

# ISSUES AND PROSPECTS OF E-FILING OF INCOME TAX RETURNS: A CONCEPTUAL STUDY

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## ABSTRACT

In the current world step by step new advancements are presented and improved quick on the whole fields. Presently new innovation talented to citizens for recording their personal government form through online is E-filing. The E-filing is the new viable techniques for recording personal government form through on the web and make E-filing charge. It saves our brilliant time, energy, cost and furthermore lessens our strain. So the citizens are needed to utilize E-filing offices. This current investigation look at that the current clients are happy with the E-filing offices however the vast majority of the individual citizens don't know about the E-filing methods so adequate advances are needed for make more mindfulness in the personalities of citizens in regards to E-filing of annual expense.

**Keywords:** E-filing, Tax Payers, Issues, Prospects and Awareness.

## 1. INTRODUCTION:

E-filing software was first presented by the US-IRS as a test project for the 1986 documenting era with the critical aim of enhancing its effectiveness in managing government forms. Preceding the starting of the undertaking, the IRS worked intimately with charge arrangement programming suppliers and duty experts to guarantee a fruitful dispatch of the program. During the test year, the IRS offered E-filing administrations in three urban areas and limited the kinds of citizens and the sorts of return that could be documented electronically. Ex: charge preparers were just permitted to record gets back with nil adjusts. The pilot project was fruitful and IRS bit by bit extended the program to other cities and states and by 1990 had the option to offer E-filing of funds to be paid returns, trailed by tele-documenting in 1992 and E-filing in 1996.

In India E-filing Income charge was presented in September, 2004, at first on an intentional utilization reason for all classifications of Income charge evaluates. Yet, from July, 2006 it was

compulsory for all corporate firms to E-filing their Income expense forms. Recording of Income assessment form is a legitimate commitment of each individual whose complete Income for the earlier year has surpassed the most extreme sums that aren't chargeable for the Income charge under the arrangements of the Income charge Act 1961. Personal assessment office has acquainted a helpful route with document these profits web based utilizing the web. The cycle of electronically recording Income expense forms through the web is known as E-documenting. It is obligatory for the organizations and firms requiring legal review under area 44AB to present the Income expense forms electronically. E-filing is conceivable with or without advanced mark.

### ***1.1 Meaning and Definition of E-filing:***

The Process of electronically recording Income assessment forms through the web is known as E-documenting.

#### ***Definition:***

E-filing or electronic documenting is presenting your personal expense forms on the web. There are two different ways to record your personal assessment forms. The conventional way is the disconnected way, where you go the Income Tax Department's office to actually document your profits. The alternate way is the point at which you e-record through the web. In the course of recent years, e-recording has become well known in light of the fact that it is simpler, doesn't need prints of archives, and should be possible for nothing! It includes:

- Online self-prepared return using a computer and tax preparation software,
- Online return accommodation using a cost effective PC and duty arrangement programming.

Electronic filling may take place at a citizen's home, a volunteer centre, a library, a financial institution, a workplace, shopping malls and shops, or a duty expert's workplace.

E-filing is characterized as "The way toward utilizing a PC program to send data electronically to another gathering. This permits the client to finish and present the data in an opportune style. The electronic documenting framework keeps the client from committing little errors by alarming them if something doesn't enrol accurately. A vast lion's share of government and

state income divisions offer residents the capacity to document yearly expense forms utilizing an electronic recording framework. The interior income administration offers this support for nothing out of pocket for government expense forms".

