ASSESSING THE DIFFUSION OF E-FILING FOR TAX COMPLIANCE AMONG SMALL AND MEDIUM ENTERPRISES (SMEs) IN MALAYSIA

NURAISYAH FITRIE BINTI ABDULLAH @ ABD JALIL

Master of Sciences
(International Accounting)
Universiti Utara Malaysia,

NOVEMBER 2023

ASSESSING THE DIFFUSION OF E-FILING FOR TAX COMPLIANCE AMONG SMALL AND MEDIUM ENTERPRISES (SMEs) IN MALAYSIA

By

NURAISYAH FITRIE BINTI ABDULLAH @ ABD JALIL

Thesis Submitted to
Tunku Puteri Intan Safinaz School of Accountancy (TISSA)
Universiti Utara Malaysia,
in Partial Fulfilment of the Requirement for the Master of Sciences (International Accounting)

2023

Kolej Perniagaan
(College of Business)
Universiti Utara Malaysia

PERAKUAN KERJA DISERTASI/KERTAS PENYELIDIKAN/KERTAS PROJEK
(Certification of thesis / dissertation)

Kami, yang bertandatangan, memperakukan bahawa
(We, the undersigned, certify that)

NURAISYAH FITRIE BINTI ABDULLAH @ ABD JALIL (830383)

calon untuk Ijazah
(candidate for the degree of) MASTER OF SCIENCE (INTERNATIONAL ACCOUNTING)

telah mengemukakan tesis / disertasi yang bertajuk:
(has presented his/her thesis / dissertation of the following title):

ASSESSING THE DIFFUSION OF E-FILLING AMONG SMALL AND MEDIUM ENTERPRISE (SMES) IN MALAYSIA

seperti yang tercatat di muka surat tajuk dan kulit tesis / disertasi.
(as it appears on the title page and front cover of the thesis / dissertation).

Bahawa tesis/disertasi tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan, sebagaimana yang ditunjukkan oleh calon dalam ujian lisan yang diadakan pada:
.
(That the said thesis/dissertation is acceptable in form and content and displays a satisfactory knowledge of the field of study as demonstrated by the candidate through an oral examination held on:

Pengerusi Viva *(Chairman for Viva)*	:	Tandatangan *(Signature)*	
Pemeriksa Dalam *(Internal Examiner)*	: DR. NORHAIZA KHAIRUDIN	Tandatangan *(Signature)*	

Tarikh: 31 JANUARI 2024
(Date)

Nama Pelajar (Name of Student)	:	NURAISYAH FITRIE BINTI ABDULLAH @ ABD JALIL (830383)
Tajuk Tesis / Disertasi *(Title of the Thesis / Dissertation)*	:	ASSESSING THE DIFFUSION OF E-FILLING AMONG SMALL AND MEDIUM ENTERPRISE (SMES) IN MALAYSIA
Program Pengajian *(Programme of Study)*	:	M20D – MASTER OF SCIENCE (INTERNATIONAL ACCOUNTING)
Nama Penyelia/Penyelia-penyelia *(Name of Supervisor/Supervisors)*	:	PROF. MADYA DR. MARHAIZA IBRAHIM

Tandatangan

PERMISSION TO USE

In presenting this project paper in partial fulfilment of the requirement for a postgraduate degree from the Universiti Utara Malaysia (UUM), I agree that the library of this university may make it freely available for inspection. Additionally, I agree that my supervisor or, in her absence, the dean of the Othman Yeop Abdullah Graduate School of Business, where I completed my project paper, may grant permission for copying this project paper in any way, in whole or in part, for scholarly purposes. It is understood that any copying, publication or use of this project paper or parts of it for financial gain shall not be allowed without written permission. It is also understood that due recognition shall be given to me and to the UUM in any scholarly use that may be made of any material in my project paper.

