

Influence of E-Filing Website Toward Intention of Personal Taxpayers in Submitting Annual Tax Return

Hendro Lukman
Faculty of Economics and Business
Universitas Tarumanagara
Jakarta, Indonesia
hendrol@fe.untar.ac.id

Estralita Trisnawati
Faculty of Economics and Business
Universitas Tarumanagara
Jakarta, Indonesia

Abstract— The success of online transactions is dependent on website designs. Likewise is the e-filing website of the Directorate General of Taxes (DGT) in increasing the participation of Personal Incomes Taxpayers in submitting Annual Tax Return. This study aims to determine factors of e-filing websites that influence taxpayers to use e-filing in submitting their Annual Tax Return. The factors that were examined are Perceived Usefulness and Perceived Ease to Use with Perceived Risk as moderating variable towards the intention of Personal Taxpayers (PT) to use e-filing. Data were collected by using random questionnaires to of employees who reported their Annual Tax Return by using e-filing at the Tax Service Office or booth at the malls which was provided by the DGT. From the 93 respondents, the result of this study indicates that Perceived Usefulness and Perceived Ease to Use in website design have significant influence on the taxpayers' intention to use e-filing. Whereas perceived risk is an independent and moderating variable that does not have significant influence. It can be concluded that taxpayers are comfortable using e-filing, but they ignore the level of risk. Hence, the DGT must maintain taxpayers' trust of their data from being misused by unauthorized persons.

Keywords: *E-filing Perceived Usefulness, Perceived Ease to Use, Perceived Risk*

I. INTRODUCTION

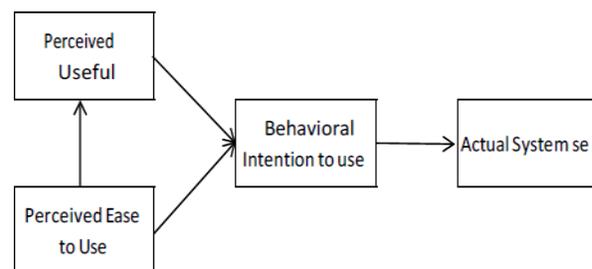
Tax is an important source of state revenue that must be boosted to achieve a country's economic sovereignty. The plan for revenue from taxes for state budgeting always increases. The percentage increase in tax revenues compared to total revenues in the state budgeting rose from 73.28% in 2012 to 85.67% in 2018. Meanwhile, the performance of tax revenue is measured by the participation of citizens paying and reporting their tax that is known as Tax Ratio. Indonesia is still low compared to ASEAN countries such as the Philippines (12.9%), Singapore (14%), Malaysia (16.1%), and Thailand (16.5%). A good tax ratio according to the IMF is about 15%. Tax ratio in Indonesia during the past seven years indicates decrease from 12.9% in 2012 to 10.9% in 2017. Hence, to increase the tax ratio in order to achieve revenue in the state budgeting, the government through DGT issued the tax Regulation number PER-03/PJ/2014, about Electronic Tax Return Submission. The goal is to facilitate the electronic reporting process of Annual Tax Return for Personal Taxpayers (PT) via e-filing. When the regulation were issued, the Tax Ratio did not increase

automatically. DGT needs to implement gradually from year to year. In the fourth year, the result of the regulation showed that the growth rate of using e-filing increased significantly by 21.6% in 2017 compared to 2016. There was 59.98% of the 17,653,963 Personal Taxpayers registered in DGT who had the obligation to submit Annual Tax Return. This means, 41.02% of taxpayers did not submit their Annual Tax Return because of some reasons such as they did not have income in 2017, did not care about Annual Tax Return or felt a risk when using e-filing. The problem in this study is to find out the role of website of e-filing website even though the participation of Personal Taxpayers in 2017 showed a significant increase since there is still a big gap. Therefore, DGT will be able to identify factors to improve the effectiveness of e-filing and minimize barriers to increase user satisfaction [1].

