

Investigating the Perceptions of Taxpayer towards the Adoption of Individual Electronic Tax Filing System (E-Filing): A Case Study on UiTM Pahang's Accounting Lecturers

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ABSTRACT

The adoption of E-Filing system is to provide an application on filling and filing the income tax return form that can be made electronically through the internet (Inland Revenue Board Malaysia). It is initiated in Malaysia in the year 2006 as part of the E-government services mainly to provide a convenient way for taxpayers paying their taxes. The Inland Revenue Board Malaysia (IRBM) is the responsible government institution to manage the tax paying process and it can be done either manually or through the E-Filing system. With the objective to encourage citizens using ICT, the E-Filing system if it is used properly can provide many benefits such as reducing the operating cost of collecting tax, reducing error, saving time and providing a user friendly service. However, the use of E-Filing system in Malaysia has not yet achieved the high remarks. This is supported by the study conducted by Ramoo (2006) which reported that only 120,000 tax returns done through E-Filing represents only 1.2% of the population of taxpayers. While Kwai Fatt and Ming Ling (2008) indicates that there are users who attempt to use E-Filing for the convenience, speed filing and to get faster tax refund whereas there are also users who intend to use E-Filing but failed to do so due to the slow networks thus discourage them to proceed using the system. Therefore this paper attempts to investigate the users' perceptions towards the use of the E-Filing system in terms of the awareness, satisfaction, easiness, risk exposure and usefulness in using the system by focusing on UiTM Pahang's accounting lecturers as the respondents. On average, the result reflects positive perception of taxpayers towards the implementation of e-Filing system for their tax assessment. Further, most of the respondents agree and strongly agree that they are aware of the e-Filing system and also agree to be satisfied with the services provided in e-Filing system. In addition, respondents agree that e-Filing system is easy to use, neither agree nor disagree that e-Filing system is risky and they agree that e-Filing system is useful to taxpayers.

Keywords: *electronic filing, perceptions on E-Filing, tax automation, Malaysia*

Introduction

The taxation system is one of the initiatives of the government or ruler of a nation in ensuring the economic growth and distribution of wealth among the citizens. According to Engen and Skinner (1996), the countries that can organize tax resource efficiently tend to enjoy a faster growth rate rather than the countries with lower and inefficient tax collection. Thus, paying taxes can be considered as the responsibility of an individual liable to be taxed contributing some portion of financial payments from their income to the tax agencies (Masui & Nakazato, 1999). As in Malaysia, the Inland Revenue Board of Malaysia (IRBM) is the responsible institution as the main revenue collecting agencies and managing tax administration in Malaysia. According to IRBM in its official website, the individual with annual income of RM26, 501 after deducting the Employees Provident Fund (EPF) is eligible to register a tax file.

Starting from 2006, IRBM has shifted the traditional method to computerized system, called e-Filing system. The new system allows taxpayers to fulfill their responsibility in paying taxes electronically. However, the traditional method still applies to the taxpayers who still prefer the manual system. According to Ibrahim (2012), the e-Filing refers to the electronic filing or electronic lodgement or electronic declaration of tax returns in a computer file format through internet connection. The employment of e-Filing is one of the ways in the e-government program to achieve the objective of vision 2020 in encouraging the knowledge-based society among citizens. By transforming the methods in the taxpaying system, the government has taken a step further to provide a more convenient way for the citizens and encouraging them to fulfill their responsibility in paying taxes. This is supported by Kamarulzaman and Che Azmi (2010) that the adoption of

e-Filing provides the benefit for the users in terms of convenient, easy, flexible and cost saving for the users. The implementation of technology usage is always associated with the rapid flow of information and communication, thus it can benefit not only the users but also to the IRBM itself. Similarly, e-Filing also can aid users to quickly and automatically check for errors or other missing information during the process of filing the tax (Meenal & Garg, 2012). However, despite the benefits, there is also a high concern towards the security level among the users that become the barrier in the effectiveness of e-Filing implementation. According to Meenal & Garg (2012), the main aspect of security often questioned by the users of e-Filing includes the confidentiality, integrity and availability.

