INTENTION TO ADOPT TAX E-FILING SYSTEM AMONG SELF-EMPLOYED TAXPAYERS IN NIGERIA

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Abstract

Tax e-filing is a system introduced by government for taxpayers to file their taxes via electronic system directly to the tax authority. This system is a great move towards replacing the manual system of filing tax returns in Nigeria. The main objective of this study is to investigate the determining factors influencing taxpayers' adoption of the tax e-filing system. To achieve this objective, survey method is utilized where self-employed taxpayers in Lagos State of Nigeria was selected as respondent. The study utilized self-administered questionnaire in which two research assistants were employed to help in administering the questionnaire. The total number of 175 respondents' opinion were utilized to analyze the perception of the taxpayers towards tax e-filing system. Multiple regression analyses was used to investigate the relationship between independent and dependent variables and to examine the most significant factor(s) influencing taxpayers' intention to adopt the tax e-filing system in Nigeria. The study found that perceived usefulness (PU), perceived ease of use (PEOU), technology readiness and facilitating condition have positive relationship with intention to adopt the tax e-filing system. Study also indicate that PEOU is the most significant factor influencing taxpayers' intention to adopt the tax e-filing system. Therefore, the study recommend that government should ensure the tax e-filing system is easy and easily navigable and that they should make sure the aim of its introduction is achieved.

Keyword: Tax e-filing, Perceived usefulness, Perceived ease of use, Technology readiness, Facilitating condition.

Abstrak

Sistem e-filing percukaian adalah satu sistem yang diperkenalkan oleh kerajaan kepada pembayar cukai untuk memfailkan cukai mereka melalui sistem elektronik kepada pihak berkuasa percukaian. Sistem ini adalah satu langkah yang penting ke arah menggantikan sistem percukailan secara manual di Nigeria Tujuan. Objektif utama kajian ini adalah untuk menyiasat faktor yang mempengaruhi para pembayar cukai untuk mengguna sistem e-filing cukai. Untuk mencapai matlamat ini, kaedah tinjauan digunakan. Pembayar cukai yang bekerja sendiri di negeri Lagos, Nigeria telah dipilih sebagai responden untuk kajian ini. Kajian dilakukan dengan menggunakan kaedah soal selidik tadbir sendiri yang di bantu oleh dua pembantu penyelidik. Pendapat dari 175 responden telah digunakan untuk menganalisis persepsi pihak pembayar cukai terhadap sistem e-filing percukaian. Analisis regresi berganda digunakan untuk menyiasat hubungan antara Pemboleubah bebas dan pembolehubah bersandar dan mengkaji faktor yang paling signifikan mempengaruhi niat para pembayar cukai untuk sistem e-filing percukaian. Kajian mendapati bahawa persepsi kebergunaan (PK), persepsi memudahkan penggunaan (PMP), kesediaan teknologi dan situasi pemudah memudahkan syarat mempunyai hubungan positif dengan keinginan untuk mengunakan sistem e-filing cukai. Kajian juga menunjukkan bahawa PMP adalah faktor yang paling signifikan mempengaruhi niat para pembayar cukai untuk mengguna pakai sistem e-filing percukaian. Oleh itu, kajian ini mengesyorkan bahawa kerajaan perlu memastikan sistem e-filing percukaian adalah mudah digunakan dan mudah untuk dianalisis kerajaan juga harus memastikan bahawa tujuan asal penggunaan sistem percukaian e-filing asalnya dapat dicapai.

Keywords: Percukaian e-filing, Persepsi kebergunaan, Persepsi memudahkan penggunaan, kesediaan teknologi, Situasi pemudah.

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List of Abbreviations

Abbreviations	Description of Abbreviation
E-Filing	Electronic Filing
E-Government	Electronic Government
FC	Facilitating Condition
FIRS	Federal Inland Revenue Service
FIRSB	Federal Inland Revenue Service Board
G2B	Government to Business
G2C	Government to Citizen
ICT	Information Communication Technology
IDT	Innovation Diffusion Theory
IRBM	The Inland Revenue Board Malaysia
IT	Information Technology
ITAS	Integrated Tax Administration System
MPCU	Model of Personal Computer Utilization
OECD	Organization for Economic Co-operation and Development
PAYE	Pay As You Earn
PEOU	Perceived Ease of Use
PITA	Personal Income Tax Act
PU	Perceived Usefulness
SARS	South Africa Revenue Service
SAS	Self-Assessment System

SI	Social Influence
SPSS	Statistical Package for the Social Sciences
TAM	Technology Acceptance Model
TIN	Tax Identification Number
TPB	Theory of Planned Behaviour
TR	Technology Readiness
TRA	Theory of Reasoned Action
TRI	Technology Readiness Index
UTAUT	Unified Theory of Acceptance and Use of Technology
VAT	Value Added Tax

CHAPTER ONE
INTRODUCTION

1.1 Background of the study

These days Information and Communication Technology (ICT) has become one of the crucial feature and this feature which is also dynamic in nature has changed most parts of our life to some extent. This has in a long way influenced the way and manner in which citizens interact with their government, bringing an innovative development to them. This system of governance is called "e-government" (Bertot, Jaeger, Gorham, Greene, & Lincoln, 2012).

Electronic government (e-government) can be depicted as the power to change how the public is regulated through the employment of information technology or indeed used to depict a first-hand frame of government put together about ICTs. E-Government denotes the employment of information technologies by the representative of government that deliver the innovation to renew relationships with the nationals, commercial enterprises, and other government arms. E-government are done in the area of agencies to agencies, and provision of public services electronically. One of the services provided by government via e-government is filing of tax returns electronically, these system is called the "Electronic tax filing system (e-filing)" (OECD, 2003).

Countries in the world have been deploying e-government into their system in order to improve efficiency and effectiveness. Governments round the globe have been expanding the utilization of ICT in order to enhance the conveyance of government administrations and the transmissions of its information to people in general. The

accomplishment of e-filing relies upon the significance that native's or public place on factors, for example, usefulness and ease of use. With the use of this system, citizens have the capacity to present their tax returns to government electronically via the tax administrators website. Be that as it may, this system is moderate in picking up acknowledgment by citizens (Azmi & Kamarulzaman, 2010).

Tax e-filing may be described as a system of filing taxes via electronic means. It's a system that eases and eliminates the old system of manual filing of taxes (Azmi, Kamarulzaman, & Hamid, 2012). Tax e-filing is a system which allows taxpayers to submit their tax returns via the use of the internet to the tax administrator. For this system to be attainable, the taxpayers must have access to internet connection and tax software. Tax software and internet access are prerequisites for successful e-filing of taxpayers' income tax returns. Tax e-filing is one of the e-government initiative being utilized across the world. Examples of countries that have deployed tax e-filing were Canada in 1992, Spain in 1999, France in 2001 and Latin countries like Brazil in 1997, Argentina in 2002, Chile in 1999 and Guatemala in the year 2001 (Edwards-dowe, 2008; Mile, 2007).

The Federal Inland Revenue Service (FIRS) Nigeria has said that e-filing will be of great advantage because of the delay that is characterized with the manual system of filing taxes (FIRS, 2014). Currently, as for pilot test which is activated in specific states, the e-filing in Nigeria integrates a web-based tax software which means that taxpayers need not purchase any software in order to file their taxes but must have access to computers and the internet. With the deployment of the tax e-filing system under its Integrated Tax Administration System (ITAS), the FIRS has said this system

will run an efficient, transparent and effective taxation system that will optimize the collection of revenue and voluntary compliance (FIRS, 2014).

Demand for the adoption of technology is a dynamic strategic instrument for enhancing tax compliance to be matched with a road map while taking into account short and long period of time. Technology as a scheme needs to bring into consideration the strategies, department organization as well as technologies used by the tax function, and tax's business priorities and associated addictions (Kiguro-Kamu, 2014). They also stressed further that tax authorities continue to realize that they need a prioritized plan so as to help their tax function in reaching its objective and move forward. The integration of technology into the tax system would bring about efficiency and effectiveness for example in tax filing and payments.

Taxation which serves as a means through which government generates their revenues in order to finance public goods. The collection of these should follow what *Adam smith* in his book called "The maxims of good tax system, (1776)" which are described as follows:

- Equality is one of this maxims which assumes that the money paid as tax by the taxpayers should be proportional to their income.
- Tax liabilities should also not be something that is arbitrary in nature, it should be clear and certain to all taxpayers.
- Convenience of payment is one crucial aspect of tax payment, taxpayer should find the payment of taxes very easy for them and hassle free. The time and manner at which it is being collected should also be convenient for taxpayer.

- The collection of taxes should be economical, that is, it should not be too expensive and not to discourage the development of business.

The above stated maxims are very important in any tax system, convenience and economical in collection are the reasons why e-filing is introduced into the tax system due to the advantages of tax e-filing (Heady, 1993; Kariuki, 2013).

E-filing is a system which tends to bring about an increase in the development and tax administration system and thereby contributing to the efficiency and effectiveness of the taxation system in the country. These has been investigated on varying perceptions and models of delivery of e-government and also about the benefits derivable from e-government which includes e-filing such as revenue increase, reduction in corruption, transparency, reduction in compliance cost and empowerment (Singh & Singh, 2013).

For an improving take-up rate of tax e-filing countries moving towards its adoption must observe the following strategies as recommended by the Organization for Economic Cooperation and Development (OECD), (2006):

- Authorities must have multi-dimensional strategies in order to promote the take-up rate by the taxpayers,
- Incentives is of significant importance to personal income taxpayer, this should be done in terms of fast refund of overpayment and extended period of filing,
- Another significant strategy is for the revenue authorities to use varying channels of information dissemination to create taxpayers' awareness about the system,

- Any revenue bodies moving towards mandatory use of tax e-filing system should use softly approach such as making the system easy to use and provide adequate support for the system.

Any tax authorities that are at the inception in their deployment of tax e-filing system are urged to borrow a leaf from the methodologies and encounters of revenue authorities that have implemented the system successfully. In the event that considered supportive, individual nations ought to be approached for further details (Kana & Barraza, 2001; Pilling & Boeltzig, 2007).

Direct taxes are forms of government revenue in Nigeria, in this sense, the authority (i.e. FIRS) saddled with the collection of taxes has to make the filing of returns and payments easy for the taxpayers. The FIRS has also introduced a unique Tax Identification Number (TIN) which he said will enable easy management of taxpayers records on the e-filing platform.

This study is motivated by the electronic filing system of income tax return which was launched in Nigeria in December, 2014. According to the FIRS (2015), the first stage of its introduction was piloted and commenced in Lagos and Abuja in March 2015 for corporations. In line with the changing system of governance and collection of revenue, technology has made the process of governance and the running of business to be done effectively and efficiently with little or no error. Tax e-filing system was built in an effort to increase the speedy collection of tax, compliance, reduction in administrative cost and to ease taxpayer to pay tax quickly and easily (FIRS, 2015). The current study examines the factors that can influence the intention of taxpayers toward adoption of tax e-filing system.

The main aim of introducing tax e-filing system in Nigeria to completely replace the manual process of filing into all-round automated system of filing is to bring about efficiency and effectiveness of tax filing and as well increases in tax compliance (FIRS, 2015). Before the introduction of ITAS e-filing taxpayers file manually and pay their taxes through counter. Hence, the taxpayers' awareness on tax e-filing system is being created by the government through the media. Though the system has been made available by the government for taxpayers to use but tax e-filing system adoption can be hindered by many factors as found in previous studies especially during the early introduction (Apulu, Latham & Moreton, 2011; Aziz & Idris, 2012; Charles, 2002; Gallant, Culnan, & McLoughlin, 2007; Lai & Choong, 2008; Mamta, 2012; Ozgen & Turan 2007).

The issue is whether the system was to provide hassle free transaction and useful to the taxpayers as compared to the manual system. This is due to the fact that taxpayers can face the problems, such as the system break down, low connectivity of the network, and the e-filing system not functioning properly (Apulu et al., 2011; Sahu & Gupta, 2007). The researcher wants to know perception and intention of self-employed taxpayers in Nigeria on adoption of the tax e-filing system under the current condition.

1.2 Problem statement

The tax e-filing initiative might provide potential advantages to enhance regulatory duties towards effectiveness and nature of administration conveyance, yet these advantages might be deterred by taxpayers' unwillingness to recognize and use the accessible electronic services for some reasons such as unstable power supply which is one of the major problem facing business in Nigeria, low internet connectivity, inadequate infrastructural facilities, non-functioning of the system and availability of support (Apulu et al., 2011).

Gaining after the practice of authorities in countries where e-filing has been implemented, one might deduce that the movement to adopt tax e-filing system is not free of effort and it is not very much acknowledged by all stakeholders in the public (Ambali, 2009). In a study conducted by Aziz and Idris (2012) in Malaysia, it was gathered that there is low usage of the tax e-filing system by the citizens notwithstanding the benefit that it posit. Azmi and Kamarulzaman (2010), elucidates that out of the problems been faced by the tax authority during the implementation stage of tax e-filing system is concerned with the intention of the public to adopt the system. Hence, there is need to conduct a study to examine factors that can influence the intention of taxpayers towards adoption of the tax e-filing system in Nigeria as it is just introduced by the government.

According to KPMG (2016), they state that the introduction of the tax e-filing system does not received acceptance in Kenya due to slow response of the e-filing website until after three years.

The tax e-filing system introduced in Nigeria is a web-based system in which other resources for example personal computer, internet access, power supply and so on will be needed before the assessment can be done. Under the current condition in which this resources are inadequate, it is crucial to examine whether this factors will influence taxpayers' intention to adopt the tax e-filing system.

Though, many studies have been done in the area of tax e-filing in other nation (Al-Zu'bi, 2012; Ambali, 2009; Geetha & Sekar, 2012; Idawati & Pope, 2011; Idawati, 2013; Koong & Liu, 2008; Kopczuk & Pop-Eleches, 2007) but none has been done in Nigeria. Moreover, because of taxpayers' intention which can be influenced by internal factors (e.g. Perceived Usefulness (PU) and Perceived Ease of Use (PEOU) and Technology Readiness (TR)) and external factors (e.g. Social influence and Facilitating condition). There is a need to conduct a study that will examine taxpayers' intention by considering this determining factors which are included in Technology Acceptance Model, Technology Readiness Index and Unified Theory of Acceptance and Use of Technology. It is hoped that the results of this study may provide direction for government to have a better adoption rate of the system among taxpayers.

1.3 Research question

The aim of this study is to amplify the significant factors which can influence taxpayers' intention to adopt tax e-filing system. Hence, the following research questions are examined:

i. What is the relationship between perceived usefulness, perceived ease of use and taxpayers' intention to use tax e-filing system?
ii. What is the relationship between perceived usefulness and perceived ease of use?
iii. What is the relationship between social influence, facilitating condition and intention to use tax e-filing system?
iv. What is the relationship between technology readiness and taxpayers' intention to use tax e-filing system?

1.4 Research objective

The primary objective of this study is to investigate the factors that can influence the intention of self-employed taxpayers in Nigeria to adopt the tax e-filing system. Hence, following are the specific objectives:

i. To investigate the relationship between perceived usefulness, perceived ease of use and intention to use tax e-filing system.
ii. To investigate the relationship between perceived usefulness and perceived ease of use.
iii. To investigate the relationship between social influence, facilitating condition and intention to use tax e-filing system.

iv. To investigate the relationship between technology readiness and intention to use tax e-filing system.

1.5 Significance of the study

The current study will contribute to the stream of research and also the successful adoption of e-filing by the taxpayers in Nigeria. Since the objective of implementing e-filing is to increase efficiency and effectiveness of tax filing by gradually replacing the manual system (FIRS Press release). This study will provide the authority with the impeding and motivating factors for adoption of e-filing system and as well provide the government directions on the appropriate measures which can be taken in order to increase the rate at which e-filing is being adopted in the country. This study can improve the taxpayers' intention to adopt tax e-filing system in the country. Besides, this kind of study has yet to be conducted in Nigeria. Specifically, the significance of this study are as follows:

i. This study will contribute to new knowledge. The model used in this study which combine the determinants from TAM, TRI, and UTAUT has not been adopted to examine the intention of taxpayers towards adoption of tax e-filing system. This study will enable researchers to utilize the same model in other country of the world.

ii. The study also demonstrate how the technology revolution can be aligned with the filing of taxes and thereafter pinpoints whether the taxpayers will adopt tax e-filing or not. Hence, the study shows that tax e-filing system is beneficial to the taxpayers in term of control and quick filing of taxes.

iii. The study also pinpoints the benefit that tax authority can derive from the tax e-filing system in terms of reduction in administrative costs, minimization of errors and so on. Results of the study will provide direction in which the tax authority has to follow in order to increase adoption rate and will help government in formulating strategies to enhance take-up rate of e-filing system.

