

UNIVERSITI TEKNOLOGI MARA

**DIMENSIONS OF TAXPAYERS' PERCEIVED
QUALITY TOWARDS THE BEHAVIORAL
INTENTION IN USING E-FILING OF THE INLAND
REVENUE BOARD OF MALAYSIA (IRB)**

**AWANG SEBLI BIN AWANG BOJENG
SITI NADIA BINTI ZAINAL ABIDIN
SOFFIAN BIN MOHD IBRAHIM**

Dissertation submitted in partial fulfilment
of the requirements for the degree of

Master in Business Administration

Arshad Ayub Graduate Business School

Jan 2019

AUTHOR'S DECLARATION

We declare that the work in this dissertation was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of our own work, unless otherwise indicated or acknowledged as referenced work. This dissertation has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

We, hereby, acknowledge that we have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of our study and research.

1. Name of Student : Awang Sebli Bin Awang Bojeng

Student I.D. No : 2016988365

Signature of Student



2. Name of Student : Siti Nadia Binti Zainal Abidin

Student I.D. No : 2016317695

Signature of Student



3. Name of Student : Soffian Bin Mohd Ibrahim

Student I.D. No : 2016707565

Signature of Student



Programme : Master in Business Administration

Faculty : Arshad Ayub Graduate Business School

Dissertation Title : Dimensions of Taxpayers' Perceived Quality
towards the Behavioral Intentions in using of
Inland Revenue Board of Malaysia (IRB)

Date : January 2019

ABSTRACT

Tax as a source of revenue is a key element for a 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' perceived quality and how it will influence the behavioural intentions of taxpayers in adopting e-Filing system. The dimensions of perceived quality that we have analysed are adopted from E-S-QUAL model which are efficiency, system availability, fulfilment, privacy, convenience and resource saving. Theory Reasoned Action (TRA) is used to examine the relationship between these dimensions of taxpayers' perceived quality and their behavioural intention. The data were collected based on judgemental sampling from 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 were being forwarded to the management of IRB for consideration.

TABLE OF CONTENTS

	Page
AUTHOR'S DECLARATION	i
ABSTRACT	ii
ACKNOWLEDGEMENT	iii
TABLE OF CONTENTS	iv
LIST OF TABLES	vii
LIST OF FIGURES	viii
LIST OF ABBREVIATIONS	ix
CHAPTER 1: INTRODUCTION	1
1.1 Research Background	1
1.2 Research Problem	3
1.3 Research Questions	5
1.4 Research Objectives	5
1.5 Research Scope	5
1.6 Research Limitations	6
1.6.1 Time constraint	6
1.6.2 Poor cooperation from respondents	6
1.6.3 Availability of data	6
1.7 Research Significance	7
1.8 Research Overview	7
CHAPTER 2: LITERATURE REVIEW	9
2.1 Introduction	9
2.2 Underpinning Theories and Models	10
2.2.1 Theory of Reasoned Action (TRA)	11
2.2.2 Theory of Planned Behavior (TPB)	11
2.3 Behavioral Intentions	12
2.4 Efficiency	13
2.5 System Availability	13

CHAPTER ONE

INTRODUCTION

1.1 Research Background

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 of 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 1st year of its implementation, only 5% of total taxpayers were using e-filing. The following year, in 2007, the number of taxpayers' who were using e-filing increase to 15.2%. The number of taxpayers who were using e-filing continue to increase with 23.4% in 2008, 28.9% in 2009, 32.2% in 2010 and 33.9% in 2011 (World Bank, World Development Indicators Database, Malaysia IRB data). 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' perceived quality with IRB's e-Filing system.

The IRB is one of the main revenues collecting agencies of the Ministry of Finance. The Department of Inland Revenue Malaysia became a board on March 1, 1996 and is now formally known as what it is today. The IRB had set out many modernization initiatives for tax system in Malaysia since year 2000. The assessment system had been switched from the preceding year basis to the current year basis. This