Since the e - filing system is an approach of adopting technology in the tax administration system which involves the changes of taxpaying method, there will be barriers or challenges arise since not all users can barely accept the changes. This is because the study conducted by Ramoo (2006) reported that only 120,000 tax returns done through e-Filing represent only 1.2% of the population of taxpayers. While Kwai Fatt and Ming Ling (2008) indicates that there are users who attempt to use e-Filing for the convenience, speed filing and to get faster tax refund whereas there are also users who intend to use e-Filing but failed to do so due to the slow networks thus discourage them to proceed using the computerized system. Hence, other than the concern on the security level of e-Filing, it is also necessary to identify the acceptance level and the perceptions of users towards e-Filing system. Many previous studies and past researches have taken steps to review the perceptions and acceptance level of users regarding to the adoption of e-Filing. From Ibrahim (2012) cited that there are two major theories used in predicting the e-Filing acceptance which is the theory of reasoned action (TRA) (Fishbein & Ajzen, 1975; Ajzen & Fishbein, 1980) and Theory of Planned Behaviour (TPB). Meanwhile Davis (1989) develops the Technology Acceptance Model (TAM) focus on the user's acceptance towards computer or technology that only comprises of two determinants that is perceived usefulness and perceive ease of use. In the mean time, Wang (2002) adapts this Technology Acceptance Model (TAM) to measure the individual's computer self efficacy based on perceived of usefulness, perceive ease of use and perceive of credibility on the behavioral intention in using e-Filing system. Illias et al. (2008) also use TAM to measure the user acceptance of taxpayers towards using the e-Filing system focuses in Labuan F.T. Other than these researchers, many past researches have shown a series of studies using TAM to measure the users' perception towards the adoption of e-Filing. Hence, in this paper, the researchers intend to review the perceptions of UiTM Pahang's staffs by considering the easiness, readiness, awareness, usefulness and the risk exposure in the adoption of e-Filing system.

Literature Review

Background to Malaysian e-Filing tax system and implementation

E-Filing implementation was introduced by a government agency called IRBM. It allows taxpayers to submit their income tax details online and is considered as an alternative to the usual manual paper submission. E-Filing was first introduced in 2006 and has since undergone a progressive improvement with a more robust engine promised to the users. For, example, the e-Filing application is not only limited to Internet Explorer browsers like before, taxpayers can now also use other browsers like Firefox and Opera to reach IRBM wherever they are in the country. A big picture of implementing e-Filing system is that it integrates tax preparation, tax filing and tax payment, which serves as a major advantage over traditional manual procedures. With the e-Filing system, taxpayers and tax practitioners can file their income tax returns electronically via the enabling technologies, rather than through mail or physically visiting the tax offices. This may eventually make the art of tax filing and tax payment easier.

There were twofold objectives of implementing e-Filing system by the charged agency LHDN. First, is for the agency to become more effective in the operational and processing tasks involving tax filing returns (Ambali, 2009). For example, it has been realized that using manual system limits the ability to process tax files expeditiously and subsequently causing a lot of delay in collections of income tax. In addition, given that the volume of taxpayers is increasingly rising in the country, additional manpower and time are required to screen tax returns if the data has to be manually entered into the database. Thus, it is believed that implementation of e-Filing system would significantly streamline the process, improve the accuracy of the tax returns and reduce transcribing error that characterizes the manual base system .

Second objective is to better serve the interest of the taxpayers by overcoming their difficulties in using paper base system and to encourage voluntary compliance of the taxpayers in filing their tax returns (Ambali, 2009). Thus, the implementation of e-Filing system serves as an alternative channel for taxpayers to reach the agency. In other words, implementation of e-Filing system is expected to provide greater convenience for taxpayers by allowing them to file their tax returns at anytime and from anywhere within the stipulated tax filing period.

Taxpayers' perception regarding awareness of e-Filing tax system

Awareness of e-Filing tax system can be seen from many aspects. For example, awareness of e-Filing procedures, time limit of return, IRBM's website address, e-payment and terms and conditions in using e-Filing tax system (Geetha & Sekar, 2012). The awareness among taxpayers can be created through many sources; announcement by IRBM in newspapers, friends, tax agent, tax seminar and workshop, internet and so on. In the study conducted by Geetha et al. (2012), they found that most of the individual tax payers are not aware of the e-Filing and e-payment procedures. One of the reasons for the lack of awareness includes a continued preference by taxpayers and certain segments of tax practitioners for paper filing.