II. LITERATURE REVIEW

A. Technology Acceptance Model

This study uses the Technology Acceptance Model (TAM) method. The concept was built by Davis (1986), who stated that computer systems cannot improve performance if the system is not used. The TAM can be described as follows



Source :Davis etal (1989)

Figure 1. Technology Acceptance Model Concept

Davis (1986) stated that the computer system cannot improve performance if the system is not used. Resistance to the system was shown by managers and professionals as users [2]. It is important to know why they reject or accept a system affected by beliefs and attitudes of users. This model was developed from the theory of Reasoned Action (TRA) found by Fishbein and Ajzen in 1975. TAM uses two major variables in the development of technology-

based systems, namely "perceived usefulness", and "perceived ease of use". Perceived usefulness is defined as the extent to which a person believes that by using a particular system, the user will improve their job performance. Perceived ease to use is defined as the level of user confidence that requires minimum effort when using new technology [3], [2].

This model explains a person's intention in using technology that is influenced by the perception of those using the technology. There are two main construct factors affecting behavior that accept information technology, namely user's intention using technology and actual usage [4]. TAM is useful in explaining and acknowledging user behavior of information systems applications [5].

B. Report of Tax Return Report

All taxpayers has an obligation to submit Annual Tax Return. Annual Tax Return is a Taxpayer's report that is used to report, calculate and or pay taxes [6], and has to be done annually [6]. There are two types of Tax Return forms, namely Form 1770-S for PTs who, as employees, have income more than IDR 60 million per year, and Form 1770-SS for PTs who, as employees, have income less than IDR 60 million per year [7]

C. E-filing

E-Filing is the process of submitting Tax Return via internet by using software that is approved by tax authority for income taxes imposed on Personal Taxapayers [8]. Taxpayers provide data of their income, payable income tax calculation, treasure, liabilities and list of family members electronically via e-filing without going to the tax office [9]. And, before reporting it, they must conduct self assessment [10], which is calculating the tax income payable, and pay it. e-filing makes the process of submitting Annual Tax Rerturn easier, less time [11], transparent, without bureaucracy, and equal treatment for taxpayers [12]. The website is also convenient, can be done anytime, anywhere, and confirmation of acceptance is fast [13]. To sum up, e-filing may improve participation of taxpayers to submit the Annual Tax Return, and improve sound administration of DGT.

D. Website Design

A website is a web series that is interconnected as a collection by a person, group, or organization. The important things of a website is the presentation and layout of information. There are two aspects that should be considere in web design, namely technical and non-technical aspects [1]. Technical aspects are related to how the system is designed to handle transactions and administration. Non- technical aspects are aspects related to the perspective of human behavior [14]. Most people only care about the internet network to open a website. However, the internet is only a medium to make the website function. Non-technical aspects have a more important role in online transactions [15], especially using the website as a transaction tool that must pay attention to aspects of human touch such as ease of navigation, customer service, and privacy policies. These things are more important than the web design itself. Effectiveness of web design can lead to positive perceptions of the

quality of web services [1], and encourage people to use it. The flowchart of the e filing system can be described in figure 2 below.

