TAX PAYER'S SATISFACTION TOWARDS THE USAGE OF E-FILING SYSTEM INTENTION OF THE INLAND REVENUE BOARD OF MALAYSIA (IRB)

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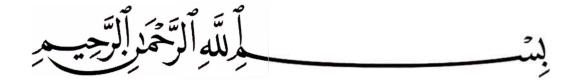### 2016988365

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DEC 2018

ACKNOWLEDGEMENT

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

"In the name of Allah, the Most Gracious, the Most Merciful"

Alhamdulillah, finally we have successfully completed our final year project titled "Tax Payer's Satisfaction towards the Usage of e-filing System Intention of the Inland Revenue Board of Malaysia (IRB)". On top of everything, we would like to praise Allah S.W.T, The Lord of the Universe, without His guidance and permission, nothing that we attempted would be realized as well as Selawat to my most beloved leader, Prophet Muhammad S.A.W to his family and all his companions.

Besides, we would like to express my highest gratitude to my research advisor, Dr. Jati Kasuma Ali for giving me the precious guidance, support and advice during completing this final year project. He has inspired me to work hard and the motivation she has given to me is the moment that we would not forget for my entire lifetime. We also would like to thank to Dr. Yusman Yacob for giving his precious ideas on how to improve our research. Also, Mr. Azizie Jemari who has spent most of his valuable time to assisting us for our final year project

Last but not least, I would like to thank to all our family members especially to my parents. They have been the backbone of our success in completing this final year project and to all of my friends who provides the assistance that we need in completing this research, we appreciated all of you and may Allah S.W.T gives never ending blessing to you all. Amin and Thank you.

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ABSTRACT

Tax as a source of revenue is a key element for country's growth and development. The introduction of e-Filing system by IRB has helped to increase the collection of taxes since its inception in 2006. Thus, this study is conducted to examine the dimensions of taxpayers' satisfaction and how it will influence the behavioural intentions of taxpayers in adopting e-Filing system. The dimensions of satisfaction that we have analysed are adopted from E-S-QUAL model which are efficiency, system availability, fulfilment, privacy and two new items found from qualitative survey; convenience and resource saving. Theory Reasoned Action (TRA) is used to examine the relationship between these dimensions of taxpayers' satisfaction and their behavioural intention. The data were collected from randomly selected respondents. The findings of the study are based on questionnaire analysis. It is hoped that the findings and interpretation from this research will help IRB to improve its e-filing system. All comments and recommendations from the taxpayers will be forwarded to the management of IRB for consideration.

CHAPTER 1

INTRODUCTION

E-Filing was introduced in Malaysia in 2006. This electronic tax filing system requires taxpayers to fill their tax returns online and is applicable to both individuals and companies. The objectives of e-Filing are to facilitate tax compliance and to provide service to taxpayers through the use Internet technologies. It is the first of IRB's efforts to streamline the tax filing process through the use of information and communication technology (ICT). E-Filing is important to the government because it improves the efficiency of collecting taxes for the country. Taxpayers also benefit from e-Filing because they do not need to go to the tax office to submit their income tax return forms. e-Filing can also speed up the tax refund processes. The IRB has upgraded its e-Filing system from time to time in anticipation of increasing number of people filing their tax returns online. During the first year of its introduction, the e-Filing system was plagued with negative reactions and was debated in mass media. The following year, in 2007, saw 700,000 tax assessment submissions via e-Filing, and the figure rose to 1.18 million submissions in 2008, despite complaints about network congestion problem. With improved infrastructure, the figure increased to 1.6 million submissions in 2009 with an improved overall amount of actual tax collection. Today, after 12 years of its implementation, IRB has expected to receive almost 4.3 million taxpayers' forms through e-Filing for the 2017 assessment year. The number of taxpayers using e-Filing keeps on increasing every year because taxpayers do not have any other alternatives to declare their income. In fact, e-Filing has many benefits to both taxpayers and the IRB. Thus, the purpose of this study is to find out the dimensions of taxpayers' satisfaction with IRB's e-Filing system.