Taxpayers' perception regarding satisfaction of e-Filing tax system

The use of the internet and the information and communication technologies (ICT) has become very important to the government (Majed, 2007). The electronic government implementation is expected to lower cost and gives the citizen satisfaction in using the services of government organization. Hence, the implementation of electronic government is for providing information and services to the citizen through internet. It is to make sure that government services is available online through internet. Satisfaction level can be measured from various aspects. Geetha R. Et al. (2012) found that 89% of the respondents are highly satisfied with the e-Filing procedure and it is ranked first, 61% of the respondents are satisfied with safety of e-Filing and on the other hand, 4% of the respondents are highly dissatisfied with the acknowledgement generated.

Taxpayers' perception regarding risk exposure of e-Filing tax system

As far as security issue is concerned it is obvious that people rarely worry about security in the physical world. Most of them, even while filing the paper-based tax returns, never bother to find out who is in charge of the post office where they will post their returns or do they worry about the percentage accuracy of postage delivery services. But, when it comes to e-Filing, people go out to extraordinary length to worry about the security of their information required in the system. The reason for such inconsistent behavior might be that security violations in Internet-based systems have received much notoriety in the popular sections of press and mind of the people all over the world. It is this perception of security in the online transactions that causes majority of the taxpayer population to be reluctant to use this alternative medium of filing their tax returns (Ambali, 2009). People may perceive that current facilities in electronic tax filing website as not adequately secure. This may also lead to a general belief that electronic transactions are inherently insecure and that any hacker can break into the computer system and can steal and misuse their confidential personal data information. If a user is able to feel that the system is well secured and trustworthy he/she will be able to put trust into the website and use it. One can easily argue that public users will have no doubt in trusting Malaysian federal and state government websites for providing information. However, users can still be sceptical in the manner the agency is going to transmit or store their information provided.

Taxpayers' perception regarding easiness of e-Filing tax system

Easiness can be defined as the extent to which a person believes that using the system will be free of effort (Davis, F.D., 1989). The e-Filing system facilitates the tax filing whereby the tax payers can easily fill the form anywhere and anytime. The perceived ease of the e-Filing system is an aspect that lead to the tax payer's perception to use e-Filing system. . It means that, they expect the system is easy to use. If the tax payers feel difficult to use the system, they will probably not using the system available. Memiyanty, Jasmine, Rozainun, Khamisi and Zurina (2012) conducted a study on the easiness of e-Filing. The study revealed that 47.6% of the respondents agree that it is easy to use. To further strenghten on the easiness of e-Filing 48.8% respondents find e-Filing to be positive. Respondents were also asked if they become confused

using e-Filing, on which majority disagree to the statement. Majority agreed that it was a wise decision to turn to e-Filing.

Taxpayers' perception regarding usefulness of e-Filing tax system

Usefulness can be defined as the extent to which a person believes that using the system will enhance his or her job performance. Most of the respondent's perception towards e-Filing system is useful to them because it can help the tax payers to interpret their tax much easier (Zaherawati, Zaliha, Zuriawati, Nazni, Mohd Zool Hilmie, Shahrul Faizah and Suhaili, 2009). The perception of tax payers towards the usefulness electronic tax filing start with the technology acceptance which is very important to the tax payers. If the tax payers do accept technology then they will definitely want to use the system. However, the perception towards an electronic filing system may also vary between people in urban area with people in rural area (Zaherawati et al, 2009). Differences to perceive the usefulness of technology will give different impact to people in believing the benefits of technology. Some people will have a positive belief on technology and some people may not be in the same beliefs. The positive beliefs drive individuals towards new technologies, which they believe that by using technology their work gets easier, faster and will create them comfortable feeling to use it in their own workplace or at home. Despite, the negative beliefs may hold them back. They may feel that the new technology or the electronic filing system just waste their time and energy because they have to take time to learn new thing, need them to stay in front of the computer for a long hour to use the system properly.

Research Methodology

The research design for this research is cross-sectional studies. This study can be done in which data are gathered over a period of days. The data was analyzed using statistical software tool (SPSS 21.0) with the use of Descriptive Statistics. The populations of accounting lecturers at UiTM Pahang are 37. The researchers sample size for this study is 54 percent from the population which is 20 accounting lecturers as the respondent. Accounting lecturers were selected since majority of them have a knowledge in taxation area. The respondents were given a set of question that consists 7 sections to measure the perception, awareness, satisfaction, easiness, risk exposure and usefulness including of the profile of respondents. The researchers use simple random sampling in selecting the respondents. The respondents were chosen in order to know the questionnaires constructed are reliable and understood by the respondents. The questionnaire consists of 5 Likert scale that begins with 1 (strongly disagree) to 5 (strongly agree). This set of questionnaire is adapted from various literatures such as Geetha and Sekar (2012); Mcleod et al. (2009); Ramoo (2006) and Davis (1989).