1.6 Scope of the study

The current research examined intention to adopt tax e-filing system among self-employed taxpayers in Nigeria. This group falls under the Personal Income Tax Act (PITA). Under the self-assessment system, self-employed taxpayers are allowed to assess on their taxes and file directly to the appropriate authority. The scope is limited to the self-employed taxpayers in Lagos State of Nigeria. Lagos state is the commercial hub of Nigeria with the second largest population of more than 9 million (Nigeria Bureau of Statistic). Moreover, the study focus on Lagos due to its having adequate number of self-employed taxpayers and with the office activated for the pilot of the tax e-filing system.

The study only concentrates on tax e-filing of income tax returns among self-employed taxpayers in Lagos State of Nigeria. The study only examines the factors (i.e. perceived usefulness, perceived ease of use, readiness, social influence and facilitating condition) which can affect the intention of taxpayers to adopt the tax e-filing system. Data were collected through the use of self-administered questionnaire between February and 31st March 2016 which falls within 2015 tax year end.

1.7 Organization of the study

This study is organized into five chapters. Chapter one explains the whole issues in this research which includes background of the research, the problem statement, research questions, research objectives, significant of research and scope of research. Chapter two reviews related past literature. It highlighted the system of taxation in Nigeria and thereafter pinpoint what tax e-filing system entails. It also discusses related theories and the relationship between independent variables and dependent variable.

Chapter three discusses the methodology followed in the conduct of this study while chapter four present findings based on the statistical analysis. Lastly, chapter five summarizes the whole study by matching the objective to the results of findings, discussion and therefore make recommendation and conclusion.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

E-filing taxation has been defined as a system whereby taxpayers submit their return through the electronic means. This system can also go hand in hand with the electronic payment of taxation. Meaning that e-filing may include both filing of taxation via electronic means in which the feedback is received in no time and payment of taxes. This study only focus on tax e-filing system.

The remainder of this section will discuss taxation in Nigeria and e-filing introduction, concept of e-filing system, taxpayers' intention towards adopting the new e-filing system and other relevant theories related to technology acceptance.

2.2 Taxation system in Nigeria

The federal government of Nigeria like other governments of the world do impose an appropriate rate of taxes on its citizen. To this end, a meaning has not been given to the term "tax" in the Tax law of the Federal Republic of Nigeria (Abiola &Asiweh, 2012). According to *Wikipedia,* tax is defined as a sum of money or other levies imposed upon a taxpayer (an individual or legal entity) by a state or the parastatal equivalent of a state to finance the various expenditures of the public. An individual in this case is referred to a person while the legal entity is a corporate body or company. Oxford Dictionary online (2010), described tax as any contribution which is deemed compulsory in order to support the government, normally levied on citizen's, income, commodities, property, transactions, and so on, now at a specified rate which

is proportionate to the amount on which the contributions are levied. In other word Oxford Advanced Learner's Dictionary (2006), described tax as sum amount of money people have to remit to the government so that it can provide the necessary public services. In furtherance, it reasoned that people pay tax according to their income and businesses pay tax according to their earnings. Taxes is frequently paid on goods and services. Meanwhile, the National Tax Policy (2012), defines taxation as the procedure of taking in taxes within a peculiar placement. In this regard, tax has been delineated as a charge levied by the Government on persons, entities, transactions or properties to yield revenue. Since tax is compulsory payment levied on citizen, government has to make any system provided for its filing to be easier in order to avoid additional cost and also provide resources for its adoption.

2.2.1 Nigeria Tax Laws

Nigeria tax laws alludes to the epitome of guidelines and regulations identifying with assessment of income tax and the different sort of tax in Nigeria. The legislature are the arms of the government which enact the tax laws in Nigeria and these laws are continually subjected to review and amendment. It is believed that frequent review and amendment of tax laws is doubtlessly a sign of irregularities and hence upsets the accomplishment of the target objectives.

Thus the major taxes in terms of revenue, economic and equity significance are enacted under Federal Laws. As stated by National tax policy (2012), such tax laws presently in operation includes; the Personal Income Tax Act, Cap P8, LFN 2004 (as amended), Companies Income Tax Act, Cap C21, LFN 2004, Value Added Tax Act, Cap V1, LFN 2004, Stamp Duties Act, Cap S8, LFN 2004, Petroleum Profit Tax Act,

Cap P13, LFN 2004, Capital Gains Tax Act, Cap C1, LFN 2004, Taxes and Levies (Approved List of Collection) Act, Cap T2, LFN 2004, Customs, Excise Tariff, etc. (Consolidation) Act (as amended), Education Tax Act (as amended), Capital Transfer Tax Act, Federal Inland Revenue Service Act.

This study concentrates on the Personal Income Tax Act on which the self-employed taxpayers are taxed. Taxes are imposed on citizens in order to finance the activities of government. The next section discusses the self-assessment system in Nigeria.

2.2.2 Self-assessment system in Nigeria

In line with the power conferred on the FIRS establishment Act of 2007, a self-assessment system (SAS) regulation was put into law in the year 2011. This system allows the taxpayers to compute and file the tax due to the relevant authority who confirm that all necessary information has been submitted by the taxpayers. Failure of the taxpayers to submit and remit amount due is considered the breach of the self-assessment regulation and the taxpayers is subjected to pay fines and or interest accrued on the due amount as prescribed by the SAS regulation and other tax provisions in Nigeria (Federal Republic of Nigeria Official Gazette, 2011). Since there is SAS in existence in Nigeria, it gives tax authority an opportunity to introduce a system that will be of benefit to the taxpayers and as well as administrators. E-filing will contribute and improve the objective of SAS.

2.2.3 Objective of Nigeria tax system

The objective of the taxation in Nigeria is similar to what is applicable in all other countries of the world. It is also stated in the National Tax Policy (2012) as cited by Abiola and Asiweh (2012), that the objectives of the tax system are to:

1. Boost business development and induce economic growth.
2. Generate continuously the revenue or resources required by the government to accomplish commendable projects and investment for benefit of the citizens.
3. Stabilize the economy.

2.3 Tax e-filing system

2.3.1 Definition

E-filing of tax is described as an electronic filing or submission or remittance of returns by the taxpayers to the tax authority. It is the process through which tax form data are submitted to the tax authority in a computer file format through the use of the internet connection (Edwards-dowe, 2008). In the definition above, it is deduced that for the e-filing to be done electronically some infrastructure or material must be provided. Edwards-dowe (2008), also stressed that government has to provide a navigable website that will link the e-fling system and the payment system and as well make sure it is ease of access to the taxpayers. In other way round, the taxpayers have to do their own part by making sure that they have the equipment necessary to adopt the e-filing system. Tax e-filing system provides a mean whereby taxpayers are free to

submit their tax returns anywhere and at any time within stipulated period by the tax authorities (Miles, 2007).

E-filing system of taxation may be described as a system in which taxpayers file their tax return electronically. In Nigeria, e-filing is done via the use of the internet which means it is not necessarily that the taxpayers buy software in order to file their taxes, the e-filing software is integrated into the online system website. Taxpayers are also free to appoint their agent which can be an employee of his organization or tax consultants in filing their tax returns.

Ozgen & Turan (2007), described tax e-filing as an e-government application and a viewpoint for open administration that is characterized as an innovation based framework that does not require for citizens to go to tax authorities or administrators to file their tax return. This system is made out of turning in tax forms that characterizes assessment claimed to tax authorities electronically and the filing of tax returns through an electronic configuration that is internet based.

For e-filing to be implemented successfully, taxpayers are required to have access to computer, stable internet connection and tax software, these are the basic prerequisites for implementing a successful tax e-filing system (Miles, 2007).

2.3.2 Tax e-filing system around the world

E-filing may be described as a form of e-government initiatives been implemented worldwide. It is one of the service provided by the government for the citizen (G2C) or to the business (G2B). In order to vividly understand this aspect, there is a need to explain what e-government means. E-government may be described as the

administration and management of government services electronically. E-government is a copious variety of Information Technology (IT) capacities, competencies, and organizational, administrative practice spanning both business to business and business to consumer activities (Deakins & Dillon, 2007). E-filing is a major part of e-government provided by the government. The tax e-filing system was first introduced long ago in the US during the 1986 year of assessment with sole aim of improving efficiency in the processing of tax returns. The target of its introduction is to benefit the tax administrator (Carter & Schaupp, 2008).

Based on the successful experience of USA adoption and implementation of e-filing system many other countries in the world has introduced e-filing into their governance system. Australia successfully launched its e-filing system in the year 1991 and released the system for public use nationally in the year 1997 with the target to make sure that 95% of the taxpayers adopt the system (Australia Taxation Office, 2007, 2009, 2010). In Singapore, tax e-filing system was introduced around the same time with Australia and its' system was made available for public use nationwide in the year 1999 (Tuner & Apelt, 2004). The quest to introduce the system of tax e-filing in the UK was part of the agenda of the government to modernize its public services in the year 1998 and this was announced in 1999 by the then Chancellor of Exchequer that the public will be able to submit their tax returns through an e-filing system and that it was part of the commitment of government to electronic services (Tuner & Apelt, 2004; Lymer, Hansford, & Pilkington, 2012).

Malaysia is a country that is not left out of technological development and advancement in its governance, its introduction of her e-filing system was done in a

gradual process. This system was introduced to companies in the year 2001 and released officially for personal income taxpayers in the year 2006. E-filing system stands out amongst the utmost essential and propelled e-government driven initiatives in Malaysia, giving comfort to the taxpayers in filing their tax return. The Inland Revenue Board Malaysia (IRBM) has spent a considerable amount of cash and assets to build up tax e-filing system for the use of authority and the taxpayers in Malaysia (Azmi & Kamarulzaman, 2010).

Tax e-filing system was put in place by the South Africa Revenue Service (SARS) in 2001 to provide for the filing of Value Added Tax (VAT) and other provision income tax return which were been submitted through the third party (African Development Bank (ADB), 2010). It is also reported by ADB that this was not a success because of the monetary value associated with filing of taxes through an agent. Due to this, in 2002 SARS abandoned the role of an agent and allowed taxpayers to file directly to them. Tax e-filing was held out to all other taxes which includes Pay-As-You-Earn (PAYE), standard tax on companies, development level tax etc. Since this period, SARS has taken in more than 90% of its PAYE through the tax e-filing system (African Development Bank, 2010).

Tax e-filing system was introduced in Kenya in 2009 and took about three years before taxpayers finally accepted it due to the problem of delay in processing speed of tax e-filing website (KPMG Africa, 2016). Next section will discuss the tax e-filing system in Nigeria.

2.3.3 The tax e-filing system in Nigeria

The tax e-filing system was set to commence the pilot in March 2015 for corporations in activated offices in Lagos and Abuja. FIRS (2015), has said there will be a period of transition in which taxpayers including the self-employed will be able to file directly to the tax authority. The aim of the Integrated Tax Administrative System (ITAS) Project which includes tax e-filing was to modernize tax administration in the country, from the entirely manual process to all-round automated system to bring about transparency, effectiveness and efficiency. In addition, the Mr. Marshi (FIRS chairman) pointed out that e-filing system, is a platform that would boost taxpayers' voluntary compliance as it would help them file tax returns from anywhere, including their offices and homes. The following section will discuss benefit that can be derived from the adoption of tax e-filing system.

2.3.4 Benefit of tax e-filing system

E-filing gives numerous parts of “convenience” to taxpayers (that is a great opportunity to file, spot to direct the filing, usability, information seeking and online real time transactions) at a level that is not accessible through conventional channels (Azmi & Kamarulzaman, 2010). Tax e-filing likewise offers adaptability of time and lessens count blunder on the tax return form in the manual system to the taxpayers. Moreover, e-filing offers numerous advantages to taxpayers (Azmi & Kamarulzaman, 2010).

To the tax authorities, e-filing reduces their amount of work and operational expense because of the filing of tax forms in an electronic domain. It additionally decreases

the expense of preparing, storing and treatment of the tax returns (Azmi & Kamarulzaman, 2010).

E-filing of taxation will be of immense benefit to the Internal Revenue Service (IRS) USA because it enhances the services provided to the taxpayers and as well as make the administration taxes more effective (Matsuka, 2006). The IRS Strategic Plan, 2005-2009 clarifies that offering e-filing to disentangle the tax procedure would upgrade the improvement of services provided to taxpayers. It would likewise make the treatment of tax forms more productive, since errors on assessment forms filed electronically are liable to be less than on paper returns. Additionally, taxpayers get varying advantages from electronic filing system: prompt receipts acknowledgement of tax returns submitted to IRS, fast refund of tax returns, minimization of mistakes and errors as opposed to paper form, and thus, brings about reduced risk of audits and penalties (Kopczuk & Pop-Eleches, 2007). Conclusively, tax e-filing will benefit both the taxpayers and authority. The job of the tax authority is to provide efficient and effective administration of taxes. Hence, tax e-filing will to a great extent benefit the tax administrators.

2.3.5 Taxpayers adoption of electronic filing system

Intention to adopt tax e-filing system can be influenced by the way taxpayers perceived how the system will be. Perception may be described as the capability to understand and comprehend a particular technology (Davis, 1989).

In this case perception can also mean what people think about technology introduction. Technology introduction are said to intensify the effectiveness and efficiency of the old system (Davis, 1989).

Before the unveiling of an e-filing scheme, all taxpayers used a manual system of lodging their tax return. Based on the voluntariness of adopting the e-filing system. Perception come in, people have to recollect whether it will be of benefit to them or not before taking the system. The issue of usefulness, ease of use, security, confidentiality and efficiency of a system also affect the perception of people (Davis, 1989; Haryani, Motwani, & Matharu, 2015).

In a study by Geetha and Sekar (2012), where they examined how taxpayers perceives the operation and procedure of the e-filing system, the results showed that 89% of the individual respondents highly acknowledged the procedure of e-filing system. This has to do with its usefulness and navigability of the e-filing system. It can be deduced from the above that many of the taxpayers have good perception of tax e-filing system and are satisfied about it. Though, this result cannot be generalized because of the factors that determines taxpayers' utilization of the tax e-filing system in a particular region are different. Therefore, the perception of taxpayers about tax e-filing system will tend to increase the adoption rate in the area studied if they are perceived good.

In India, e-filing has been witnessing significant acceptance since its first appearance in the year 2008 and the acceptance tends to increase on an annual base. The increases in adoption is as a result of the taxpayers' perception of the benefit derived from tax e-filing system over the use of the manual filing. This is subjected to the behavioural intention of e-filers which are affected by the Perceived Usefulness (PU) and the Perceive Ease of Use (PEOU) and other factors which may influence individuals acceptance and use of a technology (Haryani, Motwani, & Matharu, 2015).

Taxpayers adoption of e-filing system varies among different age group, educational level and experience. The educational level of taxpayers might influence their attitudes towards e-filing because of their exposure and high level educational background. This is proved by Ilias, Abd Razak and Yasoa, (2010) in their study, they found that differences exist between the experienced and non-experienced taxpayers to handle e-filing and that the level of taxpayers' education due influence his attitude towards e-filing.

In a study by Carter, Christian and Hobbs et al. (2011), they state that though government is eagerly trying to reach its e-file goal of 80 percent adoption rate in the USA but it is imperative that e-file systems are easy to use and easy to navigate. If e-file systems are overly complex or require excessive cognitive effort, taxpayers will tend to utilize alternative options to submit their tax returns.

Based on the above explanation it can be deduced that acceptance of tax e-filing system depends on varying factors which can be internal and external factors. Internal factors are those factors which are in the control of the taxpayers e.g. PU, PEOU, Technology readiness propensity (optimism, innovativeness, discomfort and insecurity) while external factors such as facilitating condition and social influence are respectively posit by the government as a result of introducing the system and significance others that can influence taxpayers' intention. Conclusively, adoption of tax e-filing system are subjected to its usefulness, easy to use, taxpayers' technology readiness propensity, social influence and facilitating condition such as the pc support for the taxpayers.