Requests for permission to copy or make other use of other materials in this project paper, in whole or in part, should be addressed to:

Tunku Puteri Intan Safinaz School of Accountancy (TISSA-UUM)

Universiti Utara Malaysia

06010 UUM Sintok

Kedah Darul Aman

MALAYSIA

ABSTRACT

E-filing services were introduced by the Inland Revenue Board of Malaysia (IRBM), ushering in a new era of tax administration effectiveness as users gained the ability to submit their tax return forms electronically through internet-based platforms. Despite the availability of e-filing services since 2004, a noteworthy challenge persists as a substantial number of users, especially among Small and Medium-sized Enterprises (SMEs), continue to exhibit limited familiarity with the electronic filing system, highlighting the ongoing need for awareness and education on this digital tax compliance. The present study utilizes the Technology Acceptance Model (TAM) framework to evaluate the diffusion of e-filing for tax compliance among SMEs in the context of Malaysia, incorporating perceived ease of use, perceived usefulness, and digital tax compliance as key elements. Three hypotheses were tested in this study. Data were collected from 172 owner of SMEs on their perspectives (86% of response rate) related of willingness to utilise e-filing as a method of complying with focus in Selangor using an online survey. Statistical Package for Social Science (SPSS) were used to analyse the data. Overall, the findings underscored the pivotal role of user-friendly systems, perceived benefits, and digital transformation in promoting the adoption of digital tax compliance solutions among small firms in Malaysia, emphasizing the positive impact of digitalization on SMEs' intention to adopt e-filing while highlighting the need for improved user experience and interface design to further enhance willingness to embrace e-filing for tax compliance. IRBM is suggest enhancing the E-filing system with a dedicated SME site, immediate customer assistance, and a user-friendly mobile application is crucial for promoting widespread adoption and ensuring user-friendliness.

Keywords: Technology Acceptance Model (TAM), E-filing, Small and medium-sized enterprises (SMEs), Digital tax compliance.

ABSTRAK

Perkhidmatan e-filing diperkenalkan oleh Lembaga Hasil Dalam Negeri Malaysia (LHDNM), membawa kepada era baharu dalam pengurusan cukai apabila pengguna memperoleh keupayaan untuk menyerahkan borang nyata cukai mereka secara elektronik melalui platform berasaskan internet. Walaupun terdapat perkhidmatan e-filing sejak 2004, cabaran yang perlu diberi perhatian berterusan apabila sebilangan besar pengguna, terutamanya dalam kalangan Perusahaan Kecil dan Sederhana (PKS), masih memiliki keterbatasan pengetahuan tentang sistem pemfailan elektronik, menunjukkan perlunya kesadaran dan pendidikan yang berlanjutan tentang pematuhan cukai digital. Kajian ini menggunakan rangka kerja Model Penerimaan Teknologi (TAM) untuk menilai penyebaran e-filing bagi pematuhan cukai dalam kalangan PKS dalam konteks Malaysia, menggabungkan persepsi tanggapan kebergunaan, tanggapan mudah diguna, dan pematuhan cukai digital sebagai elemen utama. Tiga hipotesis telah diuji dalam kajian ini. Data dikumpul daripada 172 pemilik PKS mengenai perspektif mereka (86% daripada kadar maklum balas) berkaitan kesediaan para pengguna untuk menggunakan e-filing fokus kepada PKS di Selangor dengan menggunakan tinjauan dalam talian. Pakej Statistik untuk Sains Sosial (SPSS) digunakan untuk menganalisis data. Secara keseluruhannya, sistem mesra pengguna, mudah diguna, dan transformasi digital memainkan peranan penting dalam menggalakkan penggunaan dan pematuhan cukai digital dalam kalangan firma kecil di Malaysia. Hal in akan memberikan kesan positif terhadap sistem pendigitalan dalam kalangan PKS untuk menggunakan e-filing dengan menekankan keperluan untuk menambah baik reka bentuk sistem e-filing bagi pematuhan peraturan cukai. LHDNM dicadangkan untuk mempertingkatkan sistem e-filing dengan menambah perkhidmatan bantuan segera kepada pengguna dan aplikasi mudah alih mesra pengguna bagi mempromosikan penggunaan yang meluas dan mesra pengguna.