Result and Discussion

Profile of Respondents

As shown in Table 1, the total number of respondents is 20. A majority of the respondents are female, representing 75% and the remaining 25% are male. Further, respondents are categorized into four age groups. They consist of respondents ranging from 21-30 years old, 31-40 years old, 41-50 years old and 50 years old and above. The result shows majority of respondents are in the age of 31-40 years old, which amounted to 45%, followed by 35% in the group of 21-30 years old, 15 % in the group of 41-50 years old and 5 % in the group of 50 years and above. With regards to education level, majority of respondents are at Master Degree level of education, representing 90%, followed by the group of respondents in PhD education level with 5%, and Degree education level with 5%. In terms of working experience, 45% of the respondents have working experience of less than 5 years, 25% of them have 11-15 years working experience and 15% of them with the working experience of 6-10 years and more than 15 years. 70% of the total respondents pay tax. All of the respondents previously chose e-Filing tax system as their preferred method to file the tax.

Table 1: Profile of Respondents

		Frequency	Percent (%)
Gender	Male	5	25.0
	Female	15	75.0
Age	21 - 30 Years	7	35.0

	31 - 40 Years	9	45.0
	41 - 50 Years	3	15.0
	50 Years & Above	1	5.0
Education Level	Bachelor Degree	1	5.0
	Master Degree	18	90.0
	PhD	1	5.0
Working Experience	Less Than 5 Years	9	45.0
	6 – 10 Years	3	15.0
	11 – 15 Years	5	25.0
	15 Years & Above	3	15.0
Tax Payment	Yes	14	70.0
	No	6	30.0
Preferred Method	E-Filing	20	100.0
	Manual	0	0

N = 20

Perceptions of taxpayers towards e-Filing tax system

Table 2: Analysis of taxpayer's perception towards e-Filing system

Statements/Items	Frequency value					Mean
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
	(%)	(%)	(%)	(%)	(%)	
1. Learning to use e-Filing system would be easy for me	0.0	5.0	5.0	45.0	45.0	4.30
2. I would find it easy to prepare an income tax filing using e-Filing system	0.0	0.0	0.0	60.0	40.0	4.40
3. It would be easy for me to become skillful at using e-Filing system	0.0	0.0	5.0	65.0	30.0	4.25
4. I would find e-Filing system easy to use	0.0	0.0	5.0	55.0	40.0	4.35
5. Using e-Filing system would improve my performance in preparing income tax filing	0.0	0.0	15.0	40.0	45.0	4.30
6. I feel nervous about using an e-Filing system	5.0	20.0	30.0	30.0	15.0	2.70
7. Using e-Filing system would improve my productivity in preparing income tax filing	0.0	0.0	15.0	45.0	40.0	4.25
8. I believe e-Filing will save my time when filing tax returns	0.0	0.0	10.0	25.0	65.0	4.55
9. Using e-Filing system would enhance my effectiveness in preparing income tax filing	0.0	0.0	10.0	45.0	45.0	4.35
10. I would find e-Filing system useful in preparing income tax filing	0.0	0.0	10.0	40.0	50.0	4.40

Table 2 above shows the results of taxpayer's perception towards the implementation of e-Filing system for the tax assessment process. There are 10 items used to measure the level of taxpayer's perception gauged by five Likert scale ranging from strongly disagree to strongly agree. Averagely the result reflects positive perception of taxpayers towards the implementation of e-Filing system for their tax assessment. This is depicted by the majority of response given by respondents showing high percentage towards agree and strongly agree to all the statements. In addition, the mean for each item are more than 4 except for the statement 6 which reported 2.70. The highest mean reported by statement 8 by 4.55 which they believe that e-Filing system save their time when filing tax returns. This is followed by the statement 2 (4.40) with most respondents perceived that e-Filing system really made the preparation of income tax become more easy. Consequently, statement 10 also stated the same mean (4.40), where the respondents believe that e-Filing system is really useful for them to prepare the income tax. Meanwhile statement number 6 intended to analyze whether the respondents feel nervous when using the e-Filing system. It shows that most of the respondents still feel nervous in using this system since there are 30% stated agree and 15% stated strongly agree compared to 5% stated strongly disagree and 20% stated strongly disagree. Meanwhile, 30% respondents stated they are neutral, neither agree nor disagree. This situation can happen because of several factors. One of them might relate to the readiness of the taxpayers to use e-Filing system when they shifted from the traditional tax filing which is the preparation of tax manually.