2.4 Relevant Theories

2.4.1 Technology Acceptance Model

To react to the revolution in technology and the important role technology plays in the world at large, TAM was developed by Davis, (1989). This is imputable to the growing in technology and failures characterized with the acceptance of such innovation. Studies have been conducted to examine the intention to use a particular system as a central area (Chuttur, 2009). TAM provides vivid explanations on what determines the adoption and intention to use a particular electronic service. The construct used are the perceived ease of use (PEOU) and perceived usefulness (PU) (Davis, 1989; Vankatesh & Davis, 2000). PU can be described as the level to which individual perceives or think that using a specific system will improve his or her performance in the job, while PEOU means the level to which people think that using a particular system will be hassle free or free of effort. It also described in TAM that the usefulness of a system is determined by the ease of use of that particular system (Vankatesh & Davis, 2000).

TAM which is adapted from the framework of Theory of Reasoned Action (TRA) speculates that a man's acknowledgment of a specific technology is influenced by his deliberate intention to utilize that technology (Shumaila, Foxall, & Pallister, 2010). Intention in this case is influenced by the attitude of a person towards the utilization of a technology and how he or she perceives its usefulness. PU is determined by PEOU. The theory of Planned Behavior (TPB) is an extension of TRA on which TAM is adapted, TPB is extended to cover the factor in which people do not have control. TAM was developed to examine the acceptance of word-processor and it has

since be used for varying degree of technological acceptance such as database management, email, internet usage and so on (Shumaila, Foxall, & Pallister, 2010).

The boundless prominence of the TAM can extensively be ascribed to three components: it is closefisted/parsimonious, IT-particular, and intended to give a satisfactory clarification and likelihood of a differing user populace's utilization of an extensive variety of systems and technologies inside an authoritative and social settings and expertise levels; it has a solid hypothetical base and an all-around examined and accepted stock of psychometric estimation scales, making its utilization operationally engaging; and it has amassed solid experimental backing for its general logical force (Mathieson, 1991; Shumaila et al., 2010; Szajna, 1996).

The major limitations of TAM are due to the fact that its constructs are self-reported and that while it gives an important understanding into users' acknowledgment and utilization of technology, it concentrates just on the intention determinants (i.e., PEOU and PU), these does not let us know how such perceptions are shaped or how they can be controlled to encourage users' acknowledgment and expanded use (Mathieson, 1991).

TAM has been used to test individual acceptance of tax e-filing system for example in a study piloted by Gallant et al.(2007), they established that PU which is measured with convenience and PEOU discriminated individuals who e-file and those who did not. Ozgen and Turan (2007), provided empirical evidence on the taxpayers behavioural intention to adopt online tax filing in Turkey using TAM, they found that PU and PEOU positively and significantly influence the taxpayers behavioural intention. Ilias et al. (2010), in their studies which examine the attitude of taxpayers in

Malaysia, they found that attitude have strong relationship with TAM determinants and suggest that adequate awareness should be put in place in order to educate non-experience taxpayers. It can be deduced that PU and PEOU influence significantly the taxpayers' intention to adopt tax e-filing system. Authority should consider possible way to make the system easy and hassle free. Technology Acceptance Model (TAM) by Davis (1989) is presented below:

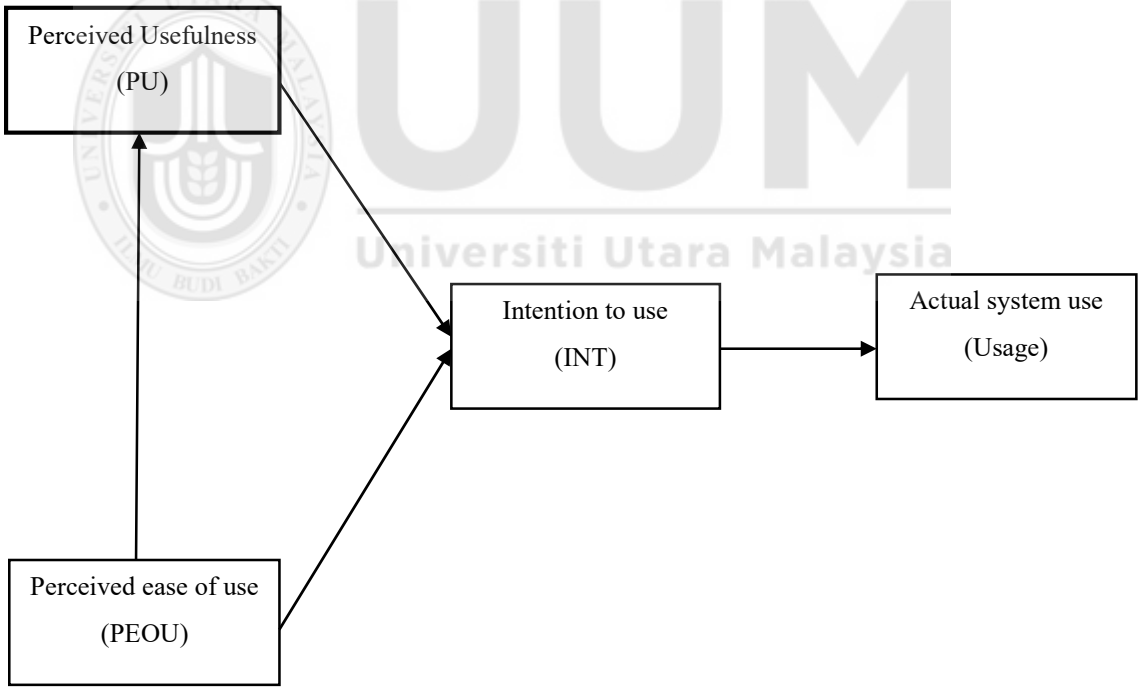

Figure 2.1

Technology Acceptance Model

2.4.2 Technology Readiness Index

Technology Readiness Index (TRI) was developed by Parasuraman (2000) in order to measure the beliefs of people about technology. In this model Technology Readiness (TR) alludes to individuals' inclination to adopt and utilize new advancements in order to achieve specific objectives both in their place of work and their home life. TRI is characterized with the following construct which can be categorized into contributor and inhibitors. Contributors includes optimism and innovativeness while inhibitors are discomfort and insecurity (Parasuraman, 2000).

The construct TRI comprises of four sub-division called "index", they are; optimism, innovativeness, discomfort, and insecurity. Optimism refers to the positive perception of technology and a belief that it will offer people more control, flexibility in performing their functions, and overall efficiency. Innovativeness alludes to a propensity to be an innovation pioneer and thought pioneer. Discomfort comprises of a view of absence of control over technology and a sense of being overpowered by it. Insecurity includes doubt of innovation and incredulity about its capacity to work appropriately. Optimism and innovativeness are drivers while discomfort and insecurity are inhibitors of TR. Positive and negative perception about technological innovation may exist together and individuals can be arrayed along a technology perception continuum from strongly positive perception toward one side and to strongly negative perception at the other (Lin, Shih, & Sher, 2007).

In a study led by Chen and Chen (2008), they found that personality has any kind of effect in the adoption procedure of IT and this might clarify how its qualities of the technology; personality attributes as measured in the TRI have noteworthy impact on

the technology adoption. They likewise found that users appear to face IT positively and transparently and are more averse to concentrate on its negative viewpoint. These suggest that the higher the effect of optimism and innovativeness the readier the user and the higher the effect of discomfort and insecurity the less ready the user of the technology will be. It means that the positive perception of people towards technology influence them to its adoption while the negative feelings or perception draw them back (Parasuraman, 2000).

Lin & Hsieh (2006), in their study on the role of technology readiness on intention to use e-services in Taiwan found that TR is critical driver of behavioral intention and that increased client TR prompts higher perceived intentions, they additionally affirm further that the more fulfillment a client have on a technology the more probable they are to utilize it once more.

TRA and TAM has been widely utilized to examine the use of technology innovations, one such theory that put the personality of individual at the center is TRI (Walczuch, Lemmink, & Streukens, 2007). This study adapts TRI models which incorporates into another model because readiness of people to accept new technology cannot be left. The figure below shows the TRI by (Parasuraman, 2000).

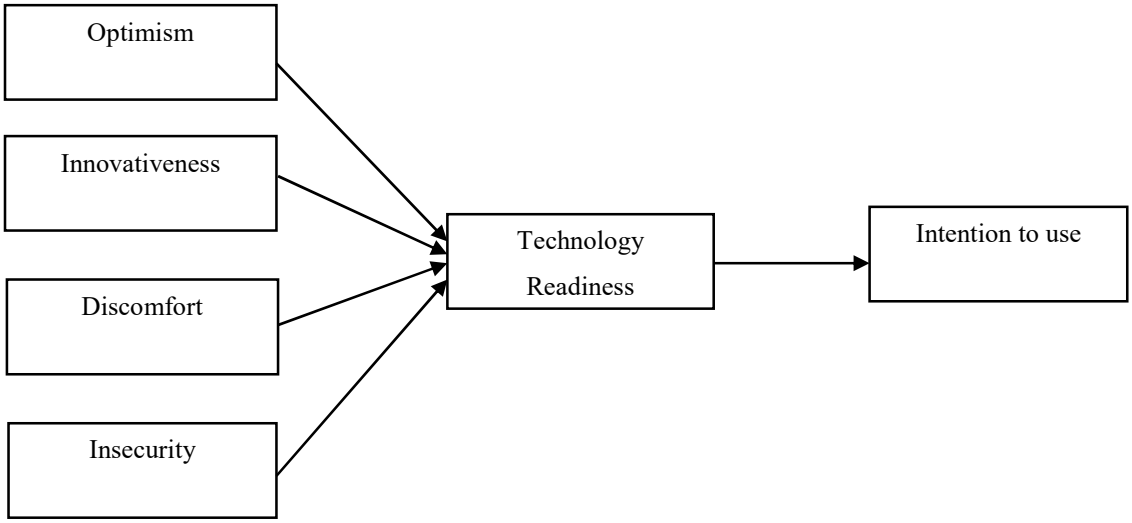

Figure 2.2

Technology Readiness Index

2.4.3 The Unified Theory of Acceptance and Use of Technology

The UTAUT model together with TAM and TRI is adapted in the current study; this is due to the Nigerian situation in which may exist an external factor that may affect the users' adoption of tax e-filing system. This determining factors are mentioned under UTAUT and explained below.

The UTAUT constructs adapted and formulated by Venkatesh, Morris & Davis, (2003) are performance expectancy, effort expectancy, social influence and facilitating condition. Performance expectancy is described as the believes of the user that utilizing the technology will be at their advantage. These is related to PU in TAM/TAM2 and C-TAM-TPB. Effort expectancy is similar to PEOU, it means individual perception that using a particular system will be less of effort and encouraging while social influence is peoples believes that important others will

influence them to adopt a new system. Facilitating condition are those factors like PC support that may determine individual acceptance of a particular system (Venkatesh, Morris & Davis, 2003).

In an empirical study conducted by Vishwanath and Al-Shafi (2009) in Qatar, it was gathered that effort expectancy, performance expectance, facilitating condition and social influence is significant to behavioural intention to adopt tax online filing. Study by Alrawashdeh, Muhairat and Alqatawnah (2012), also found that association exist between the UTAUT constructs and the intention to use technology system and that this association are significant.

Schaupp and Mcbride (2011), found that performance expectancy, social influence directly influence intention to e-file while effort expectancy did not influence one's intention to adopt tax e-filing. This study will not neglect this model because of its construct which is relevant in the Nigeria system. Considering the study by Vishwanath and Al-Shafi (2009), the current study considered social influence and facilitating condition as the factors which can influence intention to use tax e-filing system. UTAUT model by Venkatesh et al. (2003) is represented in the following figure.

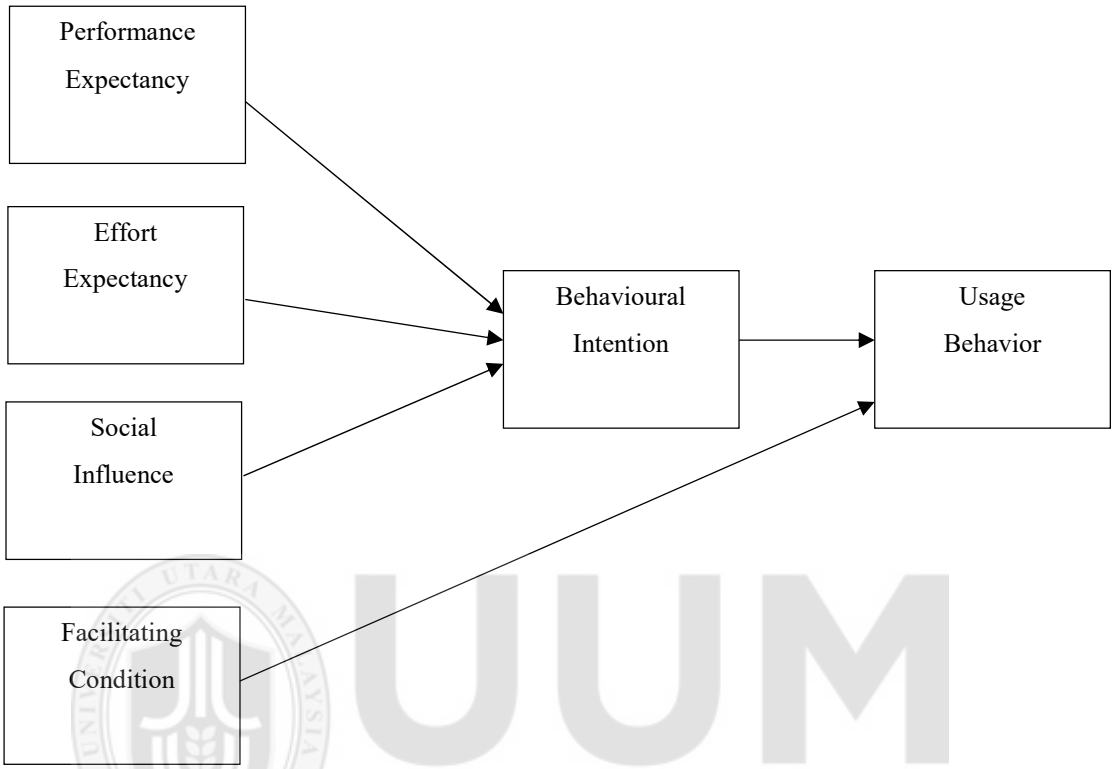

Figure 2.3

Unified Theory of Acceptance and Use of Technology

2.5 Perceived usefulness and intention to use tax e-filing system

Perceived usefulness (PU) may be described as the degree at which the user believes that the use of a particular system will support his work (Davis, 1989). In this research work, PU denotes the perception of tax payers on the usefulness of using an electronic system of paying taxes (e-filing). PU has been empirically verified by researchers on the adoption of new technology. This empirical research were done by Mamta (2012); Aminul-Islam, Muhd Yusuf, Yusoff, & Johari (2012); Mustapha (2013); Noorhayati

& Halim (2011); Othman, 2011; Ozgen and Turan (2007) and so on. PU has also been examined in relation to the ability of the system to increase performance, productivity and effectiveness. They also stressed that PU is a significant determining factor of intention to use a particular system.

The significance of PU has been well discussed in different fields. It has also been gathered in the previous studies that PU has a direct effect on behavioral intention to utilize internet shopping, real-time training on the web, internet banking, e-commerce, and electronic government services like e-filing (Ashoori, Noorhosseini, & Alishiri, 2015; Idawati, 2012; Mustapha, 2013).

Past studies have likewise gathered that all empirical results demonstrate that the intention to use e-filing system was to a great extent driven by PU. This implies that the behavioral intention of citizens will increase when PU since taxpayers might want to have a system which is useful to them (Azmi, 2010). The main reason why taxpayers adopt the tax e-filing system is that they found it useful in the filing of their tax returns (Agarwal & Prasad, 1999).

Since the introduction of the e-filing system is to replace the old system of filing taxes, taxpayers will expect that the system be useful as compare to the manual process of filing. However, it is crucial to utilize this construct in investigating the intention of the taxpayers to adopt the tax e-filing system in Nigeria.

2.6 Perceived ease of use and intention to use tax e-filing system

Perceived ease of use (PEOU) is described as the rate at which the potential adopter perceived the use of the new system or technology will require less or little effort in accomplishing their target (Davis, 1989). One of the objective of introducing e-filing is to ease tax payers' effort in filing their tax returns. Individual and corporate body prefers the system that will be easy to use and be less expensive in its adoption. Ease of use also concerns the time it will take the taxpayers to remit their tax returns with the new technology. E-filing provide unimaginably many benefit to the taxpayers but all depend on the readiness to accept and utilize the available electronic service (Moorthy, Samsuri, Hussin, Othman, & Chelliah, 2014).

