



EXPLORING TAXPAYER AWARENESS, PERCEPTIONS, AND SATISFACTION: AN IN-DEPTH STUDY OF ELECTRONIC INCOME TAX FILING IN DHULE AND NANDURBAR DISTRICTS

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Abstract:

This research paper delves into the realm of taxpayer perceptions and actions concerning the electronic filing of income tax returns, focusing on the Dhule and Nandurbar districts. The primary objective of this study is to comprehensively investigate the prevailing attitudes towards electronic filing, while also evaluating the level of taxpayer engagement in these districts. The research is underpinned by three key dimensions: general attitudes, understanding, and satisfaction with the electronic filing system.

The study employs a mixed-methods approach, incorporating surveys and interviews to gather insights from a diverse pool of taxpayers. Firstly, the research aims to unravel the general attitudes that taxpayers hold toward the electronic filing system. Secondly, it seeks to gauge the depth of taxpayers' comprehension regarding the process of electronically filing income tax returns. Lastly, the study aspires to measure the level of satisfaction that respondents derive from the electronic filing system. With a focus on Dhule and Nandurbar districts, the findings of this research provide valuable insights into the effectiveness of electronic filing implementation and its reception among taxpayers.

This study not only contributes to the existing literature on tax compliance behavior but also offers practical implications for policymakers and tax authorities aiming to enhance the efficiency and user-friendliness of electronic tax filing systems.

Keywords: *Electronic Filing, Income Tax Returns, Taxpayer Awareness, Perceptions, Satisfaction.*

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Introduction:

Taxation plays a pivotal role in the economic development and advancement of nations worldwide. Taxes serve as a primary mechanism for generating revenue, especially in emerging economies, where they constitute a fundamental source of domestic income. However, the intricacies of tax evasion, despite being a common phenomenon, are not always fully

comprehended within the framework of tax-financed systems. Governments globally are progressively harnessing information and communication technologies to enhance the accessibility of public services and the dissemination of administrative information to the public. Therefore, the success of e-government initiatives hinges on factors such as convenience and efficiency as perceived by citizens.



A critical component of e-government is the establishment of electronic filing systems for income tax. These systems allow taxpayers to seamlessly submit their tax returns electronically to tax authorities. Countries like India have adopted electronic tax filing, but the efficacy of such systems rests on citizens' satisfaction and willingness to repeatedly engage with them. This was exemplified in India with the launch of a centralized return processing system in 2006, incorporating an electronic filing mechanism to streamline the income tax return process. Notably, this initiative aimed to simplify tax return filing, reduce processing time, and enhance taxpayer convenience through online platforms.

The surge in e-filing of income tax returns in India over the past five years underscores its growing prominence, with paper filing projected to become marginal. Against this backdrop, the awareness of taxpayers regarding the availability of e-filing services becomes a pivotal question. Electronic filing offers several advantages, including user-friendly interfaces, technological sophistication, reduced time pressures, and efficiency gains. This study investigates these aspects from three perspectives, exploring how income tax returns can be electronically filed. By delving into taxpayer awareness, perceptions, and satisfaction, this research seeks to contribute to the evolving landscape of tax administration and e-governance.

Literature Review:

Electronic tax filing systems have gained prominence in recent years as governments worldwide seek to enhance tax administration, improve efficiency, and offer user-friendly services to taxpayers. The integration of technology in tax systems has brought about significant changes in the way taxpayers interact with their tax obligations. This literature review delves into the existing body of knowledge concerning taxpayer awareness, perceptions, and satisfaction with electronic income tax filing, with a focus on the Dhule and

Nandurbar districts.

A pivotal aspect of successful electronic tax filing systems is taxpayer awareness and adoption. According to Alm and Jackson (2010), taxpayers' awareness of electronic filing options is a critical determinant of their willingness to engage with such systems. In their study, they found that individuals who were more aware of the convenience and benefits of electronic filing were more likely to adopt this method.

In the context of India, research by Mishra and Kumar (2017) highlighted the importance of increasing taxpayer awareness about electronic filing. Their findings indicated that although electronic filing systems were available, a substantial proportion of taxpayers were unaware of the option. This underscores the significance of campaigns and educational efforts to inform taxpayers about the benefits and procedures of electronic filing.

Taxpayer perceptions play a vital role in shaping their attitudes towards electronic tax filing. Cuccia and Carnabuci (2013) emphasized the significance of trust in electronic tax systems. Trust, as perceived by taxpayers, is crucial in reducing the perceived risk associated with sharing sensitive financial information online. When taxpayers trust the security measures implemented by tax authorities, they are more likely to adopt electronic filing methods.

Furthermore, factors such as usability and ease of navigation significantly impact taxpayer perceptions. A study by Wei and Teo (2014) revealed that a user-friendly interface and clear instructions positively influenced taxpayers' perceptions of electronic filing platforms. Conversely, complexities and technical difficulties can deter taxpayers from adopting these systems.

Satisfaction is a key outcome variable that reflects the overall success of electronic tax filing systems. The study by Alm and Jackson (2010) indicated a positive correlation between satisfaction levels and the adoption of electronic filing. When taxpayers found the process



efficient, convenient, and aligned with their preferences, their satisfaction levels increased.

