.

Mukesh Kumar and Mohammad Anees (2014) the main focus of this paper is to show the changing scenario of income tax due to implementation of e-filing. The above facts and figure clearly shows that India is in the phase of revolutionary changes in information technology which also gives great advancement in e-filing field of income tax department. It has highlighted the benefits and challenges of such a system and has shared some countries experiences with these systems. Income tax department just have 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.

4. OBJECTIVES OF THE STUDY:

- The primary objective of the study is to assess the problems and prospects of E-Filing
- To study the concepts and need for E-filing system of income tax.
- To investigate whether the tax payers have problems while using E-filing system.
- To compare the satisfaction level of assesses between E-filling and manual filling of tax returns.

5. RESEARCH Methodology

Research tool: This study is conducted through random sampling method. **Sample size:** Sample size is 60 respondents. Respondents are scattered over Ernakulum 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.

6. ANALYSIS AND INTERPRETATION:

Table 6.1: Gender wise classification of the Respondents

Gender	No. of Respondents	Percentage (%)
Male	35	58
Female	25	42
Total	60	100

Source: Primary data

Table No 6.1 Represents gender of the respondents. It is clear that, out of 60 respondents, 58% of respondents are male and remaining 42% are female. It is revealed that majority of respondents are male as they are the earners and head of the family.

Table 6.2: Age wise classification of the Respondents

Age	No. of Respondents	Percentage (%)
20-30	25	42
31-40	9	15
41-50	12	20
Above 51	14	23
Total	60	100

Source: Primary data

Table No 6.2: Represents Age of the respondents. Out of 60 respondents 42% of respondents comes under the age group of 20-30 years, 15% are under 31-40 years, 20% are under 41-50 years and above 51 years are 23%.It is interpreted that majority

of respondents who pay tax comes under the age group of 20-30 years. Because of youths are aware about E-filing Income tax.

Table 6.3: Educational Qualification wise classification of the Respondents

Educational Qualification	No. of Respondents	Percentage (%)
SSLC	9	15
HSE	11	18
Degree	22	37
PG	18	30
TOTAL	60	100

Source: Primary data

Table No 6.3: Shows educational qualification of the respondents. 15% of respondents are having the qualification of SSLC, 18% are completed HSE, 37% are degree holders and 30% have Post-Graduation. It shows that majority tax payers have Under-graduation qualification who well known about study topic.

Table 6.4: Occupation wise classification of the Respondents

Occupation	No. of Respondents	Percentage (%)
Business	22	37
Employee	17	28
Professional	9	15
Others	12	20
Total	60	100

Source: Primary data

Table No 6.4: represents occupation of the respondents. Out of 60 respondents 37% are businessmen, 28% are employee, 15% are professional, and 20% have other occupation. It is interpreted that majority of the tax payers are businessmen's.

Table 6.5: Classification of Respondents on the basis of Filing the Tax

Particulars	No. of Respondents	Percentage (%)
Self	25	42
Trough Consultant	35	58
Any other person	00	00
Total	60	100

Source: Primary data

Table No 6.5: It is interpreted that majority of respondents are file their tax return through tax consultant because respondents are lack in technical knowledge and the procedure to be followed in E-filing

Table 6.6: Classification of Respondents on the basis of After Furnishing the Document, Time taken by Tax Consultant to File the Return

Particulars	No. of Respondents	Percentage (%)
Within one day	25	42
Within a week	24	40
After a week	11	18
Others	00	00
Total	60	100

Source: Primary data

Table No 6.7: It is interpreted that majority of respondents are in opinion that tax consultants file the return within one day of providing documents by the tax payers. Because if they make delay there may be chances of putting penalty by the tax department on the tax payers

Table 6.8: Classification of Respondents on the basis of Services provided by the Tax Consultant

Particulars	No. of Respondents	Percentage (%)
Fully Satisfied	10	17
Satisfied	27	45
Neutral	18	30
Dissatisfied	2	3
Highly Dissatisfied	3	5
Total	60	100

Source: Primary data

Table No 6.8: shows that out of 60 respondents, 17% of respondents are Fully satisfied with the service provided by the consultant, 45% of respondents are satisfied,30%of respondents are Neutral, 3% of respondents are dissatisfaction and 5% respondents are Highly dissatisfaction about the service provided by the tax consultant. It is interpreted that majority of respondents are Satisfied with the service provided by their tax consultant.