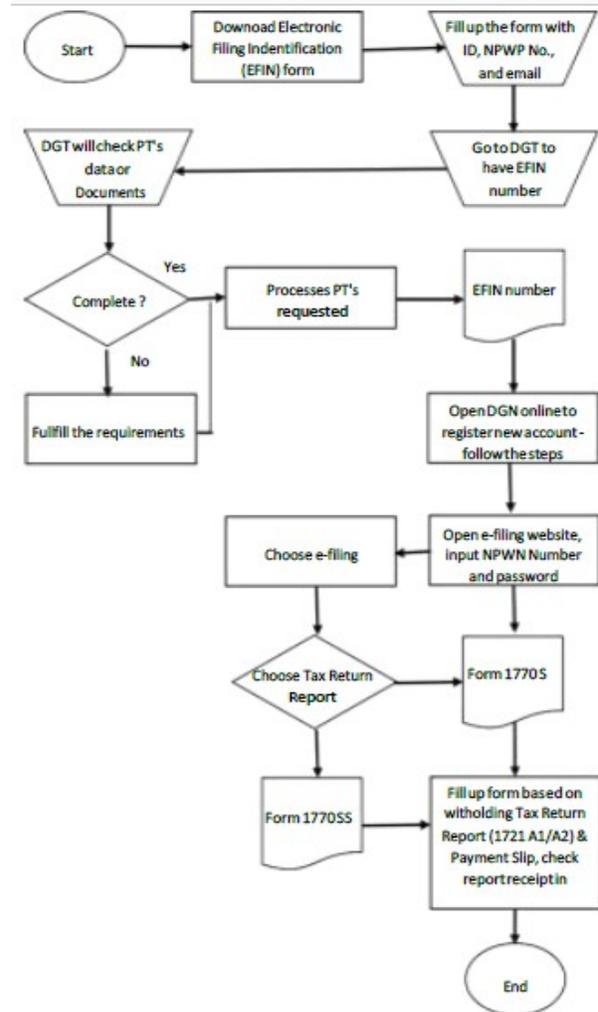


Figure 2 : Flow of e-filing Process

III. HYPOTHESIS

A. Technology Acceptance Model (TAM)

One of the concepts for adopting human behavior in the implementation of Information System is the Technology Acceptance Model (TAM). Resistance to use the system has been shown by users such as managers and professionals [2]. Rejection or acceptance of a system is influenced by the user's beliefs and attitudes.

This concept was developed from the Reasoned Action Theory (TRA) which was developed by Fishbein and Ajzen in 1975 that they put "perceived behavior control" as an aspect to strengthen thier intention to believe what they will do [16]. In the TAM model, there are two main factors that influence human behavior in the

development of technology-based systems, namely "perceived usefulness", which is defined as how far they believe that by using certain systems they can improve their performance, and "perceived ease to use" which is interpreted as the level of trust that users need minimum effort by using new technology [3],[2]. The two main construct factors that influence behavior will influence the user's intention to use a technology [4]. Intention is the behavior of how far someone intends to do something [17]. TAM is useful in explaining the need to consider user behavior in information system applications [5]. Systems that have benefits and have a positive impact affect the effectiveness of the use of software[1].

- H1 :Perceived ease to use e-filing influences taxpayers' behavioral intentions to use e-filing [1], and
- H2: Perceived usefulness of e-filing influences taxpayers' behavioral intentions to use e-filing [18].

B. Perceived Security

Another factor that must be considered in e- filing is security. Taxpayers are concerned about security because the system will store their detailed data in DGT file [12]. Information security is an important element for users widely [19]. The website must be able to secure personal information, and must ensure that data will not be misused by third parties [20]. The perceived risk of using e-filing shows a prime consideration [21]. There are two aspects of risk that are namely the privacy risk and performance risk [21] including the complexity of the system that requires time to use it [13]. Taxpayers must be convinced that the risks can be reduced and their interests are protected by the government [1]

- H3 : Perceived Risk of e-filing does not influence taxpayers' behavioral intentions to use e-filing [1]
- H4: Perceived Risk moderates influences betweenperceived ease to use and taxpayers' behavioral intentions to use e-filing
- H5: Perceived Risk moderates influences betweenperceived usefulness and taxpayers' behavioral intentions to use e-filing

IV. RESULTS AND DISCUSSION

A. Result

The result of the data processed is as follows:

Table 1. Releability Test Result

	R² Coef.	Adju sted R² Coef.	Com reliability coef.	Cronba ch's alpha coef.
PU	-	-	0.871	0.778
PEU	-	-	0.912	0.856
PR	-	-	0.814	0.654
PU → PR	-	-	0.902	0.878
PEU → PR	-	-	0.886	0.854
BI	0.390	0.355	0.871	0.909

Sources: Data processed by WarpPLS 5.0

Legends: PU : Perceived Usefulness; PEU : Perceived Ease to Use; PR : Perceived Risk; BI : Behavioral Intention to Use e-Filing