According to Wang (2002), they gathered that PEOU is a stronger predictor of intention to use than PU. Hence, in order for the e-filing system to be more generally adopted, taxpayers must found the system to be easy to use and navigable with as little effort and little computer knowledge as possible. Any innovation that are easier to use will be less intimidating to the user (Moon & Kim, 2001).

Thus, in the context of Nigeria tax e-filing is a medium in which the assessment of the PEOU for the taxpayers to file tax returns online is examined. This has to be easily available and navigable to the user with less effort. In this case fast response of the system has to be taking into consideration by the FIRS.

2.7 Perceived usefulness and perceived ease of use

PEOU and PU may be described as a factors which determines the use or acceptance of a technology, e-filing at this stage is said to be voluntary by FIRS to the taxpayers to use. In this case adoption of this system depends on willingness, each and every individual are of the point that the easiest first. Individual prefer to adopt the system that is easy to use. This means, the usefulness of a particular system determines its adoption. Hence, ease of use and usefulness can complement each other to make taxpayers adopt the tax e-filing system. According to (Azmi et al., 2012), they explained that PU and PEOU are positively significant with intention to adopt the tax e-filing system. However, their studies rejected the fact that ease of use have a positive impact on the usefulness. The study demonstrated that the ease of use does not mean that the technology is useful to the taxpayers. This study also examines the perception of taxpayers on the relationship between perceived usefulness and perceived ease of use of tax e-filing system.

2.8 Social influence and intention to use

Social influence was formulated by Fishbein and Ajzen (1975) and named as the subjective norm. It was thereafter adopted in the Davis TAM2 (Davis, 1989b), TP/DTPB by Ajzen (1991). These theories kept up the develops name as subjective norm. Be that as it may, it was in this way changed in Model of Personal Computer Utilization (MPCU) and Innovation Diffusion Theory (IDT) as social factors and social norm respectively. In the pursuit of Venkatesh, Morris, Davis, and Davis (2003), to develop their theory they named these construct social influence and

described it as the degree to which an individual perceived that others believe he or she should use the new system. Past studies done to investigate the adoption of the e-filing system have found social influence significantly influence taxpayers' intention to adopt the tax e-filing system (e.g. Ramoo, 2006; Fu, Farn & Chao, 2006; Hung, Chang & Yu, 2006; Carter, Schaupp, Hobbs & Campbell, 2011).

Subsequently the present study characterizes it as the extent to which the behavior of self-employed taxpayers is subjected to their discernment that other individuals who are imperative to them surmise that they ought to utilize tax e-filing system and that its use will increases their performance.

In a study conducted by Omoefe and Francisca (2013) they found that social influence have significant relationship on adoption a technology. Aziz & Idris, (2012), state that in voluntary setting social influence has been proved insignificant whilst it is significant in a mandatory when the adopter is still new to the system and becomes non-significant as the experience of the adopter increases, this means that once an individual is familiar to a system influence from important other has no effect on their intention to use a particular system (Aziz & Idris, 2012). Therefore, for social influence to determine intention to use, its power depends on voluntariness of the system. Social influence is adopted due to the diverse cultural and political system characterized with the business environment in Nigeria.

2.9 Facilitating condition and intention to use

Facilitating condition may be described as the beliefs of an individual that there is available support for the use of new system be it resources and technology resources

(Venkatesh et al., 2003). It can as well be described as those factors that makes the accomplishment of the task easy, example is possession of the computer system by the taxpayers and as well as availability of support services for the personal computer of the user, adequate power supply, internet connectivity etc. This may seem to influence the adoption and utilization of the system (Al-Shafi & Weerakkody, 2010).

Facilitating condition are said to be useful in the introductory stage while the influence of it disappears as the user get to know about the system (Venkatesh et al. 2003). In a study conducted by Alrawashdeh et al. (2012) they opined that facilitating condition have significant effect on the intention to use web based system. Hung, Chang and Yu (2006), in their empirical work found that facilitating condition have direct influence on the behavioural intention to adopt tax online filing. Since the tax e-filing system introduced in Nigeria is a web-based, taxpayers need computer sets, internet connectivity, power supply and support services in order to use the system. Therefore, there is a need to consider the construct of facilitating condition to examine the intention of taxpayers to adopt the tax e-filing system.

2.10 Technology readiness and intention to use tax e-filing system

There is lack of studies have been done to examine the construct of technology readiness on intention to adopt tax e-filing system.

It is believed that the readiness to adopt a particular system is one of the factors that affect the use intention as discussed earlier. Varying degree of factor are associated with this, be it availability of a computer system, internet connectivity, electricity, skills and some other determining factors. This factors are classified into optimism,

discomfort, innovativeness and insecurity. Optimism in this refers to the positive perception of technology while innovativeness is the propensity to be an innovation pioneer. On the hand, discomfort is attributed with the absence of control over technology and sense of being overpowered by it. Insecurity are doubt and disbelief about innovation (Parasurama, 2000; 2008). Meng, Elliott and Hall (2010), gathered that technology readiness has been found to be a valid indicator of the citizens readiness to adopt a new innovation.

Internet service has delivered more convenience medium for taxpayers to file their tax return and to make use of the value added service available online. However, some taxpayers believe that using the manual system to file their income taxes is preferable to using the electronic medium provided with the use of internet. The major point to note here is whether the security of the introduced system and information can give perception of confidence among taxpayers or not and do they (taxpayers) have enough innovative knowledge that will drive them towards adopting it, what are they thinking about it i.e. what will their expectation be, all of these are the major concern that need to be examined (Moorthy et al., 2014). In the current study, researcher intends to examine the readiness of taxpayers to the adoption of tax e-filing system.

2.11 Summary of the chapter

This chapter discusses about the taxation system in Nigeria, its tax laws and objective. It also discusses the background of tax e-filing system, introduction of the system into the administration of taxes in Nigeria and benefits that can be derived from adopting the tax e-filing system. Reviews are also made on the acceptance of tax e-filing system. The chapter also discusses related theories (TAM, TRI, UTAUT and TRAM)

and its determinants and thereafter discusses previous literature on the determinants and taxpayers' intention to use tax e-filing system. The study helps us to understand the determining factors influencing acceptance of tax e-filing in Nigeria. The subsequent section discusses the research methodology which includes the framework of the study, how hypothesis is developed and research design. The model below is utilized in order to consider the construct which are applicable to the scope of this study. Figure 2.4 below summarizes the relevant theories discussed and construct adopted in this study.

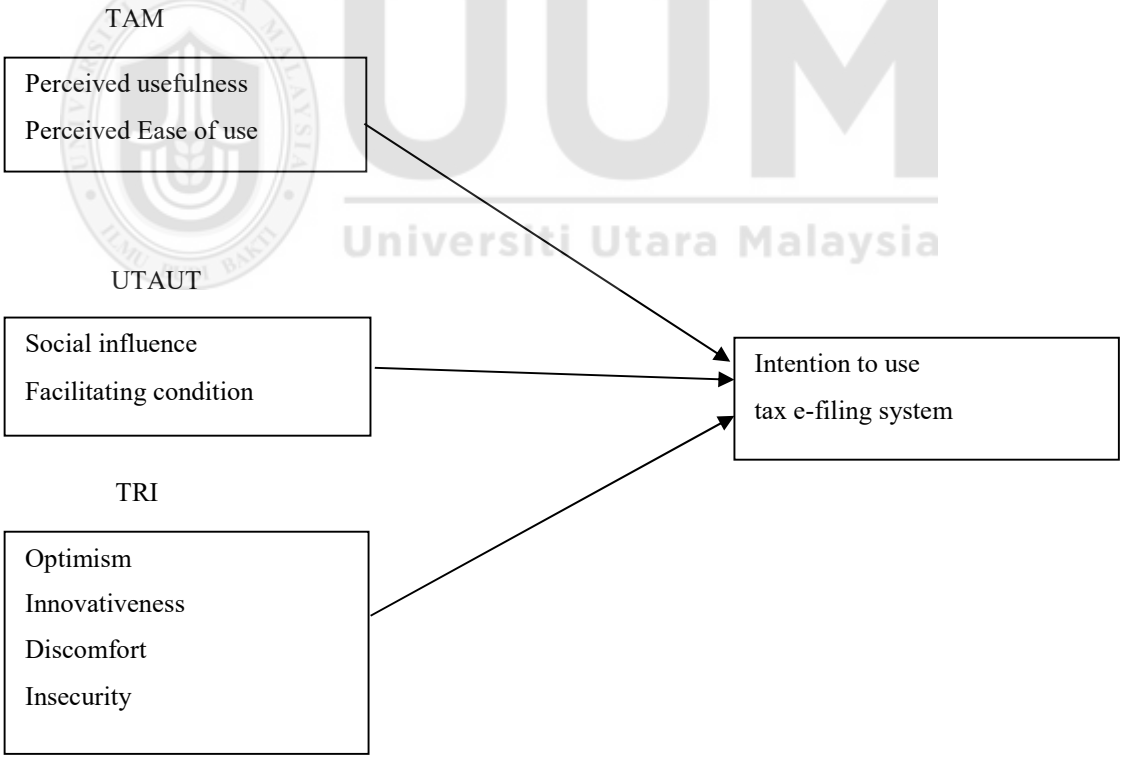

Figure 2.4

Summary of variables used in this study

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter elucidate the research methodology used in order to achieve the aim of this study. The points of the discussion in this chapter include; framework of study, hypothesis development, operational definition, instrumentation and measurement, sample method and analysis of data techniques.

3.2 Framework of the study

Advancement of technology has made the internet to be available for all to access. Due to this various degrees of invention has been introduced by the government in order to make governance easier. E-filing system is a platform that is put together by the government so that taxpayers can file their taxes electronically. The main objective of the current research is to investigate the factors that affects taxpayers towards intention to adopt electronic filing of tax system introduced by the Federal Government of Nigeria through her arm "Federal Inland Revenue Service (FIRS)".

Globally, the method of filing taxes are these days changing from the manual process to electronic one. In fact, taxpayers do not have to visit the counter of the tax authority or any bank before remitting their taxes to the appropriate authorities. The tax e-filing system can be integrated to the banking system where taxpayers pay either via the use of credit card or directly have it deducted from their bank account (OECD, 2006).

The framework developed below will be used to examine the factors that determines taxpayers' intention in adopting the newly introduced e-filing system of filling taxes. The variables of discussion in this research are the dependent (intention to use) and independent variable (factors influencing intention to adopt tax e-filing system). An independent variable does determine dependent variable either by positive or negative means. The dependent variable for this study is the intention to use while independent variable is perceived usefulness (PU), perceived ease of use (PEOU), e-filing readiness (optimism, innovativeness, discomfort and insecurity). The dependent variable can as well be referred to the topic of discussion of the researcher. The framework of the study is given thus:

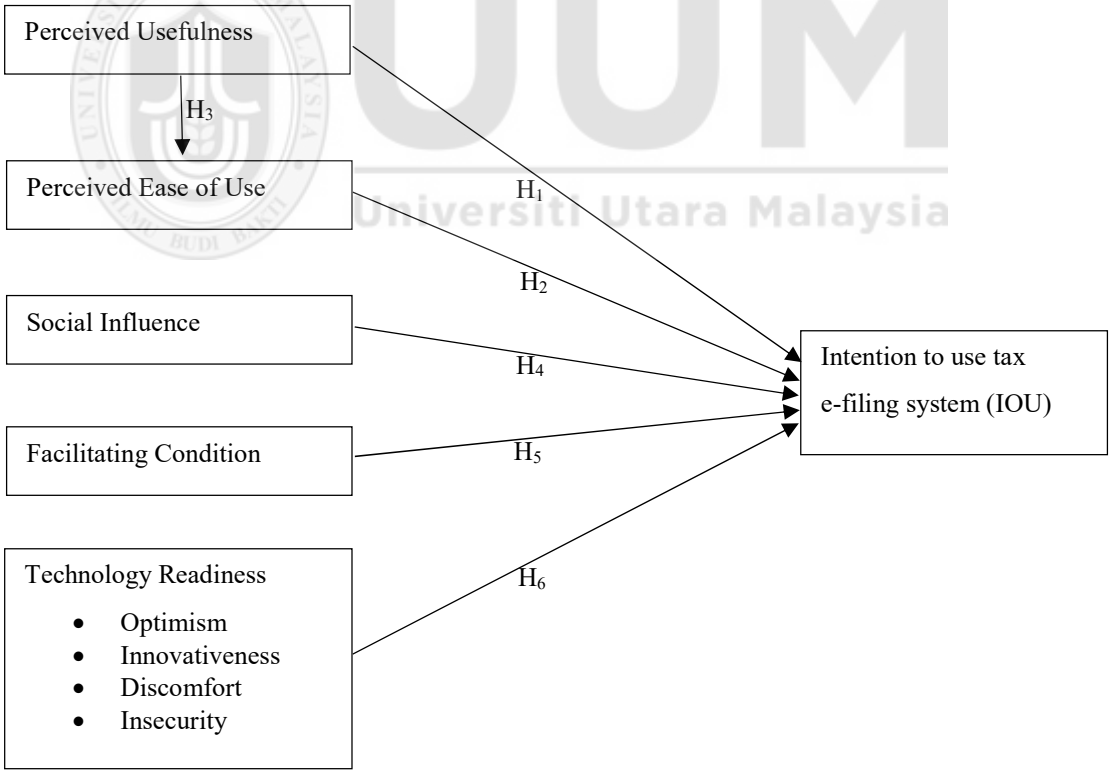

Figure 3.1

Research Framework

3.3 Hypothesis development

In this research the model adapted for the development of hypothesis are TAM, TRI, and UTAUT. This is done in order to achieve the objective of this study which is to examine the factors influencing taxpayers' intention to adopt tax e-filing system.

3.3.1 Perceived Usefulness, Perceived ease of use and Intention to use tax e-filing system

In a study conducted by Ozgen and Turan (2007), it was gathered that PU and PEOU have positively significant influence on behavioral intention to use e-declaration system at 1% and 5% level of confidence. Moorthy et al. (2014), found that PU and PEOU have the most significant effect on intention to use tax e-filing system, it was also stated that PU and PEOU is positively significant to intention to adopt the tax e-filing system. In another study by Wang (2003), they found that a positive effect exists between PEOU and behavioural intention to use tax e-filing system.

In an empirical study conducted by Azmi et al. (2012), they opined that PEOU have positive significant impact on the PU of tax e-filing system. In another study conducted by Hu, Chau, Liu Sheng and Tam (1999), they opined that there is no significant relationship between PU and PEOU, they state that this might be as a result of the environmental factors like population, access to the internet and availability infrastructural facilities. Study by Riquelme and Rios (2010), found that PEOU and PU are positively related. The current study examines the relationship between PU and PEOU on intention to adopt the tax e-filing system among self-

employed taxpayers in Nigeria. Hence, it is envisaged that the following hypothesis be developed:

H1: There is positive relationship between taxpayers' perceptions of usefulness about e-filing system and their intention to use it.

H2: There is positive relationship between taxpayers' perceptions of ease of use about e-filing system and their intention to use it.

H3: There is positive relationship between taxpayers' perceived usefulness and perceived ease of use of tax e-filing system.

3.3.2 Social influence and intention to use the tax e-filing system

Social influence has been described as a very cogent factor influencing the various aspect of lives of every citizens in a particular nation and this influence can either be positive or negative (Venkatesh, 2003; Tan & Teo, 2000). Lu et al., (2005) suggests that social influence are significant determining factor of human behavior.

Aziz and Idris (2012), in their study found that social influence provides a negative significance support towards behavioural intention to use the tax e-filing system whereas in a study by Omoefe and Francisca (2013), found that social influence have positive significant relationship on adoption of technology. Studies have also demonstrated that social influence strength differs in one environment to the other (Chiou, 1998). The current study investigates the relationship that exists between social influence and intention to use tax e-filing. It is envisaged that hypothesis be developed as follows:

H4: There is positive relationship between social influence and taxpayers' intention to use tax e-filing system.

