

E-filing of Income Tax Returns

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Abstract

E- Filing is a system for submitting tax documents to the Income tax department via the internet, usually without the need to submit any paper documents. Various tax return preparation softwares with e-filing capabilities are available as standalone programs or through websites 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". One does not have to stand in long queues to file income tax returns. Customized return forms have been devised by the Income Tax Authority which are available on the web site of the department. These forms have been devised with such details that tax payers need not file any supporting document along with. Return is submitted electronically at the site.

Keywords: E-filing ITR, Income Tax, Tax authority

I. INTRODUCTION

Income tax is an annual tax on income. The Indian Income Tax Act (Section 4) provides that in respect of the total income of the previous year of every person, income tax shall be charged for the corresponding assessment year at the rates laid down by the finance Act for that assessment year. Section 14 of the Income Tax Act further provides that for the purpose of charge of income tax and computation of total income all income shall be classified under the following heads of income: salaries, income from house property, profits and gains from business or profession, capital gains, income from other sources. The total income from all the above heads of income is calculated in accordance with the provisions of the Act as they stand on the first day of April of any assessment year. The Income Tax Department is responsible for all activities related to the taxation process. The Income Tax Department is governed by the Central Board for Direct Taxes (CBDT) and is part of the Department of Revenue under the Ministry of Finance, Government of India.

II. STATEMENT OF THE PROBLEM

Gone are the days when taxpayers used to go through the stressful process of filing their returns either with central or state government. Most people use to hire professional help of a certified public accountant (CPA) in preparing and filing their tax returns. In recent years the Information Technology(IT) companies have

developed online software which in compliance with latest Indian revenue service (IRS) rules and procedures and can benefit people in calculating and filing their annual tax returns.

III. OBJECTIVES OF THE STUDY

- ❖ To study about the e-filing system of income tax by auditors in Tirupur city.
- ❖ To find out the reasons for using e-filing system.
- ❖ To analyse the influencing factor to select the e-filing system.
- ❖ To know the type of e-filing system using the auditor
- ❖ To know the level of satisfaction towards e-filing system

IV. SCOPE OF THE STUDY

E-filing has the potential to make tax returns enduring and easier on the nerves of tax payer at the end of every financial year. It is safe, easy, and perfect procedure of electronic filing or submission of income tax return through online software. E-filing is the best and fastest way to file tax returns because it manages data for immediate transaction in less than 20 minutes. The present study reveals the various benefits of e-filing, features of internet banking, and types of e-filing system used by the respondents of Tirupur city. Period of the study was from Jan 2017 to Aug 2017.

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V. RESEARCH METHODOLOGY

The present research study is based on the income tax payers' perception, satisfaction, and awareness of electronic filing. The study was based on the responses of 100 were auditors. Thus sample size was 100. Data collection was done using convenient sampling method. The study was done with the help of structured questionnaire circulated among the auditors who were filed income tax returns (ITR) through the internet. The study was carried out by using primary data which is collected with the help of the structured questionnaire and the method of data collection was personal interview. Simple percentage analysis, point analysis, and ranking methods were used as research tools. Table I shows the demographic factors of respondents:

**TABLE I.
DEMOGRAPHIC FACTORS**

Factor	Group	No.	Percent
Age	25-30 yrs	50	50
	31-35 yrs	22	22
	36-40 yrs	18	18
	More than 40 yrs	10	10
Gender	Male	82	82
	Female	18	18
Sources of information	Govt. Advertisement	80	80
	Friends	20	20
Usage of e-filing	Below 1 year	22	22
	1 - 2 years	70	70
	Above 2 years	8	8
Total		100	100

50% of the respondents belong to the age group of 25-30 years. Majority of the respondents were male (82%). 70% of the respondents stated that they had been e-filing for one to two years and majority of 80% of the respondents received information from Government advertisement.

Table II shows that 72% of the respondents are highly satisfied with e-filing registration. 10% of the respondents are highly dissatisfied, 8% of the respondents are satisfied, 6% of the respondents are moderately satisfied, and 4% of the respondents are dissatisfied.

Table III shows that 69% of the respondents are highly satisfied with e-filing registration, 11% of the respondents are satisfied, 10% of the respondents are dissatisfied, 6% of the respondents are highly

**TABLE II.
LEVEL OF SATISFACTION REGARDING E-FILING
REGISTRATION**

S.No.	Satisfaction level	Number of respondents	Percentage
1	Highly satisfied	72	72
2	Satisfied	8	8
3	Moderate	6	6
4	Dissatisfied	4	4
5	Highly Dissatisfied	10	10
	TOTAL	100	100

**TABLE III.
LEVEL OF SATISFACTION REGARDING ACCESSIBILITY**

S.No.	Satisfaction level	Number of respondents	Percentage
1	Highly satisfied	69	69
2	Satisfied	11	11
3	Moderate	4	4
4	Dissatisfied	10	10
5	Highly Dissatisfied	6	6
	TOTAL	100	100

dissatisfied, and 4% of the respondents are moderately satisfied.