Awareness of taxpayers towards e-Filing tax system

Table 3: Analysis of taxpayer's awareness towards e-Filing system

Statements/Items	Frequency value					Mean
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
	(%)	(%)	(%)	(%)	(%)	
1. I aware of filing tax	0.0	5.0	0.0	35.0	60.0	4.50
2. I aware of e-Filing procedure	0.0	0.0	5.0	40.0	55.0	4.50
3. I aware of e-form	0.0	0.0	15.0	30.0	55.0	4.40
4. I aware of time limit of return	0.0	5.0	5.0	40.0	50.0	4.35
5. I aware of LHDN's website address	0.0	5.0	5.0	30.0	60.0	4.45
6. I aware of using the computer software for e-Filing	0.0	5.0	15.0	25.0	55.0	4.30
7. I aware of tax registration number	5.0	5.0	15.0	35.0	40.0	4.00
8. I aware of terms and conditions using e-Filing tax	5.0	5.0	20.0	45.0	25.0	3.80

This study also managed to gather data about the respondents' information regarding to their awareness about e-Filing system and the results are presented in Table 3. Overall, there are only small percentage for the response of strongly disagree and disagree for statements 1, 4, 5, 6, 7 and 8 which stated about 5%. Only statement 2 and 3 show no report for the response of strongly disagree and disagree. Based on the reported mean score, it can be said that on average most respondents choose to agree and strongly agree for most of the statements. Majority respondents are aware of the existences of e-Filing system where 35% agree and 60% strongly agree with the mean 4.50. The same mean score (4.50) reported by the respondents' awareness about e-Filing procedure reported by agree (40%) and strongly agree (55%). Subsequently, the mean score 4.45 is reported which shows that respondents are aware of the LHDN's website as reported by 30% agree and 60% strongly agree to this statement. Most respondents are also aware of the e-form provided in the e-Filing system showing the mean score of 4.4 with 30% reporting agree and 55% reporting strongly agree. Although there is no response for disagree and strongly disagree for this statement, 15% of respondents put their judgment as neutral. The same goes for statement 6 and 7 which reported 15% and 20% for statement 8 where the respondents stated they are neutral for those statements. Besides that, the respondents are generally

aware of using software for e-Filing, tax registration number and the time limit of return in e-Filing system. The respondents who are aware of the terms and conditions in using e-Filing system stated by 45% agree and 25% strongly agree, meanwhile 20% of respondents stated as neutral and 5% stated as agree and strongly disagree respectively.

Satisfaction for using e-Filing

Table 4: Analysis of taxpayer's satisfaction towards e-Filing system

Statements/Items	Frequency value					
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
	(%)	(%)	(%)	(%)	(%)	
1. I satisfy with the e-Filing procedures	0.0	5.0	20.0	45.0	30.0	4.20
2. I satisfy with the safety of e-Filing	0.0	5.0	15.0	55.0	25.0	4.00
3. I satisfy with the accuracy of e-Filing	0.0	5.0	15.0	45.0	35.0	4.00
4. I satisfy with the time limit given for e-Filing	0.0	5.0	15.0	35.0	45.0	4.10
5. I satisfy with the acknowledgement generated by e-Filing system	0.0	5.0	5.0	50.0	40.0	4.20
6. I satisfy with the easiness of e-Filing	0.0	0.0	15.0	45.0	40.0	4.25
7. I satisfy with the availability of e-Filing	0.0	0.0	25.0	40.0	35.0	4.25
8. I satisfy with the facilities provided by e-Filing	0.0	0.0	20.0	40.0	40.0	4.10
9. I satisfy with the payment procedures	0.0	0.0	35.0	45.0	20.0	3.85