### 1.2 *Features of E-filing:*

- **Icons:** Text has been enhanced with symbols; any place proper to empower clients with learning incapacities comprehends the data without any problem.
- **Identification of file type and file size:** Data about substitute record types, for example, PDF alongside the document size has been given inside the connection text to assist clients with distinguishing something very similar. Moreover, symbols for various record types have been furnished with the connections. These aides' clients in choosing whether they wish to get to the connection. For instance, if a connection opens a PDF record, the connection text determines its document size and document type.
- **Headings:** The Web page content is organized using appropriate headings and sub-headings that provide a readable structure.
- **Titles:** An appropriate name for each Web page is specified that helps one to understand the page content easily.
- **Alternate Text:** Brief description of a picture is furnished for clients with visual handicap. In the event that you are utilizing a program that underpins just content or have killed the picture show, you can in any case understand what the picture is about by perusing the substitute content without a picture.
- **Explicit Form Label Association:** A mark is connected to its individual control, for example, text box, check box, radio catch and drop-down list. This empowers the assistive gadgets to recognize the names for the controls on a structure.
- **Form instructions and errors:** Guidance text and mistake messages for structures are shown powerfully, i.e., while the client is exploring the structure and topping off the structure.
- **Consistent Navigation Mechanism:** Reliable methods for route and style of introduction all through the Website have been fused.
- **Keyboard Support:** The site can be perused utilizing a console by squeezing the Tab and Shift + Tab keys.

- **Customized Text Size:** The size of the text on the Web pages can be changed either through the browser or, through the Accessibility Options page or by clicking on the top of each page of the text sizing icons.
- **Adjust contrast scheme:** The website provides facility to enable users with visual impairments, such colour blindness to view the web page information with ease. Office accessible for changing the difference of the site page.

### ***1.3 Methods of E-filing of ITR:***

We can file the ITR return online either through the income tax e-filing portal. On the off chance that one can wish to file the ITR return through the government portal, then you have to file it using the “offline” mode or the “online” mode.

❖ **In online mode,** we can sign on to <https://www.incometaxindiaefiling.gov.in/home> and download dominate or java utilities of material ITR structure from the tab download > ITR return planning programming. A ZIP document will get downloaded. Kindly concentrate the ZIP document and fill every one of the pertinent fields in the utility. Make sure to approve every one of the sheets and snap on compute charge. At that point, create and save the XML utility. The dominate utility is fit to be transferred on the entrance for E-documenting. Complete the check of return among six alternatives accessible and afterward present the structure.

❖ **To file ITR through offline mode,** sign on to the e-documenting entrance utilizing PAN secret key and entering the manual human test. Go to the "e-record" tab and open the "annual expense form" connects starting from the drop. Fill the appropriate nuances and select "prepare and submit on the web" as the convenience mode. Fill the nuances in the ITR structure opened on the web. Snap on "save as draft" to save the filled profit from the web. Check the return using Aadhaar OTP/EVC/or sending a genuine copy at CPC. Finally present the return.

### ***1.4 Documents required for E-filing of ITR:***

- a. Choosing the applicable ITR form
- b. Link Aadhaar with PAN
- c. For Salaried Employee-

- PAN
- Form-16 issued by the employer
- Month-wise salary slip

### ***1.5 Documents related to interest income-***

- Bank statement/passbook for interest on savings account
- Interest income statement for fixed deposits.
- TDS certificate issued by banks and others.

1.6 Form 26AS

1.7 Section 80 Investments

1.8 Documents required to claim the following Expenses as Deductions

1.9 Other Investments Documents

## **2. REVIEW LITERATURE:**

To discover the hole in the writing, the accompanying audit of prior works been done and summed up as underneath: Anna A. Che Azmi and Yusniza Kamarulzman, (2000), "Adoption of Tax E-documenting: An applied paper", in their commitment towards giving helpful contribution on the reception and assessment of the E-recording framework by clients. It is anticipated that large numbers of these dangers realities will be huge. Among the dangers that might actually be huge are execution hazard, mental danger, time danger and protection hazard. This investigation plans to the relationship of view of danger and its realities inside the Technology Acceptance Modal with the expense E-recording setting.