3.3.3 Facilitating condition and intention to use the tax e-filing system

Facilitating condition may be classified into the resources and technology facilitating condition. Non-availability of the two would deter the usage behavior towards electronic tax filing system and payment. If there is inadequate electricity supply, no personal computer system available, no internet and no technical support that may assist the self-employed taxpayers, it may lead to taxpayers not being ready to adopt the tax e-filing system (Ozgen & Turan, 2007). Facilitating condition has been examined and verified empirically to be the driving force of continuous use and intention to continue utilizing the tax e-filing system (Ambali, 2009). Chen, Tseng and Huang, (2007) and Chau and Hu, (2001), found that facilitating condition has positive effect on the use of innovation and also found that it is a significant predictor of the use of technology but when used in a model with performance expectancy (i.e. PU) and effort expectancy (i.e. PEOU) it tends not to predict intention to use technology again. Hung et al. (2006), gathered that facilitating condition has a direct positive effect on the acceptance and intention to utilize the tax e-filing system. Hung et al. (2006), empirically verified that a positive relationship exists between facilitating condition and intention to use tax e-filing system. This study will investigate the relationship that can exist between facilitating condition and intention to use tax e-filing system. Hence, the hypothesis is developed as follows:

H5: There is positive relationship between facilitating condition and intention to use tax e-filing system.

3.3.4 Technology readiness and Intention to use the tax e-filing system

In a study by Lin et al. (2007), they examined the relationship between technology readiness (TR) and intention to use and found that TR positively affect intention to use. As stated in the previous section, TR determinants are distinguished into what create encouragement and/or discouragement towards behavioral intention of consumer to adopt a specific technology. Parasuraman, (2000; 2008), gathered that a positive relationship exist between TR and the use of technology. In another study by Elliott, Hall and Meng (2013), they found that there is no direct positive between intention to use and technology readiness (TR). They also found that TR is not significant to intention to use.

Due to the above it is envisaged that hypothesis be developed to examine the relationship between the determinants of readiness and intention to use. In this manner the following hypothesis developed:

H6: There is positive relationship between taxpayers' technology readiness propensities and their intentions to use e-filing system

3.4 Operational definition of terms

E-Filing: In this study e-filing refers to the system by which taxpayers are allowed to file their tax form electronically using the medium provided by FIRS.

Taxpayers: Taxpayers are the individuals whom the government provided with the tax e-filing platform in order to e-file their income tax returns.

Adoption Intention: This refers to the perception of the taxpayers to adopt or commence with the use of e-filing system introduced by the Federal Government of Nigeria (FGN).

Perceived Usefulness: This is referred to as how the taxpayers perceived that the e-filing system will be better than the manual system thereby increasing performance and productivity.

Perceived Ease of Use: It is concerned with the perception of the taxpayers around the tax e-filing system that it will be free of effort or hassle free.

Technology Readiness: This may be described as the characteristics in term of technology possessed by the taxpayers that determines their perception towards adopting the tax e-filing system.

Social Influence: In this study social influence refers to the influence that taxpayers' significant other can have on his intention to adopt the tax e-filing system. This significant other can be relative, customer and the need to take one particular market position in the environment.

Facilitating Condition: This refers to the motivating factor which influence the intention of the taxpayers' in adopting the tax e-filing system. This factors can be in the form of resources availability, for example internet connectivity and computer, provision of online real-time support services is also one of the motivating factors.

3.5 Research design

Research is described as the method of looking or finding solution to a problem after a thorough study and analysis of the factor situation (Sekaran & Bougie, 2013). There are mainly two types of research, they are qualitative and quantitative research. This study will employ quantitative method in conducting this research. Quantitative methods paves way for the collection of data using questionnaire, it generates numerical data that can be thereafter converted into numbers. In quantitative study, large audience can be reached and can make the end product of the study to be generalized. For quantitative research there is need for both primary and secondary data to be collected. This type is suitable for the perception of individual to be examined. This study is designed to test hypothesis. Hypothesis testing is the study which clarifies specific relationship and establishes the differences between dependent and independent variable (Zikmund, Carr, Griffi, & Fuller-jacobsen, 2010; Sekaran, 2003).

3.5.1 Sampling design and selection procedure

A sampling design is the structure, or guide, that serves as the premise for the selection of a study sample and influences numerous other vital parts of the survey as well (Sekaran & Bougie, 2013). It also lessens the time between the acknowledgment

of a requirement for information and the availability of that information. Sample design is described as a plan from which a sample is obtained from a specific population. It is also determined before the collection of data because it guides on how the data can be collected. When utilizing the random sampling, equal chances of being included in the sample exists for all the population (Kothari, 2004; Sekaran & Bougie, 2013).

According to Kothari (2004), the following are the attributes of good sample design:

i. It must result in a true representation of sample,
ii. It must be such that will result in a little sampling error,
iii. Its results must be able to be generalized with reasonable confidence level,
iv. No matter how small the available funds, its results must be viable.

Respondents for this study were selected from the population of Small and medium Enterprises (SMEs) in Lagos State Nigeria of 11,663 as specified by the Nigeria Bureau of Statistics (NBS). This population consists of the self-employed personal income taxpayers. Probability sampling method were used for this study. Hence, a simple random sampling method was adopted.

3.5.2 Population and sample

A population may be depicted as a very much characterized collection of individuals or objects that is having comparative traits. These individuals or objects inside of a sure population as a rule have regular characteristics. A sample is simply a subset of the population or part of the population selected for the study (Sekaran & Bougie, 2013). The population of interest for this study are the self-employed personal income taxpayers in Lagos Sate of Nigeria while the sample are self-employed taxpayers.

3.5.3 Sample size

According to Sekaran and Bougie (2013), sample size is described as the subset of the population. It consists of members selected from the population of study. A sample is selected by using simple random sampling or probability sampling. The sample size of questionnaire for the current study is 250. The reason is evidenced by Krejcie and Morgan, (1970), who states that sample size can be between 200 and 400. This also based on the sample size recommended by Roscoe (1975) which was conceptualized by Sekaran (2003) as the rule of thumb for sample size determination as follows:

i. Sample size between 30 and 500 are appropriate for most studies,

ii. Where there is need to break down sample into categories such as male or female, junior or senior, professional or non-professional; minimum of 30 sample size each is important,

iii. In a study which is multivariate in nature (consisting of multiple regression), the size of the sample should be as 10 times or more as the number of variable.

According to the Nigeria Bureau of Statistic (NBS) database, available population of Small and Medium Enterprises (SMEs) in Lagos state which includes sole proprietorship and partnership business is approximately 11,663. Study by Alabede (2011) in Nigeria received 60% response rate. With the expectation of at least 60% response rate at an allowable 5% margin of errors and limited time available to conduct this study, sample size of 250 is considered appropriate for this study.

For the aim of this to be achieved, the researcher distributed the total of one questionnaires each to 250 self-employed taxpayers selected from Lagos state of Nigeria.

3.6 Instrumentation and measurement of variables

The current study makes use of questionnaire for the collection of data for the achievement of the research objective, these questionnaires were self-administered to self-employed taxpayers. In order to accomplish the objective of this research, questions were gathered from different sources and thereafter modified to suit this study. The sources are Idawati, (2012, 2013); Lin et al. (2007); Mustapha and Obid (2015); Mustapha, (2013); Parasuraman, (2000); Venkatesh and Davis (1996). The questions were selected to strictly define the construct it is representing in order to give accurate measure. This questions in the questionnaires were developed as stated above from the research framework.

The questionnaire is divided into section A and B. Section A is mainly designed to identify the respondent in the process of conducting this study. It includes respondent personal details which includes gender, age of the respondent, educational level, type of business and level of computer literacy.

Section B deals with the tax e-filing system. In this part, researcher intends to know the perception of taxpayers' intentions to adopt tax e-filing system. The questions were formed in a 5-point Likert scale. Likert or summated scales consisting of a number of statement in which the respondents are able to express their opinion by either; Strongly Disagree, Disagree, neutral, Agree and Strongly Agree. This scaling type is the most frequently used in investigating person's attitude. Scaling entails the process of assigning numbers to varying level of perception and attitude (Uma Sekaran & Bougie, 2013).

The variable of interest on which the instruments were developed are PU, PEOU, technology readiness propensities (optimism, innovativeness, discomfort, and insecurity), social influence, facilitating condition and intention to use.

For example, intention to use were measured with question such as “it is probable that I will use or continue to use the tax e-filing system”. For full details of measurement refer to Appendix A. Table 3.1 below shows the variables, items used to measure the variables and the sources.

Table 3.1

Variable, Items and Sources

Variables	Coding	No. Items	Sources
Perceived Ease of Use	PEOU	6	Davis (1989); Taylor & Todd (1995); Venkatesh et al.(2003)
Perceived Usefulness	PU	6	Davis (1989); Taylor & Todd (1995); Venkatesh et al.(2003)
Social Influence	SI	4	Venkatesh et al.(2003), Idawati (2012, 2013)
Facilitating Condition	FC	4	Taylor & Todd (1995); Venkatesh et al.(2003)
Technology Readiness:			Parasuraman (2000); Lin et al. (2007)
- Optimism	OPT	5	
- Innovativeness	INN	5	
- Discomfort	DIS	5	
- Insecurity	INS	5	
Intention	INT	4	Davis (1989), Mathieson (1991)

3.7 Data collection procedure

For the purpose of this study data were collected from the primary source. Primary data are obtained about the variables of interest for a particular or specified purpose of research (Sekaran, 2013). The instrument used for data collection in this study is self-administered questionnaire.

Self-administered questionnaire paves way for higher response rate. Self-administered questionnaire also gives the researcher an opportunity to explain briefly the purpose of conducting the study, the moral of the respondent can as well be boosted to answering the question due to explanation they might have heard from the researcher. Self-administered question is economical to adopt and it gives respondents freedom to answer the question (Kothari, 2004).

This study employed the use of two Research Assistant in order to help in administering the questionnaire. Questionnaire were then distributed among the self-employed taxpayers in Lagos state Nigeria.

3.8 Pre-test of study

Pretesting is done in order to evaluate the correctness, coherence and understandability of the instruments that will be used for data collection. Researcher distribute ten (10) questionnaires among those who have good idea of tax e-filing system and those who do not. This is done after the construction of questionnaire and the responses received indicate that the questions are suitable for the study and that the questions can be completed in no time. The results of the reliability of the instrument is described in the next section.

3.9 Goodness of instrument test

This can be described as the dress referral of the whole research which includes the questionnaire, respondents and other aspects of the work. This enables the researcher to reframe the irrelevant questions or have them discarded from the whole questionnaire before conducting the actual survey that will be used to analyze the result of the study. Pilot study is done on a small sample of the population of about 20 – 50 depending on the actual sample researcher intends to cover.

In order to make final revision on the questions researcher distribute Twenty (20) sets of questionnaires for the purpose of pilot test. This will help the researcher to check the Cronbach's Alpha utilized for knowing whether the data are reliability.

Table 3.2 below shows the result of pilot test conducted in order to known Cronbach's Alpha using reliability analysis test. In this test the reliability statistics shows that Cronbach's Alpha ranges from 0.62 to 0.76 for all the variables. The result of the reliability test in table below indicates that our instruments are acceptable.

Table 3.2

Reliability Statistics

Variables	Item	Cronbach's Alpha
Perceived Usefulness	7	0.69
Perceived Ease of use	6	0.74
Social Influence	5	0.64
Facilitating Condition	5	0.60
Readiness		
- Optimism	5	0.65
- Innovativeness	5	0.67
- Discomfort	5	0.70
- Insecurity	5	0.62
Intention to use	4	0.76

3.10 Analysis of data technique

In this study the researcher analyzed data using descriptive and inferential statistics. Data collected through the use of questionnaire is analyzed with the use of Statistical Package for Social Sciences (SPSS) Version 22.0.

Demographic profile provide data like gender, age, education and range of income earned by respondent. This would enable the researcher to be sure that the target audience is filling the questionnaire and to make sure the sample is representative. Demographic information also paves way for the grouping of sample into sub-groups. This information will be analyzed together with information on tax e-filing using SPSS.

3.10.1 Descriptive Statistics

Descriptive statistics are utilized to depict the essential elements of the data in a study. They give basic summaries about the sample and the measures. Together with straightforward illustrations analysis and also shape the premise for all intents and purposes each quantitative analysis of data. Researcher used frequency distribution to analyze personal information's and measures of central tendencies and dispersion such as maximum, minimum, means, standard deviation and variance were obtained for the interval-scaled independent and dependent variable. This is done with the aid of SPSS.

3.10.2 Inferential Statistics

Inferential statistics are utilized to derive from the sample data what the population may think or we utilize inferential statistics to make decisions about the likelihood that an observed distinction between groups is a dependable one or one that may have occurred by coincident in this study. In the current study, researcher make use of Pearson correlation to examine the relationship between variables.

3.11 Summary of methods and data analysis

The table below shows the summary of research objective and the method utilized to achieve it.

Table 3.3

Summary of Methods and Data Analysis

	OBJECTIVE	METHODS/ANALYSIS
i.	To investigate the most significant factor that can influence the intention to adopt tax e-filing system.	In order to achieve this objective regression analysis is used to investigate how significant the determinants is to the model.
ii.	To examine the relationship between determinants (Perceived usefulness, perceived ease of use, social influence, facilitating condition and Technology readiness of e-filing adoption and taxpayers' intention to use	Hypothesis are formulated for each variable and the relationship are examined with the use of correlation and multiple regression analysis
ii.	To examine the relationship between perceived ease of use and perceived usefulness.	Correlation analysis is also used to examine the relationship between PEOU and PU

CHAPTER FOUR
RESEARCH FINDINGS

4.1 Introduction

This chapter contains data analysis which is done with the aid of SPSS. Descriptive statistics is used to analyze the respondent's demographic information of the respondents in order to know the background of the respond and to know if the right sample is being contacted. Parametric tests which are Pearson Moments Correlation Analysis is utilized to investigate the relationship which exists between and among the independent and dependent variables. It is also used to investigate the relationship between other variables. Multiple regression analysis was utilized to investigate the most significant variable to intention to use.

4.2 Response rate analysis

Response rate can be described as the rate at which respondents complete the questionnaire received by them. In any study in which individuals are considered as the respondents, a response rate of 30% is considered acceptable and the recommended sample size should be between 100 and larger (Hair, Black, Babin, Anderson, & Tatham, 2010; Sekaran & Bougie, 2010). Since the valid response received is one hundred and seventy-five (175) which represents Seventy percent (70%) of the sample size (refer to table 4.1 below), the response rate is said to be good. Questionnaires were self-administered with the help of two (2) Research Assistant in Lagos state of Nigeria where the sample is selected.

Table 4.1

Analysis of Response Rate

Description	**Outcome**	**Rate (%)**
Questionnaire administered	250	100
Questionnaire not received	(70)	28
Response Received	180	72
Invalid Response	(5)	2
Valid/Response usable	**175**	**70**

*Note: Invalid response were due to non-completion of the questionnaire

4.3 Descriptive statistics analysis

Descriptive analysis is employed to describe the important characteristics of data in this study, it summarizes the characteristics in a simpler way. In the current study, it is used to describe gender, age, marital status, highest qualification, business type, annual income, computer literacy level, tax knowledge, and whether respondent employ tax consultant.

4.3.1 Gender

Table 4.2 below shows that male have the highest response of 56% while the female response is 44%. This indicates that majority of the self-employed taxpayers under study are male.

Table 4.2

Respondents Gender

Category	Frequency	Percent (%)
Male	98	56.0
Female	77	44.0
Total	175	100.0

4.3.2 Age

Table 4.3 shows the age classifications of the respondents that answers the questionnaire. The table highlights that 2.3% of the respondents are below 20 years of age 26.9% are within 21 – 30 years, 41.7% within 31 – 40 years, 23.4% within 41 – 50 years and 5.7% are above 50 years of age. The result show that majority of the respondents have their ages ranging from 31 – 40 years.

Table 4.3

Respondents Age

Category	Frequency	Percent (%)
Below 20 years	4	2.3
21 - 30 years	47	26.9
31 - 40 years	73	41.7
41 - 50 years	41	23.4
51 years and above	10	5.7
Total	175	100.0

4.3.3 Marital status

Table 4.4 shows the marital status of respondents who answer the questionnaire. The table indicates that 25.1% of the respondents are single while 74.9% are married. It also indicates that majority of the self-employed taxpayers (respondents) are married.

Table 4.4

Respondents Marital Status

Category	Frequency	Percent (%)
Single	44	25.1
Married	131	74.9
Total	175	100.0

4.3.4 Qualification

Table 4.5 describes the highest level of qualification of the respondents that answer the questionnaire. Sixteen percent 16%) of the respondent have their highest qualification been Diploma (National Diploma and Higher National Diploma), 30.9% with Degree, 26.9% having Masters, 8.8% with PhD and 17.7% with other qualification which includes Senior School Certificate (SSC) and Primary School Leaving Certificate. The results show that majority of the respondents have their highest qualification to be B.Sc. and Masters. Lagos state where the sample is selected is the commercial hub of Nigeria with highest population of educated self-employed taxpayers.