The researchers also measured the satisfaction level of taxpayers towards the use of e-Filing system which results are tabulated in Table 4. For all the statements given, there is no response of strongly disagree reported by respondents. Whereas, for statements 1, 2, 3, 4, and 5, each of them recorded 5% respondents stated they disagree to these statements. However, there is no response for disagree reported by respondents for the statements 6, 7, 8, and 9. In general, as shown by mean scores, most of the respondents appear to be satisfied with the services provided in e-Filing system although there are also respondents that reported the response of neutral for all statements. The highest mean scores reported from statements 6 and 7 that is 4.25, indicated that the respondents are satisfied with the easiness and the availability of filing provided in e-Filing. This is followed by the mean scores of 4.20 showing the respondents are satisfied with the acknowledgement generated in the e-Filing system indicated by 50% agree and 40% strongly agree for this statement. Another mean score of 4.20 shows the respondents are satisfied with the e-Filing procedures designated by 45% agree and 30% strongly agree. Other than that, the respondents are also satisfied with the facilities provided and the time limit given for e-Filing as indicated by the mean score 4.10 for both statements 4 and 8. Another two statements reported the same mean score (4.00) is for statements 2 and 3 that illustrate respondents are satisfied with the safety and accuracy of e-Filing. Meanwhile, for the statement of the respondents' satisfaction towards the payment procedures recorded the mean of 3.85 by 20% for strongly agree, 45% for agree and 35% stated they are neutral.

Easiness of using e-Filing**Table 5:** Analysis of easiness of using e-Filing

Statements/Items	Frequency value					Mean
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
	(%)	(%)	(%)	(%)	(%)	
1. Learning to e-file an income tax return would be easy for me	0.0	0.0	5.0	50.0	45.0	4.40
2. It would be easy for me to become skillful at using the income tax e-Filing system	0.0	0.0	10.0	50.0	40.0	4.30
3. It is easy to organize information needed in online tax filing	0.0	0.0	5.0	55.0	40.0	4.35
4. Online tax filing is more flexible	0.0	0.0	20.0	40.0	40.0	4.20
5. Overall, I find online tax e-filing system easy than manual	0.0	0.0	0.0	60.0	40.0	4.40

Table 5 above shows the results of taxpayers' perception regarding the easiness of using e-Filing system. 5 questions were asked to the respondents. Overall, respondents agree that e-Filing system is easy to use. This is proven when the mean score for all statements is more than 4. Further, majority of respondents which represented by highest percentage agree to the all five statements. While none of the respondents strongly disagree or disagree with all the statements which indicates that the e-Filing system is not difficult to be used. Among those statements, statement 1 and 5 reported the highest mean of 4.40. For statement 1, 50% of respondents agree that learning to e-file an income tax return would be easy, followed by 45% strongly agree and the remaining 5% neither agree nor disagree. While for statement 5, 60% of the respondents agree that tax e-Filing system is easy than manual and the rest of 40% strongly agree. In contrast, the lowest mean of 4.20 is reported by statement 4 where 40% of the respondents agree and strongly agree that online tax filing is more flexible but 20% of them are neutral.

Risk exposure of using e-Filing**Table 6:** Analysis of risk exposure of using e-Filing

Statements/Items	Frequency value					Mean
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
	(%)	(%)	(%)	(%)	(%)	
1. It is hard for personal tax information to remain confidential with e-Filing	0.0	15.0	55.0	20.0	10.0	3.25
2. Privacy is not well maintained with e-Filing system	0.0	30.0	40.0	15.0	15.0	3.15
3. Unauthorized parties could monitor my e-Filing activities	0.0	25.0	20.0	40.0	15.0	3.45
4. My private information and tax filing information could be logged by unauthorized parties and subsequently disclosed without my consent	0.0	25.0	15.0	40.0	20.0	3.55

5. Use of e-Filing method can cause my personal income tax information to be stolen	0.0	25.0	30.0	30.0	15.0	3.35
6. I will feel uneasy physiologically if I use e-Filing method	15.0	45.0	30.0	10.0	0.0	2.35
7. It is riskier to file taxes online than manual based	15.0	35.0	30.0	15.0	5.0	2.60