From table above, realibitliy coefficients show all variables have coefficient more than 8 with chornbach's alpha coefisien are more than 6. These are indicste that data are reliable to use in this study Validity of data in this study is measured with value of Average Variance Extracted (AVE). The result of validity test in this study can be seen in table 2. The result of validity test can be seen in the value of Average Variance Extracted (AVE) which is above 0.5, its means data that used in this tudy are valid. Therefore, the study can continue to see the influece of Perceived Usefulness;, Perceived Ease to Use, and Perceived Risk on Behavioral Intention to use e-filing

Table 2. Validity Test Result

	AVE	Full collinearit y VIFs	Q²coef.
PU	0.693	1.875	-
PEU	0.776	1.621	-
PR	0.598	1.464	-
PU -> PR	0.507	2.083	-
PEU -> PR	0.470	1.912	-
BI	0.734	1.508	0.363

Sources: Data processed by WarpPLS 5.0

Legends: PU : Perceived Usefulness; PEU : Perceived Ease to Use; PR : Perceived Risk; BI : Behavioral Intention to Use e-Filing

The Goodness-fit-model of this research can be seen from R². From table 1, the Goodness-fit-model test results are seen in collumn R² value of 0.390 and adjusted R² of 0.355 which are greater than P value (<0.001) from variable behavioral intentions use e- filing. Hence, the the independent variables are used in this study to see how they are may influece the dependent variable is 35,5 %

While the results of the test of the influence and hypothesis of this study can be seen below:

Table 3. Result of Influence Test and Hypothesis

	Beta	P (t-stat)	Hypothesis
PU → BI *	0.398	<0.001	Infl. Sig.
PEU → BI **	0.170	0.045	Infl. Sig
PR → BI ***	0.128	0.103	No Infl.
PR → PU → BI	0.048	0.320	Not Affected by PR
PR → PEU → BI	0.106	0.148	Not Affected by PR

Notes :

1. PU : Perceived Usefulness; PE : Perceived Ease to Use; PR : Perceived Risk; BI : Behavioral Intention to Use e-filing.
2. * Confidence level 99%; ** Confidence level 95%; *** Confidence level 90%

Therefore, the results of those data above on model on this study can be shown below:

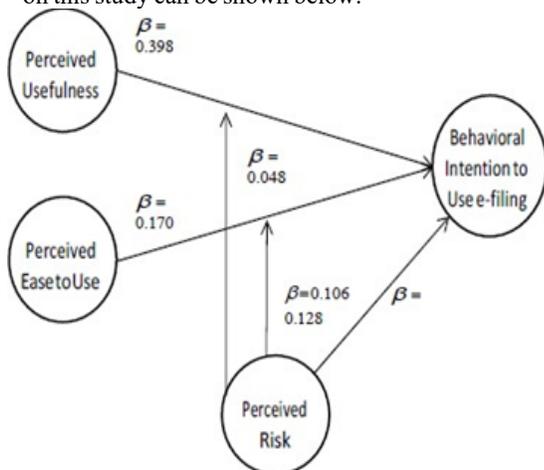


Fig. 3. Result of Influence Test

The hypothesis of this study shows that Perceived Usefulness and Perceived Ease to Use significantly influence the Behavioral Intentions to use e-filing while Perceived Risk shows no influence. Similarly, Perceived Risk as moderating variable does not have a significant effect on the Perceived Usefulness and Perceived Ease to Use on behavioral intentions to use e-filing.

B. Conclusion

Study indicates that Personal Taxpayers in West Jakarta have been comfortable in using e-filing in submitting their Annual Tax Return, possibly because they have already had experience in online transaction. According to respondents' demography, the most Personal Taxpayers are employees which employer has already collected their income tax through withholding so that they just reported it without doing self assessment. They fell all the informations entered into e-filing did not have risks because they focused on submitting their income tax, not realizing that their other personal data were also captured in e-filing when inputting via e-filing. Thus, the tax officer and DGT must maintain the taxpayers' trust about their personal information, and control them from abuse either individually or institutionally. For further research other variables can be added such as quality, security, and other variables so that e-filing websites can increase taxpayer participation and ultimately increase the tax ratio.

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