Table 4.5

Respondents highest qualification

Category	Frequency	Percent (%)
Diploma	28	16.0
B.Sc	54	30.9
Masters	47	26.9
PhD	15	8.6
Others	31	17.7
Total	175	100.0

4.3.5 Business type

Table 4.6 below shows the business type owned by the respondents who answered the questionnaire. The response shows that 61.1% of the respondents owns sole proprietorship business while 38.9% are in partnership business. It indicates that majority of the respondents are sole proprietor.

Table 4.6

Type of Business

Category	Frequency	Percent
Sole Proprietorship	107	61.1
Partnership	68	38.9
Total	175	100.0

4.3.6 Annual income

Table 4.7 shows the annual income generated by the respondent in their business. 10.3% of the respondents earned N500,000 and below annually, 26.9% earned between N500,001 - N1,000000, 29.1% of the respondents earned N1,000,001 – N2,000,000, 29.9% earned N2,000,001 – N3,000,000, 4.6% of the respondents earned between N3,000,001 – N4,000,000 and 6.3% of the respondents earned between N4,000,001 and above. Overall, the majority of the respondents, which are 78.9% have annual income ranging from N501,000 to N3,000,000.

Table 4.7

Respondents Annual Income

Category	Frequency	Percent
Below N500,000	18	10.3
N501,000 - N1,000,000	47	26.9
N1,000,001 - N2,000,000	51	29.1
N2,000,001 - N3,000,000	40	22.9
N3,000,001 - N4,000,000	8	4.6
N4,000,001 and above	11	6.3
Total	175	100.0

4.3.7 Level of computer literacy

Table 4.8 shows the level of computer literacy of the respondents. The table describes that 11.4% of respondents do not have computer knowledge, 44.0% are in the beginner level (just learning), 36.0% are have the intermediate knowledge level of computer and 8.6% of the respondents have reached advanced level in their computer knowledge. It can be deduced that 88.6% which are the majority of the respondents have computer knowledge. It means that the respondents have the knowledge which can ease their adoption of the tax e-filing system.

Table 4.8

Respondents Level of Computer Literacy

Category	Frequency	Percent
None	20	11.4
Beginner	77	44.0
Intermediate	63	36.0
Advance	15	8.6
Total	175	100.0

4.3.8 Tax knowledge

Table 4.9 shows the tax knowledge level of respondents who answered the questionnaire. 26.9% of the respondents do not have tax knowledge, 36.0% are at the beginner level, 29.7% at the intermediate level and 7.4% of the respondents have advance knowledge of tax. With this result in table 4.9 it can be concluded that majority have tax knowledge.

Table 4.9

Respondents Tax knowledge

Category	Frequency	Percent
None	47	26.9
Beginner	63	36.0
Intermediate	52	29.7
Advance	13	7.4
Total	175	100.0

4.3.9 Employment of tax consultant

Table 4.10 shows that 28.6% of the respondents have tax consultants who assists them in filing their tax returns and 71.4% of the respondents do not have tax consultants. Employment of tax consultant can be influence by the tax knowledge of the taxpayers because it is shown in table 4.9 that majority have tax knowledge meaning that they do not need to employ tax consultants since they are aware of the system.

Table 4.10

Employment of Tax Consultant

Category	Frequency	Percent
Yes	50	28.6
No	125	71.4
Total	175	100.0

4.3.10 Cross tabulation between Age and Computer literacy

Table 4.11 below shows the cross tabulation between Age and computer literacy. In this study, cross tabulation is used to describe the relationship which exist between age and computer literacy. The result in Table 4.11 indicate that there (3) out of four (4) respondents which their ages fall below 20 years are computer literate. It is also shown that out of 47 respondents which fall between the ages of 21 – 30 years only 38 are computer literate. The figure is quite high at this level. Ages between 31 – 40 years accounted for total respondents of 73 in which 64 computer literate. Within the ages of 41 – 50 years, out of 41 respondents only one of them is not computer literate

and within 51 years and above all the respondents within the range have computer knowledge. Overall, this result shows that 20 respondents do not have computer knowledge while the remaining 155 respondents have computer knowledge. We can conclude that majority of the respondents (88.6%) are computer literate, this falls within age ranges from 21 – 50 years. This results indicate that taxpayers will not find it difficult to adopt the tax e-filing system if not affected by other factors that may hinders the taxpayers' intention to adopt the tax e-filing system.

Table 4.11

Cross tabulation between Age and Computer Literacy

	None	Beginner	Intermediate	Advance	Total
Below 20 years	1	1	1	1	4
21 - 30 years	9	21	15	2	47
31 - 40 years	9	30	30	4	73
41 - 50 years	1	18	14	8	41
51 years and above	0	7	3	0	10
Total	20	77	63	15	175

4.3.11 Cross tabulation between Computer literacy and Tax knowledge

Table 4.12 shows the description of the relationship between tax knowledge and computer literacy. It shows that a total of 17 respondents do not have either tax knowledge nor computer literacy while 30 (25 beginners and 5 intermediate level) respondents who do not have tax knowledge are computer literate. It is also indicated in the result that 3 out of the respondents have little beginner knowledge of tax but do not possess computer knowledge. It can also be deduced that 125 (77 + 63 +15 – 30) respondents are computer literate and knowledgeable in tax. This factors tax

knowledge and computer literacy will greatly influence the taxpayers' intention to use tax e-filing system because they already have the practical know how and the knowledge require to adopt the system. In conclusion majority of the respondents have both tax and computer knowledge.

Table 4.12

Cross tabulation between Computer Literacy and Tax Knowledge

	Computer literacy				
Tax Knowledge	None	Beginner	Intermediate	Advance	Total
None	17	25	5	0	47
Beginner	3	47	13	0	63
Intermediate	0	5	44	3	52
Advance	0	0	1	12	13
Total	20	77	63	15	175

4.3.12 Descriptive statistics for dependent and independent variables

The table below shows the descriptive analysis for dependent and independent variable. The mean and standard deviation of the variables used in this study are stated below in Table 4.13.

Table 4.13

Result for dependent and independent variable

Variables	*N*	Mean	Standard deviation
Perceived usefulness	175	4.4410	.36924
Perceived ease of use	175	4.3410	.43689
Social influence	175	3.9371	.56316
Facilitating condition	175	4.1300	.58406
Technology Readiness	175	3.7591	.41699
Intention to use	175	4.5471	.45909

In Table 4.13, the variable was investigated based on a 5-point Likert-scale. The findings show that the perceived usefulness mean value was 4.44 and standard deviation (SD) was 0.37, perceived ease of use mean value was 4.34 and SD was 0.44, social influence mean value was 3.94 and SD was 0.56, facilitating condition mean value was 4.13 and SD and 0.58, technology readiness mean value was 3.76 and SD was 0.42 and intention to use mean value was 4.55 and SD was 0.44.

4.4 Pre- analysis test

4.4.1 Reliability analysis

Reliability analysis is utilized to check the internal consistency of instruments used to determine the intention of taxpayers to adopt tax e-filing system using Cronbach's Alpha. Cronbach's Alpha coefficient of .01 to .4 is considered as poor reliability value, .50 to .95 regarded as having good reliability value while .95 to .99 considered as poor reliability value (Piaw, 2012). According to Sekaran and Bougie (2013), they state that reliabilities less than 0.6 are considered to be poor, those range of 0.6 to 0.7 are acceptable and those over 0.8 are considered to be good. According to Bruin (2006), of UCLA Statistical Consulting Group "Newtest: Command to compute new test" they state that having high Cronbach's Alpha does not mean the measurement is unidimensional. To further measure the internal consistency Factor Analysis is utilized in the next section.

Table 4.14 shows the reliability value of all variable used in this study. When testing the reliability of social influence items, the Cronbach's Alpha of .572 is obtained while item (S4) (*Refer to Appendix A*) indicated Cronbach's Alpha if item deleted to be .674, this brought about deletion of S4 item from the instrument in order to have reliable items in our instrument. All variables are said to be reliable due to the condition above except innovativeness which have reliability value of 0.4 which is very low and it is deleted from the instrument.

Table 4.14

Test of Reliability

Variables	Item	Cronbach's Alpha
Perceived Ease of use	6	0.7
Perceived Usefulness	6	0.6
Social Influence	3	0.7
Facilitating Condition	4	0.5
Technology Readiness		
- Optimism	5	0.6
- Discomfort	5	0.6
- Insecurity	5	0.7
Intention to use	4	0.8

4.4.2 Factor Analysis

In order to further screen our data, factor analysis is needed to test whether the data are unidimensional. Factor analysis is one of the procedures in the analysis of multivariate, its objective is an attempt to identify any factors causing covariations among the independent variables. This is typically used to reduce the number of variables used to explain a relationship. In factor analysis, KMO which measures share variances must not be less than 0.5 while the Bartlett's Test of Sphericity *p*-value must be less than 0.001 (Beavers et al., 2013; Walker & Maddan, 2009).

In table 4.15 below, KMO is greater than 0.5 and Bartlett's Test *p* – Value is less than 0.001, it can be concluded that our data are unidimensional.

Table 4.15

KMO and Bartlett's Test of Sphericity

Variables	KMO	Bartlett's Test
Perceived usefulness	.787	.000
Perceived ease of use	.682	.000
Social influence	.667	.000
Facilitating condition	.565	.000
Technology Readiness	.701	.000

4.4.3 Test of multicollinearity

Multicollinearity alludes to a circumstance in which two or more descriptive variables in a multiple regression model are to a great degree linearly associated. Along these lines, multicollinearity is utilized to check if there exists any relationship among the independent variables. This can be clarified by the level of which any variable effect can be anticipated with the other variable (Hair, Black, Babin, Anderson, & Tatham, 2010). Multicollinearity will lead to a major issue in multiple regression due to the troubles of distinguishing the influence of every independent variable on the dependent variable. Be that as it may, a typical approach utilized for appraising whether there is multicollinearity is called the Variance Inflation Factor (VIF), checked for every independent variable. Independent variable is thought to be profoundly related if the estimation of Variance Inflation Factor (VIF) is above 10, bringing about an issue of multicollinearity. There is no multicollinearity problem if

the value of VIF are less than 10 (Pallant, 2005; Hair, Sarstedt, Ringle, & Mena, 2012; Sekaran & Bougie, 2013).

Table 4.16 show the Variance inflation factor for perceived ease of use, perceived usefulness, social influence, facilitating condition and readiness are 1.208, 1.175, 1.054, 1.327 and 1.309 respectively. Since the VIF value for each level of variable is not greater than 10 which corresponds to tolerance value of 0.10 there is no multicollinearity problem. This indicates that the assumption of multicollinearity has not been violated.

Table 4.16

Variance inflation factors of the independent variables

Variables	Tolerance	VIF
Perceived Ease of use	.828	1.208
Perceived Usefulness	.851	1.175
Social Influence	.948	1.054
Facilitating Condition	.754	1.327
Technology Readiness	.764	1.309

4.4.4 Test of normality assumption

In order to examine the assumption of normality, scatter plot can be investigated or used for this purpose (Coakes, Steed, & Price, 2008). The histogram below depicts that our data are normally distributed.

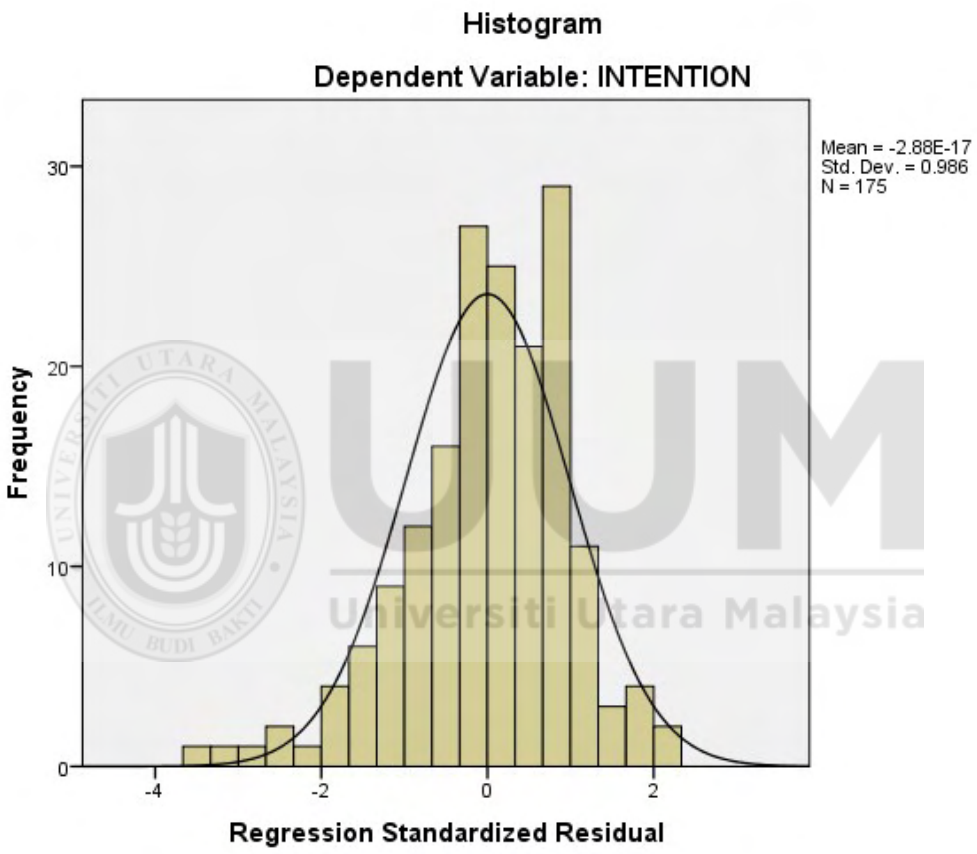

Figure 4.1

Histogram of Normality Test

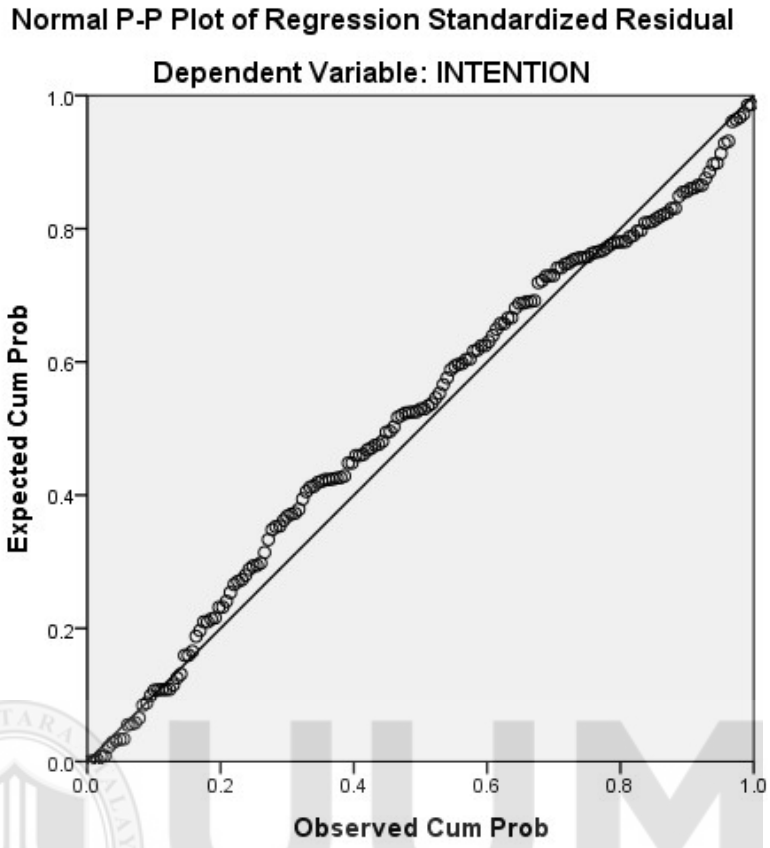

Figure 4.2

Normal P-P Plot of Regression Standardized Residual

Figure 4.1 and 4.2 above shows that the data are approximately normally distributed and that there are variables that predict the Intention to use tax e-filing significantly.