Results of taxpayers' perception regarding risk exposure of using e-Filing system are presented in Table 6 above. In general, the respondents neither agree nor disagree that e-Filing system is risky since the mean score of all statements is close to 3. Based on the result also, it shows that responses by respondents to each statement are inconsistent. Majority of respondents are neutral with the statement 1 and 2 since the highest percentage is at neutral scale, which means they neither agree nor disagree that personal tax information is hard to remain confidential with e-Filing and privacy is not well maintained with e-Filing system. However, most of them agree with statements 3, 4 and 5 with the percentage of 40%, 40% and 30% respectively. This explains respondents agree that unauthorized parties could monitor their e-Filing activities and their private information and tax filing information could be logged by unauthorized parties and subsequently disclosed without their consent. Besides, they agree that the use of e-Filing method can cause their personal income tax information to be stolen. In other words, they believe e-Filing system is not safe and risky. The reason might be due to lack of users' confidence in the Internet tax-filing system's ability to protect the user's personal information and security, accidental loss and alteration or destruction. In contrast, for statements 6 and 7, the highest percentage of 45% and 35% respectively is at disagree level. This indicates the respondents mainly disagree that they will feel uneasy physiologically if they use e-Filing method and they disagree e-Filing is riskier than manual based.

Usefulness of e-Filing

Table 7: Analysis of usefulness of e-Filing

Statements/Items	Frequency value					Mean
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
	(%)	(%)	(%)	(%)	(%)	
1. I find/would find the e-Filing system useful to complete my income tax.	0.0	5.0	0.0	40.0	55.0	4.45
2. Using the system enables me to accomplish my filing more quickly.	0.0	0.0	0.0	40.0	60.0	4.60
3. If I use the system, I will get my tax refund more quickly.	5.0	5.0	15.0	35.0	40.0	4.00
4. Using the system would save my costs of filing my tax return.	0.0	0.0	15.0	35.0	50.0	4.35
5. My interaction with the system is/would be clear and understandable.	0.0	0.0	25.0	30.0	45.0	4.20
6. Learning to operate the system is easy for me.	0.0	0.0	10.0	45.0	45.0	4.35
7. I find/would find the system easy to use.	0.0	0.0	10.0	50.0	40.0	4.30
8. The system makes filing income tax more interesting.	0.0	0.0	25.0	30.0	45.0	4.20
9. I like filing my return with the system.	0.0	0.0	10.0	40.0	50.0	4.40

As indicated in Table 7 above, the result of taxpayers' perception regarding the usefulness of e-Filing is presented. On average, respondents agree that e-Filing system is useful to taxpayers. This is proven when the mean score for all statements are more than 4. The highest mean score of 4.60 is reported for statement 2. Mean score of 4.60 which close to 5 indicates that respondents strongly agree the e-Filing system enables them to accomplish their filing more quickly. The result is supported by the highest percentage of 60% at strongly agree scale and the remaining 40% at agree scale. While, the lowest mean score of 4.00 is reported for statement 3 which means that respondents agree they will get their tax refund quickly. However, 5% of the respondents strongly disagree and disagree that they will get the tax refund quickly. By looking at the table, it can be seen that there are also 5% of the respondents that disagree e-Filing system is useful to complete their income tax. Other than statements 1 and 3, none of the respondents strongly disagree and disagree with all the statements.

Conclusion and Recommendations

On average, the result reflects positive perception of taxpayers towards the implementation of e-Filing system for their tax assessment. Further, most of the respondents agree and strongly agree that they are aware with the e-Filing system and also agree to be satisfied with the services provided in e-Filing system. In addition, respondents agree that e-Filing system is easy to use, neither agree nor disagree that e-Filing system is risky and they agree that e-Filing system is useful to taxpayers. There is recommendation from the researcher based on the findings in order to assist IRBM to be transparent in E-Filing practiced in Malaysia at large. Thus, to increase many tax payers to use e-Filing through the internet can be done by giving them more exposure on how to use the system itself. The tax payers need to know in depth how to use the e-Filing system. Moreover, the government should give more time for the tax payers that do not know how to use computer and internet because e-Filing systems can be more convenient to the consumers that know how to use computer and internet but not for those who does not know about. The government of Malaysia should build full trust of the tax payers to use e-Filing system to create positive perception towards it. The e-Filing system must be proven to be the best method for the tax payers to use it. By building trust of the tax payers, it can lead to the higher level confidence of the tax payer to use e-Filing system through internet. Moreover, more clear define guidelines should be taught, so that the tax payers do not face difficulties to use the system itself. The IRBM should have specific approach to increase more tax payers to use e-Filing system in future.

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