Kata kunci*: Model Penerimaan Teknologi (TAM), E-filing, Perusahaan kecil dan sederhana (PKS), pematuhan cukai digital*

ACKNOWLEDGEMENT

I express my deepest gratitude to the Almighty Allah S.W.T. for granting me the opportunity to undertake and successfully complete my master's journey, which has been long and challenging.

My sincere appreciation goes to my supervisor, Associate Prof. Dr. Marhaiza binti Ibrahim, for her unwavering encouragement, guidance, continuous support, and invaluable advice. May Allah S.W.T. bless you abundantly.

In loving memory of my late father, Abdullah @ Abd Jalil bin Shahadan, I express my deepest appreciation for his enduring prayers and support. Though he is no longer with us, his spirit and influence continue to guide and inspire me. I extend special thanks to my mother, Raziah binti Omran, for her steadfast support, inspiration, and continuous encouragement throughout my study and the process of writing this research project. Special appreciation goes to my sisters, Radiatun Marlia Binti Mustapha Kamal, Radiana Marsopia Binti Mustapha Kamal, and Radiani Marina Binti Mustapha Kamal, for their sacrifices from the first semester to the completion of this project.

I also want to express my gratitude to my family, colleagues, and all those who provided encouragement and best wishes, directly or indirectly contributing to this project paper.

Lastly, I appreciate the cooperation and encouragement from everyone involved, directly or indirectly. The journey of completing this project paper will remain a cherished memory throughout my life. Thank you.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

LIST OF ABBREVIATIONS

IS	Information Systems
SMEs	Small and Medium Enterprises
IRBM	Inland Revenue Board of Malaysia
SPSS	Statistical Package for Social Science
TAM	Technology Acceptance Model
UTAUT	Unified Theory of Acceptance and Use of Technology
TAM-Cloud	Technology Acceptance Model for Cloud Computing
PU	Perceived Usefulness
BI	Behavioural Intention
PEU	Perceived Ease of Use
TPB	Theory of Planned Behaviour
H1	Hypothesis 1
H2	Hypothesis 2
H3	Hypothesis 3

CHAPTER 1

INTRODUCTION

1.1 Introduction

The chapter begins with an explanation of the study's background and proceeds to a review of the primary contextual material relating to the research question. As a result, the current chapter presents a more detailed explication of the research's issue statements. The research questions, goals, scope of study, research importance, research motivation, and research limits are then defined.

1.2 Background of Study

Integrating and deploying information systems (IS) inside the government sector, especially in developing nations, has become critical in the modern day. Recognising the strategic requirement of modern information technology, governments throughout the globe are undertaking a paradigm change towards digital governance. This transition is distinguished by the recognition that harnessing information technology may considerably increase operational efficiency, transparency, and service delivery, hence boosting overall socioeconomic growth.

The focus on electronic filing (E-filing) systems in tax administration appears as a significant component of the wider digitization goal in this shifting environment. E-filing stands out as a cornerstone in governments' efforts to simplify tax compliance procedures, offering a technologically sophisticated and user-friendly method for people and enterprises to complete their tax duties (Kumar et al. 2018). Within this context, a focused analysis of e-filing procedures among small and medium-sized firms (SMEs) in emerging economies such as Malaysia becomes especially relevant.

Figure 1.1

Interface of e-filling system by IRBM

References

AbuAkel, S. A., & Ibrahim, M. (2020). Technological, Organisional and Environmental (Toe) Factors That Influce The Dotion Of E-Filing Among Firms In Jordan.

AbuAkel, S. A., & Ibrahim, M. (2020). The Factors Effecing E-Filing Adoption Among Jordanian Firms: The Moderating Role Oftrust. PalArch's Journal of Archaeology of Egypt/ Egyptology. 17. 14-31.