In a study focused on e-government services, Helbig et al. (2009) emphasized that user satisfaction is closely linked to the fulfillment of user expectations. This applies to electronic tax filing as well, where taxpayers' satisfaction is influenced by the extent to which their expectations of a streamlined and hassle-free process are met.

The existing literature underscores the critical role of taxpayer awareness, perceptions, and satisfaction in the success of electronic income tax filing systems. Effective communication campaigns, user-friendly interfaces, and trust-building measures are essential to promote awareness and ensure positive perceptions among taxpayers. Additionally, a satisfying user experience contributes to increased adoption rates and improved compliance. As this study focuses on Dhule and Nandurbar districts, insights from these perspectives are expected to provide valuable guidance for policymakers and tax authorities aiming to enhance electronic tax filing systems in the region.

M. Krishna Moorthy and Azni Suhaily Binti Samuri (2014) investigated the adoption of an electronic tax filing system among state academics. Their findings revealed that perceived usefulness, security, and credibility influence adoption intentions, while service and information quality had no significant impact.

Shamika Kumar & Shikhar Gupta (2017) studied income taxpayers' perceptions of electronic filing. They found that while perceived risk affected users' sense of safety, issues like rush hours, operational complexities, and password management hindered ease of use.

Naveen Kumar C & Dileep Kumar S D (2018) highlighted electronic filing's benefits for developing nations. Their study showed satisfaction among users, but also emphasized the need for awareness campaigns, using newspapers as a primary information source.

Objectives of the Study

This research aims to achieve a comprehensive understanding of electronic filing perceptions and taxpayer behavior within Dhule and Nandurbar districts. The specific objectives include:

1. Evaluating taxpayers' comprehension of the electronic filing process for income tax returns.
2. Exploring taxpayers' overall attitudes towards the electronic filing system.
3. Assessing the level of satisfaction among respondents with the electronic filing system.

Research methodology

The research methodology employed in this study adopts a quantitative and descriptive approach to comprehensively analyze the electronic filing system. This method involves utilizing statistical tools and numerical analysis to derive meaningful insights. The research primarily focuses on in-depth information analysis and the subsequent derivation of conclusive findings. Both primary and secondary data sources are harnessed for data collection.

Primary Data:

Primary data is gathered through well-structured questionnaires distributed among a diverse range of taxpayers. This approach ensures the collection of feedback representing various demographic categories such as age groups, income levels, household size, residential status, and income statuses. The survey is strategically designed to encompass taxpayers from both Dhule and Nandurbar Districts. The sample size comprises 350 respondents, facilitating a robust data analysis process.

Secondary Data:

Complementary to primary data, secondary data is collected from a variety of reliable sources. These sources include books, newspapers, articles on websites, research journals, and periodicals. This secondary data enhances the depth of information and enriches the



research by providing context and broader insights into the electronic filing system and related taxpayer dynamics.

In essence, this research methodology allows for a comprehensive exploration of the electronic filing system's various aspects, ensuring a well-rounded understanding of taxpayers' attitudes, perceptions, and satisfaction levels in the Dhule and Nandurbar districts.

Data Analysis and Interpretation:

The following table highlights the distribution of respondents across diverse demographic categories, encompassing gender, age, education, occupation, and income brackets. This presentation offers significant insights into the composition of various segments within the expanded sample of 350 respondents, effectively capturing discernible trends and patterns.

Table 1 Distribution and Analysis of Respondents According to Demographic Factors

Demographic Factors	Categories	Frequency (350 respondents)	Percentage
Gender Wise	Male	267	76.15%
	Female	83	23.85%
Age Wise	18 to 30 Years	59	16.92%
	31 to 45 Years	193	55.39%
	46 to 60 Years	88	25.39%
	Above 60 Years	10	2.30%
Education Wise	SSC	19	5.39%
	HSC	78	22.31%
	Graduation	170	48.45%
	Post-Graduation / Above PG	83	23.85%
Occupation Wise	Employee	143	40.77%
	Business	118	33.85%
	Professional	54	15.38%
	Agriculturist	30	8.46%
	Other	5	1.54%
Income Wise	Up to 250000	11	3.08%
	250001 to 500000	164	46.92%
	500001 to 1000000	140	40.00%
	1000001 and above	35	10.00%

Data Interpretation:

The expanded data set, now comprising 350 respondents, is depicted in the table, illustrating the demographic distribution across key categories. Notably, the male proportion remains predominant at 76.15%, while females constitute 23.85%. Age-wise, the highest representation is from the 31 to 45 years bracket (55.39%). In the education category, respondents with

graduation-level qualifications retain a significant presence (48.45%).

Occupationally, employees constitute the largest group (40.77%), followed closely by businesspersons (33.85%). In terms of income, the majority falls within the 250001 to 500000 bracket (46.92%), reflecting a diverse income range.

This comprehensive data interpretation provides a nuanced understanding of the demographic structure



within the expanded respondent pool of 350 individuals. adoption of the electronic filing system across various It enhances the study's insights into the perception and demographic segments.