Yi-avoid Wang, (2002), "The Adoption of Electronic Tax Filing Systems: An Empirical Study". He clarified that the advantages, tracks and features (ITRs) of E-documenting among the inhabitants of the country. E-recording Income government form utilizing web is a blessing to a citizens. Utilizing the Technology Acceptance Model (TAM) as a hypothetical structure, this examination presents 'saw validity' as another factor that reflects utilization of E-charge documenting framework. Dr. Sujeet Kumar Sharma, Dr. RajanYadav, (2011), "An Empirical Study on Tax Payer's Attitude towards E-return Filing in India", as they would see it that review

utilized factor examination and numerous relapse investigation to comprehend citizens' disposition towards E-documenting. The examination found that apparent convenience, seen helpfulness, seen believability and PC mindfulness fundamentally impact the client's acknowledgment of E-documenting.

Geetha R. furthermore, Sekar M. (2012), "E-documenting of Income Tax: Awareness and Satisfaction level of Individual Tax Payers in Coimbatore city, India", This examination uncovers that the current clients are happy with the E-filing offices however the greater part of the individual citizens are not attention to the E-recording and E-filing strategies so adequate advances are needed to make more mindfulness in the psyche of citizens in regards to E-documenting of Income charge. Meenu Gupta, (2012), he broke down that the acknowledgment of E-filing of Tax Returns is obviously superior to conventional arrangement of covering Income charge. The advantage of E-Filing heads up the significance of mechanical headway.

Brahmbhatt Mamta, (2012), "Tax Payers Perception Towards E-filing Adoption: Empirical Investigation", this study endeavours to build up a comprehension of the elements that impact residents selection of electronic assessment recording administrations and to talk about citizen discernment and fulfilment with an online framework for filling singular Income expense form. Mukesh Kumar and Mohammed Anees (2014), "E-Filing Creating New Revolution in Taxation of India" as they would see it that changing situation in Income charge because of usage of E-Filing. India is in the period of progressive changes in data innovation which additionally gives incredible headway in E-Filing field of Income charge office.

Dr. Samir Mazidbhai Vohra, (2015) "E-Filing; New Revolution in Taxation of India". Analysed that the Income charge division has presented E-filing of Income assessment forms to make the documenting interaction simpler for citizens which will result into decrease of time and desk work. India is in the period of progressive changes in data innovation which eventually gives greater support in E-documenting of Income expense form. The examination shows that the E-recording is the new successful technique for documenting Income expense form through on the web and make E-Filing of assessment.

Jyothi Arora, (2016), "E-recording of Income Tax Return in India", he broke down in this examination, manages the advantages, cycle, patterns and features (ITRs) of E-filing among the occupants of country. In the current world new data innovation is being presented quick altogether fields.

Because of the feature of time, specialists couldn't survey more articles and books, however with the accessible writing, they found that a not very many works have been done on the territory of this subject prior, consequently, it's a little exertion is placed in to top off the writing hole.

### 3. OBJECTIVES OF THE STUDY:

The primary objective of the study is to evaluate the problems and possibilities of E-Filing of personal assessment forms. In view of this essential unbiased, other explicit and point by point goals are drawn as under:

- To study the concept and need for E-filing system of income tax.
- To know whether the new system of E-filing is a welcoming note for developing country.
- To investigate whether the tax payer have problem while using E-filing system.
- To compare the satisfaction level of assesses between E-filling and manual filling of tax returns.

### 4. RESEARCH METHODOLOGY:

The accompanying sections clarify the philosophy continued in this study:

**Type of research:** The research study is an empirical in nature, led to realize the proposed study expects to contemplate the issues and prospects of E-filing of annual government forms.

**Scope of the Study:** The proposed study intends to consider the issues and prospects of E-Filing of individual appraisal structures. For this reason, it is proposed to contemplate the different variables identifying with E-recording and furthermore its commitment to Economy.

In this way the investigation is limited to NCR Region.

**Research tool:** Random Sampling Method will be used as a research tool.

**Sample size:** Sample size is 50 respondents. Respondents are dispersed over NCR Region, so meet is directed distinctly for the chose respondents of the investigation territory.