AbuAkel, S. A., & Ibrahim, M. (2023). The effect of relative advantage, top management support and IT infrastructure on e-filing adoption. Journal of Risk and Financial Management, 16(6), 295. https://doi.org/10.3390/jrfm16060295

Bin Ayob, M. F., & Ibrahim, M. (2016). The effects of digital business adoption on hotel performance: A conceptual framework for small-and-medium-sized hotels in Malaysia. In CAUTHE (26th: 2016: Sydney) (pp. 651-658). Sydney: Blue Mountains International Hotel Management School.

Bodovski, K. (2017). Selecting research locations: A case for the maximal variation sampling. Journal of Ethnographic & Qualitative Research, 11(2), 63-75.

Caniato, F., Roncolato, L., & Crippa, L. (2011). Combining quantitative and judgmental forecasting in the supply chain context. International Journal of Production Economics, 133(1), 493-507.

Chang, Y., & Chen, J. (2021). What motivates customers to shop in SMEs shops? The impacts of SMEs technology and technology readiness. Journal of Retailing and Consumer Services, 58, 102325. https://doi.org/10.1016/j.jretconser.2020.102325.

Che Azmi, A.A. and Kamarulzaman, Y. and Hamid, N.H.A. (2012) Perceived Risk and the Adoption of Tax E-Filing. World Applied Sciences Journal, 20 (4). pp. 532-539. ISSN 1818-4952, DOI https://doi.org/10.5829/idosi.wasj.2012.20.04.2403.

Che Saruji, S., & Abd Hamid, N. (2020). Tax Agents' Acceptance of the Digitalisation of Tax Administration in Malaysia. EUDL European Union Digital Library. https://eudl.eu/pdf/10.4108/eai.1-10-2020.2305629

Chen, L., & Aklikokou, A. (2020). Determinants of E-government Adoption: Testing the Mediating Effects of Perceived Usefulness and Perceived Ease of Use. International Journal of Public Administration, 43, 850 - 865. https://doi.org/10.1080/01900692.2019.1660989.

Coakes, S. J. (2005). SPSS version 12: Analysis without anguish. John Wiley & Sons.

Daoud, L. & Ibrahim, M. (2018). The Factors Affecting on E-procurement Usage: The Moderating Role of Power. Journal of Physics: Conference Series. 1019. 012076. 10.1088/1742-6596/1019/1/012076.

Davis, F. D. (1989). Perceived Usefulness, Perceived Ease of Use, and User Acceptance of Information Technology. MIS Quarterly, 13(3), 319-340.

Duranton, G., & Puga, D. (2004). Micro-foundations of urban agglomeration economies. Handbook of regional and urban economics, 4, 2063-2117.

Ezza, H., Shokhnekh, A., Telyatnikova, V., & Mushketova, N. (2020). Quality Parameters Of Information Systems For Business In The Context Of Digital Transformations. E3S Web of Conferences. https://doi.org/10.1051/e3sconf/202020803059.

Fauzan, F. Ibrahim, M. & Susilo, A. (2022). A Scholarly Examination of Tax Compliance: A Bibliometric Analysis (1960-2021). Journal of Indonesian Economy and Business. 37. 52-72. 10.22146/jieb.v37i1.2718.

Fauzan, F & Ibrahim, M. (2020). Corporate Governance and Corporate Performance: A Bibliometric Analysis.

Fauzan, F., Rahman, Azhar & Ibrahim, M. (2020). Effect of Corporate Governance and Capital Structure on Corporate Performance in Malaysian Listed Companies: A Conceptual Approach. Sustainable Business and Society in Emerging Economies. 2. 37-46. 10.26710/sbsee.v2i1.1218.

Ghasemi, A., & Zahediasl, S. (2012). Normality Tests for Statistical Analysis: A Guide for Non-Statisticians. International Journal of Endocrinology and Metabolism, 10, 486 - 489. https://doi.org/10.5812/ijem.3505.