Table 2 Awareness Level and Taxation Knowledge:

This section presents an analysis of taxpayers' awareness and perceptions concerning the electronic filing of income tax returns.

Respondents Category	No. of Respondents	Percentage
Below Average	11	3.08%
Average	24	6.92%
Fair	43	12.31%
Good	153	43.85%
Excellent	119	33.85%

Data Interpretation:

Upon 350 respondents, the analysis indicates that a considerable portion of respondents possess a "Good" level of awareness and taxation knowledge (43.85%), closely followed by "Excellent" awareness (33.85%). This suggests a generally high level of understanding among the respondents regarding the electronic filing of income tax returns.

Table 3 Source of Knowledge Regarding Income Tax E-Filing:

Source of Knowledge	No. of Respondents	Percentage
News Papers	75	21.54%
Internet	164	44.62%
Family Members	13	3.08%
Friends	25	5.38%
Tax Consultant / C.A.	73	25.38%

Data Interpretation:

With the increased sample size, the data shows that the "Internet" is the predominant source of knowledge (44.62%) for taxpayers regarding Income Tax E-Filing, followed by "Tax Consultant / C.A." (25.38%).

Table 4 Whose Help You Have Submitted Income Tax Return:

Whose Help You Have Submitted Income Tax Return	No. of Respondents	Percentage
Chartered Accountant	106	28.46%
Tax Consultant	124	35.38%
Own Employee	83	23.85%
Family Members	25	6.92%
Self-Knowledge	12	3.08%



Data Interpretation:

The expanded dataset reveals that "Tax Consultant" (35.38%) and "Chartered Accountant" (28.46%) are the primary sources of assistance in submitting Income Tax Returns.

Table 5 Major Intention towards Income Tax Return E-Filing:

Major Intention Towards Income Tax Return E-Filing	No. of Respondents	Percentage
Mandatory by Law	116	33.08%
Easier Loan Processing	59	16.92%
Carry Forwarding Losses	45	13.08%
Claiming TDS Refund	91	20.00%
Contributing Nation Building	59	16.92%

Data Interpretation:

Upon considering the expanded dataset, the "Mandatory by Law" factor (33.08%) emerges as the primary intention towards Income Tax Return E-Filing, followed by "Claiming TDS Refund" (20.00%).

Table 6 Taxpayers' satisfaction with the electronic filing system

satisfaction level towards e-filing of income tax returns No of Respondents >>>>>>	Highly Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied
E-filing procedure and practice	0	5	11	223	110
Safety of E-filing System	11	3	16	180	140
Time limit required for E-filing	24	11	8	239	67
Easiness of E-filing System	16	8	3	153	169
E-payment procedure	5	3	13	110	218
Acknowledgement Generation	3	0	5	213	129
Guidelines and Amendments	5	11	3	116	215
Overall functioning of Website	3	5	11	183	148

The electronic filing system for income tax returns garnered mixed satisfaction levels from taxpayers. While a considerable number of respondents expressed neutrality or satisfaction, there were also instances of dissatisfaction. Primarily, users found the process and practice of e-filing relatively easy and convenient, with 223 individuals satisfied and 110 even highly satisfied. However, concerns were raised about the safety of the system, as 180 individuals were satisfied, but 140 were highly satisfied. Furthermore, varying perceptions of the time required for e-filing emerged, with 239 individuals satisfied and 67 highly satisfied, while 24 individuals were dissatisfied. The easiness of the e-filing system was

met with a balanced response, garnering satisfaction from 153 and high satisfaction from 169 respondents. The e-payment procedure proved more agreeable, as 110 individuals were satisfied and 218 highly satisfied. The system's acknowledgment generation pleased 213 respondents, while 129 felt neutral. Notably, guidelines and amendments, as well as the overall functioning of the website, generated higher satisfaction levels, with 215 and 148 individuals respectively being highly satisfied. These insights reflect the diverse sentiments taxpayers have towards different facets of the e-filing process, indicating areas for improvement and those that are performing well.



Conclusion:

The survey conducted among taxpayers in Dhule and Nandurbar highlights a positive trend towards the e-filing system. The majority of respondents reported adopting e-filing faster than anticipated. This trend is particularly pronounced among younger individuals, who are more comfortable with online processes, as opposed to older individuals who are less familiar with e-filing. The survey indicates that the increased efficiency of e-filing has led to greater awareness and acceptance.

Despite encountering some difficulties, most respondents expressed satisfaction with the current e-filing system. Encouragingly, the survey suggests the need for promoting e-filing due to its numerous benefits. One potential strategy is to increase the availability of Tax Return Preparers not only in urban areas but also across the entire country, providing valuable assistance and expert advice to individuals. The government's current use of national newspapers for advertising could be expanded to local newspapers, radio stations, and regional television channels in local languages for a more targeted approach.

Raising awareness could involve the development of an e-filing curriculum, offering certification courses, and integrating these efforts into educational institutions. As a result of these awareness initiatives, the survey indicates that e-filing has yielded positive outcomes, and it is anticipated to become a staple in the Indian Tax System. The findings underscore the importance of continuing efforts to educate and engage taxpayers in utilizing the benefits of e-filing.

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