**Sources of Data:** For this purpose of study, the data has been collected in 2 ways:

**Primary data:** Primary Data is gathered through organized survey and individual meeting with respondents.

**Secondary data:** Secondary data is gathered through Journals, Books, E-Sources, and Reports and so on.

## 5. ANALYSIS AND INTERPRETATION:

The data collected through field survey is presented in tables and interpreted as below:

**Table 5.1: Demographical factor – Male/Female Ratio of the Respondents**

SI No	Gender	No. of Respondents	Percentage (%)
01	Male	28	55.00
02	Female	22	45.00
	<b>Total</b>	<b>50</b>	<b>100</b>

**Source:** Field survey

Table No 5.1 Represents gender of the respondents. It is clear that, out of 50 respondents, 55% of respondents are male and remaining 45% are female. Here deciphered that majority of respondents are male as they are the workers and top of the family.



**Table 5.2: Demographical factors-Age of the Respondents**

SI No	Age	No. of Respondents	Percentage (%)
01	20-30	20	37.00
02	31-40	08	15.00
03	41-50	10	24.00
04	Above 51	12	24.00
	<b>Total</b>	<b>50</b>	<b>100</b>

**Source:** Field survey

Table No 5.2: represents Age of the respondents. Out of 50 respondents 37% of respondents goes under the age gathering of 20-30 years, 15% are under 31-40 years, 24% are under 41-50 years or more 51 years are 24%. It is deciphered that larger part of respondents who pay charge goes under the age gathering of 20-30 years 37% out of 100%. By virtue of youths think about E-Filing Income charge.

**Table 5.3: Demographical Factor - Occupation**

SI No	Occupation	No. of Respondents	Percentage (%)
01	Businessman	16	35.00
02	Employee	14	28.00
03	Professional	10	15.00
04	Other	10	22.00
	<b>Total</b>	<b>50</b>	<b>100</b>

**Source:** Field survey

Table No 5.3: represents occupation of the respondents. Out of 50 respondents 35% are businessmen, 28% are employee, 15% are professional, and 22% have other occupation. It is deciphered that the respondents of the citizens are businessmen's. It shows that in general the occupations basically identical residents we can find.

**Table 5.4: Demographical Factor - Annual Income**

SI No	Annual Income	No. of Respondents	Percentage (%)
01	Rs 2.5 lakh	04	11.00
02	Rs 2.5 lakh to Rs 5 lakh	22	41.00
03	Rs 5 lakh to Rs 10 lakh	18	35.00
04	Above Rs 10 lakh	06	13.00
	<b>Total</b>	<b>50</b>	<b>100</b>

**Source:** Field survey

Table No 5.4: depicts yearly compensation of the respondents. Out of 50 respondents reliant on yearly Income they are orchestrated. 11% have yearly Income not as much as Rs. 2,50,000, 41% are between Rs. 2,50,001 to Rs. 5,00,000, 35% are between Rs. 5,00,001 to Rs. 10,00,000 and 13% are above Rs. 10,00,000 yearly Income. Here that larger piece of residents practically 41% have the yearly Income between Rs. 2,50,001 to Rs. 5,00,000.

**Table 5.5: Head of Income is Taxable**

SI No	Particulars	No. of Respondents	Percentage (%)
01	Income from Salary	15	30.00
02	Income from House Property	05	10.00
03	Income from Business or Profession	22	44.00
04	Income from Capital Gain	02	4.00
05	Income from other sources	06	12.00
	<b>Total</b>	<b>50</b>	<b>100</b>

**Source:** Field survey

Table No 5.5: shows that out of 50 respondents 30% are Income from Salary, 10% Income from House Property, 44% Income from Business or profession, 4% Income from Capital Gain and 12% Income from other Sources.

**Table 5.6: Respondents are divided into groups based on how they filed their returns.**

SI No	Particulars	No. of Respondents	Percentage (%)
01	E-filing using a digital signature	34	62.00
02	E-filing without a digital signature	16	38.00
	<b>Total</b>	<b>50</b>	<b>100</b>

**Source:** Field survey

Table No 5.6: shows that out of 50 respondents 64% of respondents are file the Return by using a digital signature and remaining 38% file the return by using without a digital signature. It is deciphered that greater part of respondent are utilizing advanced mark while making good on the personal duty, since it is not difficult to record an assessment.