Hashim, J. (2015). Information Communication Technology (ICT) Adoption among SME Owners in Malaysia. International Journal of Business and Information, 2, 221-240.

Hashim, N. H., Abd Hamid , N., Sanusi, S., & Mohammed, N. F. (2012). The impact of e-filing usage on the job performance of tax agents in Malaysia. Inder Science Online. https://www.inderscienceonline.com/doi/pdf/10.1504/IJBEM.2022.119427

Hashim, N. L. ., Yusof, N., Hussain, A. ., & Ibrahim, M. . (2022). User Experience Dimensions for E-procurement: A Systematic Review. Journal of Information and Communication Technology, 21(4), 465–494. https://doi.org/10.32890/jict2022.21.4.1

Ibrahim, I., Mohd Razali, M., Abdul Aziz, S., & Bidin Z. (2020) Process, People, Technology Innovation and Tax E-Filing Acceptance. International Conference on Information Systems in Accounting and Business 2023 (ICISAB 2023) Proceedings.

Ibrahim, M. (2013). Adoption and use of e-procurement: a case study in HM Sdn. Bhd. Journal of Business Management and Accounting (JBMA), 3, 1-10.

Ibrahim, M. (2016). Company Readiness towards e-Procurement Adoption: A Case of Gemilang Trader. Journal of Business Management and Accounting, 6(2), 65-72.

Ibrahim, M., Abdullah, A., Khairudin, N., & Salleh, Md. (2023). Artificial intelligence diffusion among accountants in Malaysian listed companies. AIP Conference Proceedings. 020054. 10.1063/5.0130890.

Ibrahim, M., Khairudin, N., & Salleh, D. (2018). Innovation of flipped learning encouraging better communication and critical thinking skills among accounting students. In Journal of Physics: Conference Series (Vol. 1019, p. 012089). IOP Publishing.

Daoud, L., & Ibrahim, M. (2019). Antecedents and impacts of electronic procurement usage among Jordanian large firms. Journal of Advanced Research in Business and Management Studies, 14(1), 52-65.

Ibrahim, M., Khairudin, N., & Salleh, D. (2023). The role of M-learning (M-learning) in inspiring students' engagement. 020038. 10.1063/5.0126119.

Ibrahim, M. & Mohmad Y. & Syamsul N. (2023). Excellent engagement via gamification adoption among accounting students and media students. AIP Conference Proceedings. 020055. 10.1063/5.0130892.

Ilias, A., Abdul Razak, M. Z., Yasoa, M. R., & Mohd Suki, N. B. (2011). A Validation Of Technology Acceptance Model In Measuring Acceptance Of E-Filing Taxpayers. View of a validation of technology acceptance model in measuring acceptance of E-filing taxpayers. https://ojs.upsi.edu.my/index.php/IBEJ/article/view/1325/947

Ng-Poh-Soon, J., Yin, C. P., Wan, W. S., & Nazmudeen, M. S. H. (2011, December). Energizing ict infrastructure for Malaysia SME competitveness during economic turbulence. In 2011 IEEE Student Conference on Research and Development (pp. 310-314). IEEE.Johnstone, S. (2016). Small and medium-sized enterprises. . https://doi.org/10.1787/factbook-2010-22-en.

Kaliannan, M., Raman, M., & Dorasamy, M. (2010). Assessing e-Government Services: The Case of e-Filing of Personal Income Tax in Malaysia. , 317-333. https://doi.org/10.4018/978-1-61520-931-6.CH018.

Kamarulzaman, Y., & Che Azmi, A. A. (n.d.). Tax E-filing adoption in Malaysia: A conceptual model - ibima publishing. Journal of E-Government Studies and Best Practices. https://ibimapublishing.com/articles/JEGSBP/2010/175966/175966.pdf

Kharga, B., Pradhan, K., & Saha, A. (2016). Exploring the Factors Influencing the Decision Making Ability of the Entrepreneurs in the Small and Medium Scale Enterprises. Indian Research Journal of Extension Education, 16, 76-79.