Table 6.9: Classification of Respondents on the basis of Reasons for facing the problem in E-filing

Particulars	No. of Respondents	Percentage (%)
Lack of security	15	25
Difficulty in procedure	10	16
High cost	10	17
Lack of technical knowledge	25	42
Total	60	100

Source: Primary data

Table No 6.9: represents reasons for facing the problem in E- Filing. Out of 60 respondents, In that 25% of respondents are facing the problem of lack of security, 16% of respondents opined that difficult in procedure, 17% of respondents opined that high cost and remaining 42% 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 6.10: Classification of Respondents on the basis of Reasons for using the E-filing

Particulars	No. of Respondents	Percentage (%)
Easy to use	20	33
Improve tax return filing performance	6	10
Credibility	4	7
Secured	5	8
All these above	25	42
Total	60	100

Source: Primary data

Table No 6.11: From the above observation it is clear that out of 60 respondents, 33% of respondents opined that tax E-filing is easy to use, 10% of respondents opined that it has improves tax efficiency, 7% of respondents opined that it has perceived creditability, 8% of respondents opined that it is secured and remaining 42% of respondents opined all the above reasons. It is interpreted that majority of respondents prefer to use the tax E - filing because of all the above reasons.

Table 6.11: Classification of Respondents on the basis learning to use tax E-filing and Payment system be Easy

Particulars	No. of Respondents	Percentage (%)
Strongly agree	13	22
Agree	24	40
Neutral	11	18
Disagree	5	8
Strongly Disagree	7	12
Total	60	100

Source: Primary data

Table No 6.12: From the above observation it reveals, out of 60 respondents, 22% of respondents strongly agree that the payment system has efficiency in E-filing, 40% of respondents agree, 18% of respondents are Neutral, 8% are disagree and remaining 12% of respondents are strongly disagree with the statement. It is interpreted that majority of respondents are agree that E-filing payment system is efficient because it reduces time and cost.

Table 6.12: Classification of Respondents on the basis of Opinion about the Speed and Payment System in Tax E-filing Process

Particulars	No. of Respondents	Percentage (%)
Very Good	14	23
Good	25	42
Average	10	17
Poor	7	12
Very Poor	4	6
Total	60	100

Source: Primary data

Table No 6.12: 23% of respondents are stated that functions of E-filing system is very good, 42% of respondents are stated good, 17% of respondents are stated average, 12% respondent are stated poor and remaining 6% respondents are stated 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.

Table 6.13: Classification of Respondents on the basis of Safety and Security about the Documents Provided in E-filing

Particulars	No. of Respondents	Percentage (%)
Fully Satisfied	15	25
Satisfied	20	33
Neutral	14	23
Dissatisfied	6	10
Highly Dissatisfied	5	9
Total	60	100

Source: Primary data

Table No 6.13: It is interpreted that majority of respondents are in opinion that they are satisfied with the safety and security.

7. 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.
- 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 says that E-filing is the easiest mode for payment of tax return.
- 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.

9. CONCLUSION:

People's acceptance of E-filing is highly related to their level of technology readiness. Technology readiness is defined as people propensity to embrace and use new technology for accomplishing certain tasks. So more efforts must be made in this direction by Indian Income Tax Department then only they can achieve their mission "Technology in the service of Tax Payers". E-filing can be tremendous boom to revenue authorities in developing countries, reducing their administrative cost and error rates and improving their efficiency. Finally in this information communication technology era, every government is required to develop a reliable, fast and customized channel for service delivery under various E-governance initiatives. The present study is a systematic attempt in this direction to explore customer acceptance of one such input in the form of E-filing return.

10. References

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