4.5 Relationship Between Variables

In order to identify the relationship that exist between dependent (intention to use) and independent variable. Pearson correlation matrix is used to show the direction, significant and strength of the association between variable before examining the coefficient of regression. Generally, in behavioural sciences correlation coefficient of .10, .30 and .50 is respectively referred to as low, medium and high coefficient. Table 4.17 shows the relationship between variable.

Table 4.17

Correlation Matrix between dependent and independent variable

		IOU	PU	PEOU	SI	FC	TR
IOU	Pearson correlation	1.000					
	Sign (2-tailed)	.					
	n	175					
PU	Pearson correlation	.244**	1.000				
	Sign (2-tailed)	.001	.				
	n	175	175				
PEOU	Pearson correlation	.489**	.351**	1.000			
	Sign (2-tailed)	.000	.000	.			
	n	175	175				
SI	Pearson correlation	.080	.207	.107	1.000		
	Sign (2-tailed)	.148	.003	.079	.		
	n	175	175	175	175		
FC	Pearson correlation	.258**	.196	.252	.183	1.000	
	Sign (2-tailed)	.000	.005	.000	.008	.	
	n	175	175	175	175	175	.
TR	Pearson correlation	.253**	.083	.174	-.011	.419	1.000
	Sign (2-tailed)	.000	.138	.011	.442	.000	.000
	n	175	175	175	175	175	175

****Correlation is significant at 0.01 level (2-tailed)**

From table 4.17, the result shows the correlation analysis used to examine the relationship which exists between perceived usefulness, perceived ease of use, technology readiness, social influence, facilitating condition and intention to use and as well the relationship between perceived usefulness and ease of use. The result indicates that Perceived usefulness (PU), Perceived ease of use (PEOU), Facilitating condition and Technology readiness has a positive significant correlation of .244, .489, .258, .253 respectively with intention to use at 0.01 level (2-tailed). The corresponding *p* - value for the correlation are .001, .000, .000 and .000 respectively. Perceived usefulness (PU) also has a positive significant relationship with Perceived ease of use (PEOU) of .351 at 0.01 level (2-tailed) with *p* - value of .000. Result also shows that a positive but non-significant correlation and p – value of 0.080 and .148 respectively exist between social influence and intention to use. Table 4.17 shows that H_1, H_2, H_3, H_5 and H_6 are supported. Result shows that there is no negative relationship between dependent and independent variable. In order to further investigate on our findings coefficient of multiple regression analysis is needed to investigate the most significant factor. This is analyzed in section 4.6.

4.5.1 Summary of correlation analysis

Table 4.18 shows the summary of the hypothesis investigated with use of correlation analysis.

Table 4.18

Summary of findings

Hypothesis	Impact level	Sig.	Results
H1: There is positive relationship between taxpayers' perceived usefulness about e-filing system and their intention to use it.	.244	0.001	Supported
H2: There is positive relationship between taxpayers' perceived of ease of use about e-filing system and their intention to use it.	.489	0.000	Supported
H3: There is positive relationship between taxpayers' perceived usefulness and perceived ease of use of tax e-filing system.	.351	0.000	Supported
H4: There is a positive relationship between taxpayers' social influence and intentions to use e-filing system.	.080	0.254	Not Supported
H5: There is a positive relationship between taxpayers' facilitating condition and intentions to use e-filing system.	.258	0.000	Supported
H6: There is positive relationship between taxpayers' technology readiness propensities and their intentions to use e-filing system.	.253	0.000	Supported

Correlation is significant at 0.01 level (2-tailed)

4.6 Factors influencing intention to use tax e-filing system

In investigating the significant factors influencing intention to use tax e-filing system Multiple regression analysis is used.

Standard multiple regression allows all the variable to be inserted into the model at one time and they are evaluated based on the variance contributed or accounted for, the cons of this method is that an independent variable might be having relationship but can be seen as not important predictor if it contributes little in explaining the dependent variables (Bartholomew, 2010).

The focus of this section is mainly on the relationship which subsist between dependent and the independent variables by utilizing multiple regression technique to examine the single consistent variable by a given continuous or grouped independent variable. Since social influence has no significant relationship with intention to use, it will be excluded from the regression model (Genser, Strina, Teles, Prado, & Barreto, 2006).

In investigating the most significant factors, this section discus the standard multiple regression used to analyze our data. Table 4.19 shows the result of multiple regressions analyses.

Table 4.19

Summary of regression analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.53[a]	.29	.26	1.58280

a. Predictors: (Constant), Readiness, Usefulness, Ease of use, Facilitating condition
b. Independent variable: Intention to use

Table 4.20

Coefficient or weight of the regression

Model	Unstandardized coefficient		Standardized	t	Sig
	Beta	***Std. Error***	***Beta***		
(Constant)	1.286	.488		2.493	.014
Perceived Usefulness	.086	.087	.069	.987	.325
Perceived Ease of Use	.441	.075	.420	5.893**	.000
Usefulness	.056	.059	.068	.952	.342
Facilitating Condition	.063	.058	.080	1.085	.279
Technology Readiness	.178	.091	.141	1.953	.053

Independent variable: Intention to use

The outcomes of the regression analysis as measured by R Square which indicate the influence of the independent variables over the dependent variable.

This clarifies that the independent variable with the value of 0.29 variance on intention to use as delineated in Table 4.18. The adjusted R Square of 26% shows that the determinants of intention to use in this study contributed a portion in deciding their influence on the intention to use tax e-filing. The outcome likewise depicts the

degree to which intention to use is influenced by determining factors and how taxpayers perceived the e-filing system. However, the little contribution of the variables could be because of the location, political system and economic factors in which the taxpayers belong which couldn't be incorporated into this study because of the conditions and limitation of the research which are explained in the next chapter.

From table 4.20, The results are significant at $p < 0.10$, 0.05, and 0.001. Results deduced that Ease of use is significant to Intention to use. Ease of use is the strongest predictor of intention to use tax e-filing system with highest *Beta* of 0.420 and t-value of 5.893 and *p*-value of 0.000. Hence, Ease of use is the most significant factors of intention to adopt tax e-filing system in Nigeria.

The implication of this is that with the current situation in Nigeria taxpayers need a system that will be free of effort in order to achieve tax e-filing objective. There is need for a system that will tend to reduce taxpayers cost of filing taxes because uneasy system will lead to waste of time and tend to reduce taxpayers' productivity.

It also implies that the system must be useful as compare to the manual system of filing. For tax e-filing system to be made easy to use for the taxpayers necessary facilitating condition also need to be provided because in an environment where there is no electricity or the power supply is fluctuating adoption of the system may be deterred.

4.7 Summary of the chapter

This chapter discusses the findings of current research. The statistical methods used to analyze in this research are descriptive statistics which are utilized to analyze the demographic data of the respondents, correlation analysis used to examine relationship between variables and regression analysis used to investigate the most significant of the independent variables to the model. In this chapter, the study went further to do pre-analysis in order to screen the data before the final analysis, multicollinearity test and assumption test were done and result indicates that no multicollinearity problem exist and the data are normally distributed respectively.

Finally, in order to complete the analysis correlation and regression analysis were done. The results of the correlation show that relationship exists between the variables tested except social influence which has low non-significant positive relationship with intention. Regression also indicated that the variables are significant to the model.

CHAPTER FIVE
DISCUSSION, RECOMMENDATION AND CONCLUSION

5.1 Introduction

This is the concluding chapter which discusses the findings analyzed in chapter four, it also provides recommendations or suggestion for future study that intends to look at the intention of the taxpayers towards adoption of new technology in filing their tax returns.

5.2 Discussion

The main aim of the study is to examine the varying factors which determine the intention of the taxpayers towards acceptance or adoption of the tax e-filing system. The study examines the independent variables which are Perceived Usefulness, Perceived Ease of Use, Social Influence, Facilitating Condition, and Technology Readiness propensities (optimism, innovativeness, discomfort and insecurity) to investigate taxpayers' intention to adopt tax e-filing system and investigate the most significant factor affecting taxpayers' intention to use tax e-filing system.

The total number of questionnaires administered was 250 while the response rate is 70%. Result of the descriptive analysis indicates that 155 respondents have computer knowledge which ranges from beginner, intermediate and advanced level skill. These indicate that taxpayers can adopt tax e-filing system based on their computer knowledge. It is also indicated that 128 of the respondents have tax knowledge which will make the adoption of introduced tax e-filing system to be easy.

In order to examine the descriptive analysis further cross tabulation is carried out between demographic information which are age and computer literacy and computer literacy and tax knowledge. The results of the cross tabulation between age and computer literacy indicates that age affect the use of technology, it is shown that those in the age of 20 – 50 years are computer literate which is accounted for 88.6% of the respondent. This is a good signal that adoption of tax e-filing system will not be a problem to the taxpayers if other factors that can hinder its adoption are taken care of.

In the cross tabulation between computer literacy and tax knowledge, the result found that majority of the respondents who are computer literate also have tax knowledge. These factors, tax knowledge and computer literacy will greatly influence the taxpayers' intention to use tax e-filing system because they already have the practical know how and the knowledge required to adopt the system. In this regard the use of the system will be hassle free for them and will be able to examine and verify their record by themselves. Once the authority provides a navigable internet environment for the filing of the tax returns taxpayers will not find it difficult.

5.2.1 Determinants of tax e-filing system

The present study took on the determinants of TAM which are Perceived Usefulness (PU) and Perceived Ease of Use (PEOU), two from UTAUT which are Social Influence (SI) and Facilitating Condition (FC). This study also adopted TRI in which its determinants are optimism, innovativeness, discomfort and insecurity.

Perceived usefulness refers to the perception of the taxpayers towards the functionality of the tax e-filing system. The concern of the taxpayers here is that, is the system going to perform what it is design to do, and if yes, is it better compared to the manual process of filing taxes. This is one of the factors which determines intention of the taxpayers to adopt the tax e-filing system. Perceived ease of use to the taxpayers is based on the perception of the taxpayers for system been free of effort. If the introduced system is free of effort taxpayers will like to adopt by taken other factors into consideration and it can as whole affect the intention of the taxpayer to utilize the system. The main expectation here is the easy navigability of the e-filing system, not expensive and so on.

Social influence and facilitating condition were adapted from UTAUT because of their relative importance to the Nigerian environment and because of the need to consider external factors which may influence the adoption of the tax e-filing system. Social influence is utilized to examine how the environment such as the taxpayers' customers, people who are close to him/her and/or significant order influence him towards adoption of the system. Facilitation condition has to do with the availability of the resources on the side of the taxpayers and the one needed to be done by the authority.

The relationship which exist between the above determinant and intention to use is discussed in the next section.

5.2.2 Relationships and significant factors affecting intention to use

The current study examines the relationship between variables which consist of independent and dependent variable and as well as independent and another independent variable. This relationship is examined with the use of correlation analysis. The independent variables examined are perceived usefulness, perceived ease of use, social influence, facilitating condition, Readiness (optimism, innovativeness, discomfort, insecurity) while the dependent variable is intention to use. The study gathered that a positive relationship exists between the independent variables and dependent variable except social influence with correlation (*R*) of 0.080. The results of the study are discussed below in accordance with the hypothesis developed.

H_1: There is positive relationship between perceived usefulness and intention to use the tax e-filing system.

The results gathered that positive significant relationship exists between perceived usefulness and intention to use, this result is in line with the study of Ozgen and Turan (2007) and Moorthy et al. (2014). This implies that usefulness of tax e-filing will also influence the intention of the taxpayers to adopt the system.

H_2: There is positive relationship between perceived ease of use and intention to use the tax e-filing system.

Based on H_2, result of the study shows that positive significant relationship exists between perceived ease of use and intention to use tax e-filing system. This result is in line with study of Azmi et al. (2012) and Wang (2003). It implies that having the system on ground is one thing but the ease of the system is of paramount importance

which can influence the taxpayers to adopt the system. uneasy system can lead to incurring additional cost and can as well slow down productivity due to waste of time.

H_3: There is positive relationship between perceived usefulness and perceived ease of use of tax e-filing system.

In the investigation of the relationship between perceived usefulness and perceived ease of use, the result gathered that a positive significant relationship exists between the two variable. Study by Azmi et al. (2012) which states that a significant positive relationship exists between PEOU and PU. In the other way, this is not in tandem with the work of Hu, Chau, Liu Sheng and Tam (1999) which found that no relationship exist between PEOU and PU which may be subjected to access to internet connection, the population of the environment and availability of the infrastructural facilities. This relationship means that it is when the system is easy to use that the taxpayers can adopt and found it useful for their transactions.

H_4: There is positive relationship between social influence and intention to use the tax e-filing system.

After the investigation of the relationship between social influence and intention to use, it was found that the independent and dependent variable have a positively very low relationship of 0.080. This may be as result of the environmental conditions and political situation of the country. This is line with the study of (Chiou, 1998) which opined that the influence of social influence may be different from one environment to the other and as a result of the environmental factors.

H_5: There is positive relationship between facilitating condition and intention to use the tax e-filing system.

Based on H_5, the relationship between facilitating condition and intention to use is examined and the result found that positive relationship exists. This is in line with the study of Hung et al. (2006). According to Ambali (2009), they stated that facilitating condition is the factor which influence the intention to use and intention to continue using the tax e-filing system. This may be due to the need for necessary support for the taxpayers' PC and as well as other facilities to save his time and increase his productivity.

H_6: There is positive relationship between technology readiness and intention to use that tax e-filing system.

The study also further examined Technology Readiness (TR) in which its propensities are optimism, innovativeness, discomfort and insecurity. It was found that positive relationship exists between readiness and intention to use tax e-filing system which is aligned with the findings of Lin et al. (2007), and Parasurama, (2000; 2008). This indicates that there is possibility that taxpayers will adopt the tax e-filing system if they have the technical knowledge and the benefit system outweigh the disadvantages of the it.

To conclude the analysis, regression analysis was conducted to know how significant the determining factors are to the model with the use of multiple regression analysis. The results show that the variables contributed a portion to the model with R Square of 0.29 which is close to 0.30, and Adjusted R Square of 0.26. The low impact may be due to the cultural background, political and system of government of the state in

which the taxpayers belong which are not covered by this study. Hence, the regression analysis confirmed the factor are significant to intention to use the tax e-filing system.

In conclusion, empirical result shows that five hypotheses which examine the relationship were in line with the statistical result. Perceived Usefulness (PU), Perceived Ease of Use (PEOU), Facilitating Condition (FC) and Technology Readiness (TR) have positive relationship with intention to use. Empirical results also show that positive relationship exists between PU and PEOU and that PEOU is the most significant factor determining intention to adopt tax e-filing system.

It can be deduced from the results of this study that taxpayers can adopt the tax e-filing system but the authority have a lot of work to do in making the system hassle free.

5.3 Recommendation

The main aim of introducing tax e-filing system is for the easiness of taxpayers to file tax return and to ease the authority in the tax administration. The authority (FIRS) has said the work is still ongoing on the training of staffs, creation of awareness and to educate the taxpayers effectively. All this has to be done in an effective way.

The determining factors which are usefulness, ease of use, facilitating condition, discomfort, insecurity as explained in this study need to be taken cognizance of by the government in order to encourage and motivate the taxpayers to adopt the introduced system.

Government should make sure that the purpose in which the tax e-filing system is introduced is achieved. Taxpayers should find the system useful as compare to the manual system of filing tax returns.

One of the purpose in which government introduced the tax e-filing system is to make the filing of tax return easy for the taxpayers. Government should ensure that the system is easy to use for the taxpayers, the website on which the filing of taxes will be done should be navigable and easy to surf. In order to motivate the taxpayers, the support services should be available to be looking into taxpayers' enquiry if they meet problem when filing their return and this support services should always be available since the system is designed to operate 24 hours a day.

Taxpayers should also be made known that their system is safe when filing their taxes on the e-filing system. Once the awareness of the taxpayers is created about the safety of the system, taxpayers will be confident that there is no problem filing their returns with tax e-filing system.

Finally, for the future study, limitation exists in the conduct of this study both in scope and time allocation. A more comprehensive study should be conducted in order to get more valid and accurate result. The time allocation for the study should be longer and the scope be extended for more valid result. This study only focuses on self-employed taxpayers in Lagos state of Nigeria which represents a state out of 36 states. For the results of this research to be generalized, a study should be conducted in which its scope will be extended to companies and with larger sample that will cover more than one state.

The regression results also show that there are other factors apart from the one examined in this study which can influence taxpayers' intention to adopt tax e-filing system. Future study should consider other variable which can influence the intention of the taxpayers.