VI. POINT ANALYSIS

The calculated mean value is 4.04 which is greater than the normal mean value 3. Hence, the respondents are highly satisfied with documents required for e-filing.

**TABLE IV.
DOCUMENTS REQUIRED FOR E-FILING**

S.No.	Satisfaction level	Number of respondents	Factor	Points
1	Highly satisfied	58	5	290
2	Satisfied	12	4	48
3	Moderate	10	3	30
4	Dissatisfied	16	2	32
5	Highly Dissatisfied	4	1	4
	TOTAL	100		404

The calculated mean value is 4.17 which is greater than the normal mean value 3. Hence, the respondents are highly satisfied regarding the E-filing payment options.

The calculated mean value is 4.28 which is greater than the normal mean value 3. Hence, the respondents are highly satisfied regarding e-filing registration.

TABLE V.
E-FILING PAYMENT OPTIONS

S. No.	Satisfaction level	Number of respondents	Factor	Points
1	Highly satisfied	66	5	330
2	Satisfied	10	4	40
3	Moderately satisfied	9	3	27
4	Dissatisfied	5	2	10
5	Highly Dissatisfied	10	1	10
	TOTAL	100		417

TABLE VI.
E-FILING REGISTRATION

S. No.	Satisfaction level	Number of respondents	Factor	Points
1	Highly satisfied	72	5	360
2	Satisfied	8	4	32
3	Moderately satisfied	6	3	18
4	Dissatisfied	4	2	8
5	Highly Dissatisfied	10	1	10
	TOTAL	100		428

TABLE VII.
FACTORS OF E-FILING

S. No.	Factors	I	II	III	IV	V	Points	Rank
1	Fast processing	58	8	10	14	10	390	II
2	More accurate	45	16	9	13	17	359	V
3	Accessibility	46	15	10	14	15	363	IV
4	More secure than paper based filing	52	6	20	8	14	374	III
5	Time saving	62	10	8	10	10	404	I

VII. RANK ANALYSIS

Table VII shows that out of various factors of e-filing, time saving has the first rank, fast processing is assigned second rank, and higher security than paper based filing has the third rank.

VIII. FINDINGS

Majority (82%) of the respondents are male. 50% of the respondents are 25-30 years of age. It is found that 70% of the respondents have been using e-filing for one to five years. Majority (79%) of the respondents say that e-filing is different from regular filing returns. 73% of the respondents say that e-filing is different from regular filing; the reason of difference is convenience. Income under five heads [ITR5] is placed at first rank. 62% of the respondents feel good regarding e-filing process. It is

found that 90% of the respondents use auto calculation software. 78% of the respondents use e-filing without digital signatures. Most of the respondents (70%) say that fast processing is the benefit of e-filing. 62% of the respondents says there is no problem in using e-filing system. It is found that 63% of the respondents say that they face errors while using e-filing system. 90% of the respondents say that user id and password for e-filing are working properly. Majority of the respondents get acknowledgement of e-filing immediately. 92% of the respondents didn't get any error message while e-filing. 70% of the respondents feel very good regarding e-preparation software. 52% of the respondents feel very good regarding customer service and support provided by the e-filing call centres. 78% of the respondents say if they forget the password, they can recover it easily. 43% of the respondents recover their password by approaching the call centre. 88% of the respondents say that e-filing software is easy to understand. Majority (58%) of the respondents are highly satisfied regarding the document required for e-filing. 66% of the respondents are highly satisfied regarding e-filing payment.

IX. SUGGESTIONS

Some of the respondents face server problems while e-filing. The government should take steps to solve the problem. Server speed limit of e-filing website should be increased. Service and support of the e-filing call centre should be improved.

X. LIMITATIONS OF THE STUDY

The study was confined only to Tirupur city. The study focussed on the perspective of auditors and not on the perspective of all assesses due to time constraints. Data collection covered only the auditors who were engaged in the operations of e-filing of tax returns.

XI. RESEARCH IMPLICATIONS

The study shows that income tax payers are satisfied with electronic filing and are aware of the website and its uses. The income tax payers face some issues with network problems in peak months and also have problems remembering password.

XII. SCOPE FOR FURTHER STUDY

E - filing of tax returns in Tirupur city is still in an

evolving stage. This study focused on the auditors perspective. According to this survey the income taxpayers demand that the website should be more user-friendly, which means that when the taxpayers operates the website, it should give the steps for filing the return. If these changes happen, then the income taxpayers will not have to depend on others for electronic filing. Government should also focus on the expectations of income tax payers. It should understand what problems tax payers have to face while filing returns online. This will help the income tax payers in filing income tax returns. For the betterment of the website the government must focus on the website server, and ensure that the website works properly in peak months and use more advanced technology to make it easy for the income taxpayers to file income tax returns. GST (Goods and service Tax) is an emerging concept of tax payment. Studies need to be done for GST.

XIII. CONCLUSION

Income tax Department has introduced a convenient way to file returns online. Every new user has to register with the website in order to avail the e-filing facility. The Income Tax Department has encouraged tax payers to file IT return through e-filing to get some benefits like no long queues and quick processing. E-filing system saves a lot of time.

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