

A STUDY ON AWARENESS LEVEL OF INDIVIDUAL TAXPAYER TOWARDS TAX PLANNING WITH REFERENCE TO CHENNAI DISTRICT.

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Abstract:

With the emerging era technology advancement in all fields is mandatory to change manual work to computerized work. For that, internet plays a vital role. In the field of income tax, e-governance has introduced an e-filing website for filing the ITR return through online instead of visiting the income tax department directly by the tax payers. E-filing is the process of filing, generating and submitting the ITR returns. The aim of the study is to measure the satisfaction and awareness level of tax payers on E-filing service provided by the Income tax department. The study was conducted with 120 responses.

Key words: E-filing, Tax payer, Awareness level and ITR returns

1.0 Introduction:

An individual whose income is more than the slab rate determined by the government is liable to file returns with the income tax department for income earned in the previous year in every assessment year. The process of generating, uploading, and submitting the ITR forms electronically is known as “E-filing”. E-filing is the software developed by e-governance. It came into force in September 2004. But it became mandatory from July 2006 for all firms, and from 2013, it became mandatory for those individuals who earn more than Rs. 10 lakhs as to file their returns through online. The benefits of e-filing including easy accessibility, time-saving and convenience in filing returns. Moreover, the research article is to measure the awareness and satisfaction level of the tax payer.

2.0 Literature Review:

Azmi et al. (2010) in their study explained about the taxpayer’s response who accepted the e-filing system. The e-filing system is an important e-government service in Malaysia. The study proposed a model consisting of three constructs, which was perceived usefulness, perceived ease of use and perceived risk. The sample size is 200 respondents. Questionnaires were distributed through emails. The survey instrument was based on 7-point likert scale questionnaire.

Geetha et al. (2012) in their study focused about the perceptions of e-filing of income tax return. To assess the tax payer’s perception, awareness towards e-filing of income tax returns, the study used a questionnaire of 200 respondents to find out the result.

Mamta(2012) explained that he felt it easy to use e-filing system. To investigate whether the tax payers had encountered any problems/ (or facilities) in using the e-filing system. To analyze the

situation, 300 respondents and their result were recorded. It can be concluded that majority of the tax payers have own enough facility to use e-Filing system at home or at the workplace and ease of use is the most important reason to file returns online.

Brahmbhatt Mamta (2012) in the paper “Tax Payers’ Perception towards E-File Adoption: An Empirical Investigation” suggest that with proper assistance from the tax-filing system and service centers, people can be made familiar to filing income taxes online.

Mukesh Kumar and Dr Mohd Anees (2014) in the study “E-Filing: Creating New Revolution in Taxation of India” has highlighted the benefits and challenges of E-Filing. They stated that Income tax department has to promote e-filing campaigning and enhance some job opportunities as TRPs in the society so that people become more aware about this new opportunity. Like other researcher opinion they also state that main challenge is risk of security. Their study shows that the e-filing is the new effective method of filing income tax return through online and make epayment tax.

3.0 objective of the study:

1. To identify the demographical profile of the tax payers.
2. To evaluate the awareness level of the tax payers.
3. To know the satisfaction level of the tax payers towards e-filing system.

4.0 Hypothesis:

- H 1: There is no significant relationship between satisfaction level of the tax payers and age.
 H 2: There is no significant relationship between satisfaction level of the tax payers and educational qualification.
 H3: There is no significant relationship between satisfaction level of the tax payers and occupation.

5.0 Methodology:

The research design is descriptive research. Study location is Chennai district. The study population is a tax payer. Sample size is 120 respondents. Type of scale used to measure the demographic profile are nominal scale and to measure the satisfaction level of the taxpayer Likert scale is used. Tools used to analysis the personal profile and awareness level are percentile analysis and to analysis the satisfaction level Anova were used.