5.4 Conclusion

The tax e-filing system is one aspect of e-government services which has been employed in several countries of the world. It is a system which replaces the manual system of filing tax return and ease taxpayers' effort and as well as the authority in the administration of taxes. Adoption of this system is mainly influenced by many factors as examined and as well as witnessed in countries where it has been put into place.

This study was conducted to examine the factors influencing taxpayers' intention to adopt tax e-filing system. Questionnaire was utilized and self-administered to the respondents for data collection. Demographic information was analyzed using frequency and percentages while information on tax e-filing system adoption intention was analyzed using correlation and regression analysis. Results empirically indicates that a significant positive relationship exist between perceived usefulness, perceived ease of use and facilitating condition to intention to adopt tax e-filing system.

It is also gathered that perceived ease of use (PEOU) is the most significant factors influencing taxpayers' intention to adopt the tax e-filing system. This implies that taxpayers need a system that will be hassle free. This can be due to the extra cost that may be incurred if the system is not efficient. Such may be like payment for the internet services, waste of time which can lead to reduction in productivity.

Meanwhile, government should ensure that there is adequate facility is provided in making the system easy for the taxpayers as compared to the manual system of filing. Therefore, authorities and stakeholders in the administration of the tax system should take cognizance of the factors which can influence taxpayers' intention to adopt tax e-filing system.

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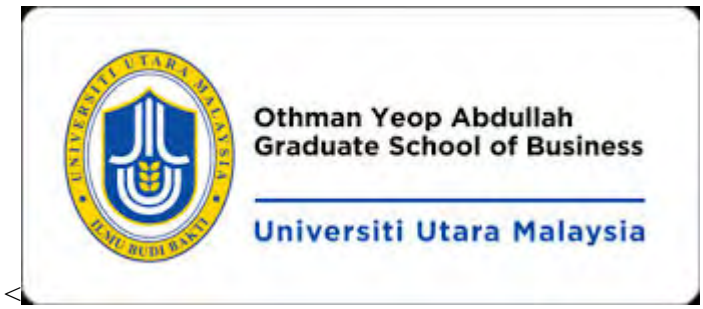
Appendix A

Questionnaire



QUESTIONNAIRE FORM

ADOPTION OF TAX E-FILING SYSTEM AMONG SELF-EMPLOYED TAXPAYERS IN NIGERIA

Dear Sir/Madam,

I am a Master candidate in the Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia conducting a research on the above research title. This survey is for the purpose of academic exercise and a part of fulfillment for the award of master degree. This questionnaire is aimed at obtaining your opinion on the usefulness, ease of use and readiness to use tax e-filing system. The answers provided will be treated with utmost confidentiality and to be used for the purpose of research only. The questionnaire is divided into two parts and it will take about 10 to 15 minutes to complete.

Thank you.

Lamidi Wasiu Adebayo
MSc. Student
MSc. International Accounting
UNIVERSITI UTARA MALAYSIA

PART A: RESPONDENT INFORMATION

INSTRUCTION: Please respond by ticking (√) in the box.

1. Gender

☐ Male ☐ Female

2. Age

☐ Below 20 years ☐ 21 – 30 years

☐ 31 – 40 years ☐ 41 – 50 years

☐ 51 and above

3. Marital Status

☐ Single ☐ Married

4. Qualification

☐ Diploma ☐ PhD

☐ Degree ☐ Other……

☐ Masters

5. Type of Business ☐ Sole Proprietorship ☐ Partnership

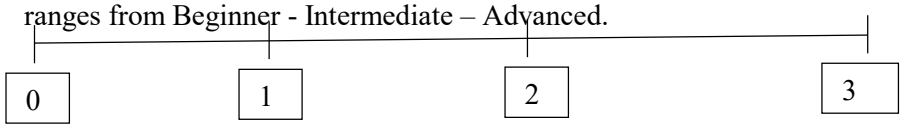
6. Annual Income

☐ Below N500,000 ☐ N501,000 – N1,000,000

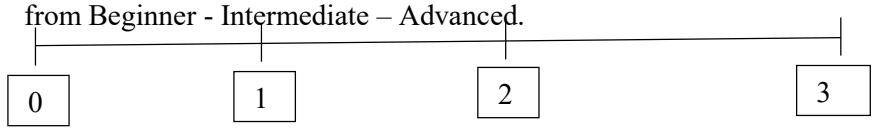
☐ N1,000,001 – N2,000,000 ☐ N2,000,001 – N3,000,000

☐ N3,000,001 – N4,000,000 ☐ N4,000,001 and above

7. Please indicate your level of computer literacy using the following Likert scale which ranges from Beginner - Intermediate – Advanced.



8. Please indicate your level of tax knowledge using the following Likert scale which ranges from Beginner - Intermediate – Advanced.



9. Do you employ a tax consultant to file your tax return form. ☐ Yes ☐ No

PART B: INFORMATION ABOUT TAX E-FILING ADOPTION

INSTRUCTION: Please read the statement and circle in the box based on level of your agreement. The numbers below have the following meanings:

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

A. PERCEIVED EASE OF USE						
1.	Learning to operate the tax e-filing system would be easy for me	1	2	3	4	5
2.	I would find it easy to get the system to do what I want it to do	1	2	3	4	5
3.	My interaction with the system would be clear and understandable	1	2	3	4	5
4.	I would find the system to be flexible to interact with	1	2	3	4	5
5.	It would be easy for me to become skillful at using the system	1	2	3	4	5
6.	I would find the system easy to use	1	2	3	4	5
B. PERCEIVED USEFULNESS						
1.	Using the system would enable me to accomplish tax filing more quickly	1	2	3	4	5
2.	Using the system would enhance my effectiveness on the job	1	2	3	4	5
3.	Tax e-filing can save time and energy	1	2	3	4	5
4.	Tax e-filing can be done anytime and anywhere	1	2	3	4	5
5.	Tax e-filing is more comfortable compared to manual process	1	2	3	4	5
6.	Tax e-filing could simplify transaction	1	2	3	4	5
C. SOCIAL INFLUENCE						
1.	My relatives think that I should use tax e-filing system	1	2	3	4	5
2.	People who I listen to could influence me to use tax e-filing system	1	2	3	4	5
3.	I believe that my customer will think I should use tax e-filing system	1	2	3	4	5
4.	Using of tax e-filing system will serve as a status symbol in my business	1	2	3	4	5
D. FACILITATING CONDITION						
1.	Availability of support services will enable me to use tax e-filing system	1	2	3	4	5
2.	For me, being able to use the system when I need it is important	1	2	3	4	5
3.	Using the tax e-filing system will be too expensive	1	2	3	4	5
4.	I have resources needed for the use of tax e-filing	1	2	3	4	5
E. OPTIMISM						
1.	The system gives me more freedom of mobility	1	2	3	4	5
2.	I like computer programs that allow me to tailor things to fit my own needs	1	2	3	4	5
3.	I prefer to use the most advanced technology available	1	2	3	4	5
4.	The system gives people more control over their daily lives	1	2	3	4	5
5.	I like the idea of doing business via computers because you are not limited to regular business hours	1	2	3	4	5
F. INNOVATIVENESS						
1.	Other people come to me for advice on new technologies	1	2	3	4	5
2.	It seems my friends are learning more about the newest technologies than I am	1	2	3	4	5
3.	Using tax e-filing is difficult to trace and resolve transaction error	1	2	3	4	5
4.	I am very curious about how the system works	1	2	3	4	5

5.	I always open to learning about new and different technologies	1	2	3	4	5
G. DISCOMFORT						
1.	The system always seems to fail at the worst possible time.	1	2	3	4	5
2.	The support lines are not helpful because they don't explain things in terms you understand	1	2	3	4	5
3.	Adoption of the system makes it too easy for governments and companies to spy on people	1	2	3	4	5
4.	Computer terminology sounds like confusing jargon to me	1	2	3	4	5
5.	I hesitate to use a computer for fear of making mistakes that I cannot correct	1	2	3	4	5
H. INSECURITY						
1.	I do not consider it safe to do any kind of financial transaction online	1	2	3	4	5
2.	Whenever something gets automated, you need to check carefully that the machine or computer is not making mistakes	1	2	3	4	5
3.	I hesitate to use the system for fear of making mistakes that I cannot correct	1	2	3	4	5
4.	It can be risky to switch to a revolutionary new technology too quickly	1	2	3	4	5
5.	I am worry that information I send over the Internet will be seen by other people	1	2	3	4	5
I. INTENTION TO USE						
1.	It is probable that I will use or continue to use the tax e-filing system	1	2	3	4	5
2.	I intend to begin or continue using the tax e-filing system	1	2	3	4	5
3	I will frequently use the tax e-filing system	1	2	3	4	5
4.	I will recommend others to use the tax e-filing system	1	2	3	4	5

Appendix B

Pilot Test: Reliability Statistics

Perceived Usefulness

Cronbach's Alpha	N of Items
.685	7

Perceived Ease of Use

Cronbach's Alpha	N of Items
.742	6

Social Influence

Cronbach's Alpha	N of Items
.641	5

Facilitating Condition

Cronbach's Alpha	N of Items
.603	5

Optimism

Cronbach's Alpha	N of Items
.653	5

Innovativeness

Cronbach's Alpha	N of Items
.672	5

Discomfort

Cronbach's Alpha	N of Items
.704	5

Insecurity

Cronbach's Alpha	N of Items
.623	5

Intention to use

Cronbach's Alpha	N of Items
.76	4

Appendix C

Reliability Analysis

Perceived Usefulness

Cronbach's Alpha	N of Items
.648	6

Perceived Ease of Use

Cronbach's Alpha	N of Items
.737	6

Social Influence

Cronbach's Alpha	N of Items
.676	3

Facilitating Condition

Cronbach's Alpha	N of Items
.487	4

Optimism

Cronbach's Alpha	N of Items
.618	5

Innovativeness

Cronbach's Alpha	N of Items
.428	5

Discomfort

Cronbach's Alpha	N of Items
.647	5

Insecurity

Cronbach's Alpha	N of Items
.737	5

Intention to use

Cronbach's Alpha	N of Items
.759	4

Appendix D

SPSS Output of Descriptive statistics

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	98	56.0	56.0	56.0
	Female	77	44.0	44.0	100.0
	Total	175	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20 years	4	2.3	2.3	2.3
	21 - 30 years	47	26.9	26.9	29.1
	31 - 40 years	73	41.7	41.7	70.9
	41 - 50 years	41	23.4	23.4	94.3
	51 years and above	10	5.7	5.7	100.0
	Total	175	100.0	100.0	

MaritalStatus

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	44	25.1	25.1	25.1
	Married	131	74.9	74.9	100.0
	Total	175	100.0	100.0	

Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	28	16.0	16.0	16.0
	Degree	54	30.9	30.9	46.9
	Masters	47	26.9	26.9	73.7
	PhD	15	8.6	8.6	82.3
	Others	31	17.7	17.7	100.0
	Total	175	100.0	100.0	

BusinessType

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sole Proprietorship	107	61.1	61.1	61.1
	Partnership	68	38.9	38.9	100.0
	Total	175	100.0	100.0	

AnnualIncome

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below N500,000	18	10.3	10.3	10.3
	N501,000 - N1,000,000	47	26.9	26.9	37.1
	N1,000,001 - N2,000,000	51	29.1	29.1	66.3
	N2,000,001 - N3,000,000	40	22.9	22.9	89.1
	N3,000,001 - N4,000,000	8	4.6	4.6	93.7
	N4,000,001 and above	11	6.3	6.3	100.0
	Total	175	100.0	100.0	

ComputerLiteracy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	None	20	11.4	11.4	11.4
	Beginner	77	44.0	44.0	55.4
	Intermediate	63	36.0	36.0	91.4
	Advance	15	8.6	8.6	100.0
	Total	175	100.0	100.0	

TaxKnowledge

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	None	47	26.9	26.9	26.9
	Beginner	63	36.0	36.0	62.9
	Intermediate	52	29.7	29.7	92.6
	Advance	13	7.4	7.4	100.0
	Total	175	100.0	100.0	

EmployTaxConsultant

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	50	28.6	28.6	28.6
	No	125	71.4	71.4	100.0
	Total	175	100.0	100.0	

Cross Tabulation

		Computer Literacy				Total
		None	Beginner	Intermediate	Advance	
Age	Below 20 years	1	1	1	1	4
	21 - 30 years	9	21	15	2	47
	31 - 40 years	9	30	30	4	73
	41 - 50 years	1	18	14	8	41
	51 years and above	0	7	3	0	10
Total		20	77	63	15	175

		Computer Literacy				Total
		None	Beginner	Intermediate	Advance	
Tax Knowledge	None	17	25	5	0	47
	Beginner	3	47	13	0	63
	Intermediate	0	5	44	3	52
	Advance	0	0	1	12	13
Total		20	77	63	15	175

Descriptive statistics for Variables

	N	Mean	Std. Deviation
Perceived usefulness	175	4.4410	.36924
Perceived ease of use	175	4.3410	.43689
Social influence	175	3.9371	.56316
Facilitating condition	175	4.1300	.58406
Technology readiness	175	3.7591	.41699
Intention	175	4.5471	.45909
Valid N (listwise)	175		

Appendix E

SPSS Output of Factor Analysis

KMO and Bartlett's Test for Perceived usefulness

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.682
Bartlett's Test of Sphericity	Approx. Chi-Square	134.081
	Df	15
	Sig.	.000

KMO and Bartlett's Test for Perceived Ease of Use

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.787
Bartlett's Test of Sphericity	Approx. Chi-Square	188.401
	df	15
	Sig.	.000

KMO and Bartlett's Test for Social Influence

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.667
Bartlett's Test of Sphericity	Approx. Chi-Square	82.355
	df	3
	Sig.	.000

KMO and Bartlett's Test for Facilitating Condition

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	77.063
	df	6
	Sig.	.000

KMO and Bartlett's Test for Technology Readiness

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.696
Bartlett's Test of Sphericity	Approx. Chi-Square	713.330
	df	190
	Sig.	.000

Appendix F

SPSS Output for Correlation and Multiple Regression Analysis

Correlations

		PU	IOU
PU	Pearson Correlation	1	.244**
	Sig. (2-tailed)		.001
	N	175	175
IOU	Pearson Correlation	.244**	1
	Sig. (2-tailed)	.001	
	N	175	175

**. Correlation is significant at the 0.01 level (2-tailed).

Correlations

		PEOU	IOU
PEOU	Pearson Correlation	1	.489**
	Sig. (2-tailed)		.000
	N	175	175
IOU	Pearson Correlation	.489**	1
	Sig. (2-tailed)	.000	
	N	175	175

**. Correlation is significant at the 0.01 level (2-tailed).

Correlations

		PU	PEOU
PU	Pearson Correlation	1	.351**
	Sig. (2-tailed)		.000
	N	175	175
PEOU	Pearson Correlation	.351**	1
	Sig. (2-tailed)	.000	
	N	175	175

**. Correlation is significant at the 0.01 level (2-tailed).

Correlations

		SI	IOU
SI	Pearson Correlation	1	.050
	Sig. (2-tailed)		.254
	N	175	175
IOU	Pearson Correlation	.050	1
	Sig. (2-tailed)	.254	
	N	175	175

Correlations

		FC	IOU
FC	Pearson Correlation	1	.258**
	Sig. (2-tailed)		.000
	N	175	175
IOU	Pearson Correlation	.258**	1
	Sig. (2-tailed)	.000	
	N	175	175

**. Correlation is significant at the 0.01 level (2-tailed).

Correlations

		TR	IOU
TR	Pearson Correlation	1	.253**
	Sig. (2-tailed)		.000
	N	175	175
IOU	Pearson Correlation	.253**	1
	Sig. (2-tailed)	.000	
	N	175	175

**. Correlation is significant at the 0.01 level (2-tailed).

Multiple Regression Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.528[a]	.278	.261	.39455	.278	16.396	4	170	.000

a. Predictors: (Constant), Technologyreadiness, Perceivedusefulness, Perceivedeaseofuse, Facilitatingcondition

b. Dependent Variable: Intentiontouse

Coefficients of Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.286	.488		2.638	.009
	Perceived usefulness	.086	.087	.069	.987	.325
	Perceived ease of use	.441	.075	.420	5.893	.000
	Facilitating condition	.063	.058	.080	1.085	.290
	Technology readiness	.178	.091	.141	1.953	.053

a. Dependent Variable: Intentiontouse