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THE ACCEPTANCE OF TAX E-FILING SYSTEM AMONG SALARIED TAXPAYERS IN SARAWAK

By

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Research Paper Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
In Partial Fulfillment of the Requirement for the Master of Science
(International Accounting)

2016
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ABSTRACT

The Inland Revenue Board of Malaysia (IRBM) introduced electronic filing (e-filing) for tax returns in 2003 for corporate taxpayers and later in 2006, it was expanded to include individual taxpayers. This service is available for free. After more than 10 years of its implementation, the usage rate shows a positively increasing trends from year to year. This 10-year period should be adequate for the system to be accepted. However, a recent acceptance rate of the system shows only 52.21% salaried taxpayers have used e-filing for tax returns in Malaysia and accordingly Sarawak taxpayers with only 50.43%. This paper studies the salaried taxpayers’ acceptance of the online system for filing their individual income tax returns, particularly in Sarawak, by using the Unified Theory of Acceptance and Use of Technology (UTAUT) model. The aim of the study is to identify the relationship between performance expectancy, effort expectancy, social influence and facilitating conditions and the acceptance of tax e-filing system. Another objective is to determine the significant factor of tax e-filing system acceptance in Sarawak. To gather information, about 630 self-administered questionnaires were distributed to the respondents and the data was used to measure the relationship by using several analysis: T-Test, One-way Analysis of Variance (ANOVA), Pearson Correlation Coefficient and Multiple Regression. The findings show that performance expectancy, effort expectancy, facilitating conditions and social influence have a significant and positive relationship on behavioral intention in using tax e-filing system. Performance expectancy, facilitating conditions and social influence found as significant determinant in this study, whiles, effort expectancy were not significant. Since the IRBM is currently taking steps to enhance services delivery of the tax e-filing system, the results may assist the IRBM to plan a more effective strategy in term of designing the tax e-filing system to better serve salaried taxpayers in Malaysia.

Keywords: Unified Theory of Acceptance and Use of Technology (UTAUT), salaried taxpayers, tax e-filing system.
ABSTRAK


Katakunci: Unified Theory of Acceptance and Use of Technology (UTAUT), pembayar cukai bergaji, sistem cukai e-filing.
ACKNOWLEDGEMENT

First of all, thanks to Allah S.W.T for his mercy and guidance in giving me full strength to complete this task. I would also gratefully acknowledge to my employer Lembaga Hasil Dalam Negeri Malaysia, who gave me a chance pursuing this master degree by providing a great collaboration program with Universiti Utara Malaysia. A lot of thank to my respectfull supervisor, Dr. Idawati Ibrahim for all of her support and guidance in helping me to finish this study which really tested my abilities mentally and physically. Her endurance as well as continues guidance, advice and comments along the process in completing this study are very much appreciated. This research would not have been successful without the help and support of many others either directly or indirectly involved. Finally, my warmest thanks and appreciation to my husband, Mohd Yusof Ibrahim, my children Dhiyaa Nur Zulaikha, Muhammad Dzul Thaqif and Muhammad Dzaid Fahim for their care and support. Not forgetting my parents, Alias Awang, Nizam Ismail and my siblings for their continuous support, concern, pray and inspiration.

Masriah Alias
December, 2016
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CHAPTER 1
INTRODUCTION

1.1 Background and Motivation of the Study

Tax e-filing is a well-known e-Government service related to the Inland Revenue Boards of Malaysia (IRBM) that is responsible for collecting direct tax in Malaysia. The term, ‘e-Government services’, has emerged as a popular catchphrase in the world of public administration. As for Malaysia, the government is inspired by the wave of e-Government services as its establishment can increase the public services quality and also its internal operations (Mohd Ramli, 2012). The implementation of e-Government services marks the beginning of the journey of the government to transform the way it operates, modernizes and enhances its services delivery (MSC, 1997). This also applies to the tax e-filing system in Malaysia, the major purpose is being to enhance efficiency of the tax revenue authority’s operations (Inland Revenue Board of Malaysia, 2009, p.11).

However, under the International e-Government ranking survey, the results show that Malaysia’s ranking is in the 25th position among the 63 countries surveyed in 2015 with a total score of 64.87% (Waseda University, 2015). Although the position increased by two notches compared to 2014 with a score of 63.71%, e-Government usage in Malaysia is considered low compared to other countries, such as Singapore. Singapore, who is the geographically closest to Malaysia, is in the first place in
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