6.0 Data analysis:

**Table No. 1
Personal Profile**

S.No.	Category	Description	Number of Respondents	Percentage to Total
1	Gender	Male	63	52.5
		Female	57	47.5
		Total	120	100
2	Age	25 to 30 years	37	30.8
		31 to 40 years	28	23.3
		41 to 50 years	23	19.2

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		Above 50 years	32	26.7
		Total	120	100
3	Educational Qualification	Undergraduate	40	33.3
		Post graduate	37	30.8
		Others	43	35.8
		Total	120	100
		Business	15	12.5
		Government employee	13	10.8
		Private Employee	41	34.2
		Other	51	42.5
		Total	120	100
4	Monthly Income	Rs.42,000 to Rs.45, 000	41	34.17
		Rs.45, 001 to Rs.50, 000	32	26.67
		Rs.50, 001 to Rs.70, 000	33	27.50
		> Rs.70, 001	14	11.67
		Total	120	100
5	Occupation	Business	15	12.5
		Government employee	13	10.8
		Private Employee	41	34.2
		Other	51	42.5
		Total	120	100.0

From the above table. It identify that 52.5% are male respondents and 47.5% are female respondents. Regarding age 30.8% of respondents are belongs to 25 to 30 years and 19.2% of respondents are in 41- 50 years. Regarding their education qualification of the respondents 33.3% are undergraduates and 30.8% are post graduates. 34.17% are respondents are earning between Rs.42, 000 to Rs.45,000 as a monthly income and 11.67% are earning above Rs. 70,000. Regarding their occupation 10.8% are government employees.

Table No.2
Awareness level of the tax payers

S.No	Description	Aware (in %)	Unaware (in %)
1	Awareness on e-filing steps	65	35
2	Awareness on original return	53.3	46.7

3	Awareness on revised return	60.8	39.2
4	Awareness on filling with or without DSC	55	45
5	Awareness on document required for e-return intermediary(ERI)	55.8	44.2
6	Awareness on deadline for e-filing	61.7	38.3
7	Awareness on penalty for late ITR filing	58.3	41.7
8	Awareness on various e-verification methods	54.2	45.8
9	Awareness on submission of return to CPC	56.7	43.3
10	Awareness on claiming of refund	53.3	46.7

From the table no. 2. It found that awareness level of the taxpayers. 65% of the individual tax payers are aware on e-filing steps, 46.7% of tax payers are unaware on original returns of ITR forms, 60.8% of tax payers are aware on revised returns of ITR forms, 55% of tax payers are aware on filing returns with or without DSC, 61.7% of tax payers are aware on deadline for e-filing, 58.3% of tax payers are aware on penalty for late ITR filing, 45.8% of respondents are unaware on various available e-verification methods, 56.7% are aware on submission of return to CPC and 53.3% of respondents are aware on claiming of refund.

Table No.3
Satisfaction level of tax payer based on age group

ANOVA						
		Sum of Squares	Df	Mean Square	F	Sig.
satisfied with information available on e-filing website	Between Groups	.907	3	.302	.193	.901
	Within Groups	181.460	116	1.564		
	Total	182.367	119			
satisfied with facility provided by the income tax department	Between Groups	4.898	3	1.633	.906	.441
	Within Groups	209.094	116	1.803		
	Total	213.992	119			
satisfied with e-filing software	Between Groups	.240	3	.080	.043	.988
	Within Groups	215.752	116	1.860		
	Total	215.992	119			
satisfied with security available for uploading ITR returns	Between Groups	5.708	3	1.903	1.037	.379
	Within Groups	212.883	116	1.835		
	Total	218.592	119			
satisfied with bank service for tax payment	Between Groups	2.700	3	.900	.565	.639
	Within Groups	184.892	116	1.594		

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	Total	187.592	119			
satisfied with generating of acknowledgement	Between Groups	5.143	3	1.714	.963	.413
	Within Groups	206.449	116	1.780		
	Total	211.592	119			
satisfied with time limit for ITR filing	Between Groups	3.968	3	1.323	.950	.419
	Within Groups	161.499	116	1.392		
	Total	165.467	119			
satisfied with accessibility	Between Groups	3.813	3	1.271	.705	.551
	Within Groups	209.178	116	1.803		
	Total	212.992	119			

From the table no.3 it shows that satisfaction level of the taxpayers. The calculate value is greater than 0.05 at 5% of significance level therefore null hypothesis is accepted which shows that there is no significance relationship between satisfaction level towards e-filing and age.

