

# TECHNOLOGY READINESS (TR) TOWARDS E-FILING SYSTEM

by

RIZALNIYANI ABDUL RAZAK

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KOLEJ PERNIAGAAN  
(College of Business)  
Universiti Utara Malaysia

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## **Abstrak**

Kajian ini dijalankan bagi menilai tahap kesediaan teknologi (TR) di kalangan pembayar cukai di Malaysia terhadap sistem e-filing LHDN ( Lembaga Hasil Dalam Negeri). Sebanyak 200 soalan kajiselidik telah diagihkan kepada agensi kerajaan/semi-kerajaan di Jalan permatang Pauh dan Bandar Baru Perda, Pulau Pinang. Kajiselidik ini mendapati bahawa pembayar cukai di Malaysia mempunyai tahap kesediaan teknologi yang sederhana. Mereka optimis terhadap teknologi baru tetapi mereka kurang inovatif dan mengalami sedikit ketidak-selesaian bilamana mengendalikan teknologi. Mereka juga menyatakan kebimbangan terhadap tahap keselamatan teknologi seperti internet. Selain daripada itu, kajian ini juga membandingkan tahap dimensi kesediaan teknologi dimension ('optimism', 'innovativeness', 'discomfort' dan 'insecurity') di antara umur, jantina dan latar belakang akademik pembayar cukai dan telah mendapati tiada sebarang perbezaan yang signifikan . Implikasi yang boleh dibuat dari kajian ini adalah di mana pihak LHDN perlu memantapkan tahap keselamatan sistem dari masa ke semasa bagi melindungi informasi yang dihantar melalui e-filing. Pihak LHDN juga perlu menyediakan lebih ramai staf yang terlatih untuk membantu pembayar cukai dalam membuat transaksi e-filing dan proses e-filing itu sendiri perlulah mudah dan mesra pengguna. Program promosi amatlah perlu bagi meningkatkan kesedaran pembayar cukai terhadap kebaikan e-filing dan program latihan juga perlu bagi membantu pembayar cukai memahami proses transaksi e-filing. Kapasiti sistem yang mencukupi perlu untuk mengelakkan sesakan talian berlaku semasa tempoh puncak.

## **Abstract**

This study examines the level of technology readiness (TR) of Malaysian taxpayers towards e-filing system by IRB (the Inland Revenue Board). 200 self-administered questionnaires were distributed to chosen government/semi-government agencies located at Jalan Permatang Pauh and Bandar Baru Perda in Pulau Pinang. The survey indicates that Malaysian taxpayers are average in level of TR. They are optimistic towards new technology but less innovative and having some discomfort ness when dealing with technology. They are also concern on the level of security of technology such as internet. Besides, this study also examines TR dimension (optimism, innovativeness, discomfort and insecurity) across gender, age and academic background and the result shows no significant differences. The implication of this study suggests that IRB should from time to time increase security level of e-filing in order to protect the information. More trained ground staffs are needed to facilitate taxpayers about the on-line process; and the process must be in simple tasks and commands. Awareness program will increase taxpayers' perception on the benefit of having e-filing and hands-on program will educate taxpayers on how to use e-filing. A sufficient system capacity needed to avoid any congestion in submission during peak period.

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## **List of Abbreviations**

<b>IRB</b>	Inland revenue Board
<b>LHDN</b>	Lembaga Hasil Dalam Negeri
<b>SAS</b>	Self-Assessment System
<b>TR</b>	Technology Readiness
<b>TRI</b>	Technology Readiness Index
<b>SST</b>	Self-Service Technology

## **Chapter 1: Introduction**

### **1.1 Background of the Study**

The Inland Revenue Board of Malaysia (the IRB) has introduced electronic filing (e-filing) service under Self-Assessment System (SAS) to corporate taxpayers in 2004 and made it available to individual taxpayers in 2005. The changing of method in tax filing process from manual to electronically via Internet is part of the E-Services provided by the IRB. The main objectives of the IRB in embracing an e-filing system are to facilitate tax compliance and to provide improved taxpayer services through administrative improvement. Although there is no mandate by the IRB to participate in the e-filing program, the number of tax returns filed electronically (via Internet) has grown over the past few years. A total of 874,814 taxpayers e-filed their tax returns in 2007 compared with 186,343 in 2006<sup>1</sup>. Even though the usage percentages are increasing from year to year, the e-filing system is still not highly utilized by taxpayers and the slow acceptance by taxpayers needs to be examined. A few number of Malaysian scholars had attempted to identify the contributing factors to the slow acceptance of taxpayers towards e-filing system; Azleen et. al (2009) found that perceived usefulness has a strong influence on tax payers' attitude to use e-filing system; and Lai et. al (2004) found that even though tax practitioners are optimistic and techno-ready, but they are having lack of confidence towards e-filing security; and had suggested to further investigate other tax population such as taxpayers for more revealing findings.

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<sup>1</sup> Puan Hasmah Abdullah, CEO and Director General of IRB in The New Straits Time on 5th March 2008.

The contents of  
the thesis is for  
internal user  
only

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