**Table 5.7: Classification of Respondents on the basis of using of E-filing and payment system enables to get refund from Tax agency quickly**

SI No	Particulars	No. of Respondents	Percentage (%)
01	Fully satisfied	09	18.00
02	Satisfied	14	28.00
03	Neutral	19	38.00
04	Dissatisfied	08	16.00
	<b>Total</b>	<b>50</b>	<b>100</b>

**Source:** Field survey

Table No 5.7: shows that 18% of respondents thought completely fulfilled, 28% of respondents believed that fulfilled, 38% of respondents believed unbiased and 16% of respondents thought disappointment about discount office in E-filing. It is interpreted that larger part of respondents said that nonpartisan to the discount office given by the duty organizations in E-filing.

## 6. FINDINGS OF THE STUDY

The study's results are as follows:

- a) The study shows that the individual tax payers are male, more tax payers are in the age

- group of 20-30 years and tax payers are businessman.
- b) Most of the respondents took care of penalties and here the research study discovers, citizens took care of penalties in light of their default more than the default made by the tax consultants.
  - c) It is found that through newspaper has acquired as main source of awareness about E-filing system. The service providers of tax gave in E-documenting are better according to the respondents.
  - d) Majority of respondents says that E-filing is the easiest mode for payment of tax return.
  - e) It is found that E-filing system is a welcoming note and opined online system is acceptable.
  - f) At the time of E-filing tax even if a single PAN number change means filing cannot be done.
  - g) The study shows that protection given by the tax authority in E-filing return is average level of satisfaction.
  - h) It is found that in-case of individual tax payers they have satisfied about E-filing procedure, safety, accuracy and easiness.
  - i) The study finds firms and all companies using E-filing of income tax return was made mandatory.
  - j) Electronic filing software and submission to be more confusing than paper filing tax filer is not technically efficient.
  - k) Software glitches and internet issue cause unexpected problems for people who file electronically, if they wait until the last minute.

## **7. POLICY RECOMMENDATIONS:**

Following are some suggestions based on respondents' opinions and secondary results, which are summarized as follows:

- a) Here recommended that broad commercial in sites, and utilizing radio broadcasts and neighbourhood channels through nearby dialects. The mindfulness can be expanded by getting sorted out mindfulness programs in workplaces or working environments. When planning the product for E-filing return, the convenience and representation ought to be remembered.

- b) Tax authority ought to have created showcasing techniques like catching their eye towards E-filing related issues.
- c) The time and cost of E-filing framework is acknowledged by individuals. In this manner still these highlights should be improved.
- d) Tax payers are to be roused through giving free preparing offices by the expense office. Efforts will be made to prevent network issues and to make changes to PAN number issues.
- e) As much as conceivable the citizens need to make self-return of E-recording of personal assessment form by taking appropriate preparing and furthermore there by dodge the charges paid to the duty advisors and furthermore escape from taking care of punishments for late return.
- f) The tax department ought to give full security to the data and subtleties given by the citizens by embracing refreshed innovation with respect to security and protection.
- g) The charge division ought to improve on the method of expense E-recording. Accordingly it is feasible for some citizens to pay their expense through E-documenting.
- h) The software should be programmed with full privacy and security there by protects the information and bank account details provided by the taxpayers from virus or malware on the computer.

## **8. CONCLUSION:**

People's affirmation of E-filing is significantly related to their level of development status. Development accessibility is described as person's partiality to embrace and use new advancement for accomplishing certain tasks. So more endeavors should be made during this heading by Indian Income Tax Department then just the can do their main goal "Innovation in the help of Tax Payers". E-filing can be gigantic impact to pay specialists in farming countries, diminishing their legitimate cost and mix-up rates and improving their capability. Finally in this information correspondence development period, every organization is expected to develop a strong, speedy and adjusted channel for organization movement under various E-organization exercises. The current examination is a methodical endeavor toward this path to investigate client acknowledgment of one such contribution to the type of E-filing return.

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