Table No.4
Satisfaction level of tax payer based on education qualification

ANOVA						
		Sum of Squares	Df	Mean Square	F	Sig.
satisfied with information available on e-filing website	Between Groups	.072	2	.036	.023	.977
	Within Groups	182.295	117	1.558		
	Total	182.367	119			
satisfied with facility provided by the income tax department	Between Groups	1.118	2	.559	.307	.736
	Within Groups	212.873	117	1.819		
	Total	213.992	119			
satisfied with e-filing software	Between Groups	.769	2	.385	.209	.812
	Within Groups	215.222	117	1.840		
	Total	215.992	119			
satisfied with security available for uploading ITR returns	Between Groups	4.803	2	2.401	1.314	.273
	Within Groups	213.789	117	1.827		
	Total	218.592	119			

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satisfied with bank service for tax payment	Between Groups	1.683	2	.841	.529	.590
	Within Groups	185.909	117	1.589		
	Total	187.592	119			
satisfied with generating of acknowledgement	Between Groups	1.951	2	.976	.544	.582
	Within Groups	209.640	117	1.792		
	Total	211.592	119			
satisfied with time limit for ITR filing	Between Groups	1.623	2	.812	.579	.562
	Within Groups	163.844	117	1.400		
	Total	165.467	119			
satisfied with accessibility	Between Groups	4.838	2	2.419	1.360	.261
	Within Groups	208.154	117	1.779		
	Total	212.992	119			

From the table no.4 it shows that satisfaction level of the taxpayers. The calculate value is greater than 0.05 at 5% of significance level therefore null hypothesis is accepted which shows that there is no significance relationship between satisfaction level towards e-filing and education qualification.

**Table No.5
Satisfaction level of tax payer based on occupation**

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
satisfied with information available on e-filing website	Between Groups	4.898	3	1.633	1.067	.366
	Within Groups	177.468	116	1.530		
	Total	182.367	119			
satisfied with facility provided by the income tax department	Between Groups	4.791	3	1.597	.886	.451
	Within Groups	209.201	116	1.803		
	Total	213.992	119			
satisfied with e-filing software	Between Groups	2.567	3	.856	.465	.707
	Within Groups	213.425	116	1.840		
	Total	215.992	119			
	Between Groups	3.988	3	1.329	.719	.543

satisfied with security available for uploading ITR returns	Within Groups	214.604	116	1.850		
	Total	218.592	119			
satisfied with bank service for tax payment	Between Groups	3.856	3	1.285	.812	.490
	Within Groups	183.735	116	1.584		
	Total	187.592	119			
satisfied with generating of acknowledgement	Between Groups	.288	3	.096	.053	.984
	Within Groups	211.304	116	1.822		
	Total	211.592	119			
satisfied with time limit for ITR filing	Between Groups	3.966	3	1.322	.950	.419
	Within Groups	161.500	116	1.392		
	Total	165.467	119			
satisfied with accessibility	Between Groups	3.784	3	1.261	.699	.554
	Within Groups	209.208	116	1.804		
	Total	212.992	119			

From the table no.5 it shows that satisfaction level of the taxpayers. The calculate value is greater than 0.05 at 5% of significance level therefore null hypothesis is accepted which shows that there is no significance relationship between satisfaction level towards e-filing and occupation.

7.0 Conclusion:

In present days, technology adoption is necessary to improve the growth of the field as well as same is adopt by individual is also mandatory. The purpose of this research article is to focused on individual taxpayer satisfaction with various e-filing facility provide by the income tax department. The study was conducted among 120 respondent using a well-structured questionnaire. According to the findings of this study, more than half of Indian taxpayers are aware of the e-filing system, and there is no significant relationship between taxpayer satisfaction and demographic profile. The income Tax department conduct various tax programmes to increase the awareness level among tax payer towards e-filing.

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