Layne, K., & Lee, J. (2001). Developing fully functional E-government: A four stage model. Government Information Quarterly, 18(2), 122-136. https://doi.org/10.1016/S0740-624X(01)00066-1

Liew, S. Y. (2022). The determinants of Malaysia's revenue: The role of e-filing, tax administration and tax compliance. MALRep. http://malrep.uum.edu.my/rep/Record/my-utar-eprints.5192/Details

Manalu, P., Kusumastati, W., & Safiq, M. (2021). The Effect Of Attitude Towards E-Tax Systems, Adoption Of E-Tax Systems, Isomorphic Forces, And Trust In Tax Authority To Tax Compliance (Case Study On Smes Listed In Kpp Pratama Medan Petisah). , 2, 699-710. https://doi.org/10.47492/JIP.V2I2.741.

Marei, Ahmad & Daoud, Luay & Ibrahim, Marhaiza & Aljabaly, Sameer. (2021). Moderating role of top management support in electronic procurement usage of Jordanian firms. Management Science Letters. 1121-1132. 10.5267/j.msl.2020.11.027.

McGraw-Hill.Widanengsih, E. (2021). Technology Acceptance Model To Measure Customer's Interest To Use Mobile Banking., 2, 73-82. https://doi.org/10.7777/JIEMAR.V2I1.115.

Mohammed Soufiane, B. & Ibrahim, M. (2021). The Factors Affecting on E-Government Adoption in Algeria: The Moderating Role of Trust. 8. 35-40. 10.14445/23939125/IJEMS-V8I3P105.

Mohammed Soufiane, B. & Ibrahim, M. (2018). Factors Affecting the Adoption of Electronic Government in Algeria: A Proposed Framework. 8. 52-64.

Moon, M. J. (2002). The evolution of E-government among municipalities: Rhetoric or reality? Public Administration Review, 62(4), 424-433. https://doi.org/10.1111/0033-3352.00196

Nurhayati, N., & Yunawati, S. (2022). The Influence of the Implementation of E-Filling and Tax Volunteers on Taxpayer Compliance at the Pasir Pengaraian Tax Service, Counseling and Consultation Office. Aksara: Jurnal Ilmu Pendidikan Nonformal. https://doi.org/10.37905/aksara.8.2.1501-1506.2022.

Okoh, U., Mansor, M. & Ibrahim, M. (2021). Improving knowledge management efficiency and tax administration performance through leadership styles and skills. 7. 70-84.

Okoh, U., Mansor, M. & Ibrahim, M. (2022). Knowledge Management and Low Operating Cost Indicator of Tax Administration Efficiency. The Malaysian Journal of Qualitative Research. 08. 10.61211/mjqr080106.

Okoh, U., Mansor, M. & Ibrahim, M. (2022). Training as a Catalyst for Knowledge Management and Tax Administration Efficiency . Asian Journal of Management Entrepreneurship and Social Science, 2(3), 1 - 17.

Qi, Y., & Azmi, A. (2021). Factors affecting electronic invoice adoption and tax compliance process efficiency. Transforming Government: People, Process and Policy, 15, 150-168. https://doi.org/10.1108/TG-04-2020-0070.

Rabie, C., Cant, M., & Wiid, J. (2015). Small and medium enterprise development. Problems and perspectives in management, 13, 79-84.

Rokhim, R., Mayasari, I., Wulandari, P., & Haryanto, H. C. (2022). Analysis of the extrinsic and intrinsic aspects of the technology acceptance model associated with the learning management system during the COVID-19 pandemic. VINE Journal of Information and Knowledge Management Systems, (ahead-of-print).

Salleh, D. Ibrahim, M. & Khairudin, N. (2023). Micro learning: A creative technological move to boost study interest. AIP Conference Proceedings. 020056. 10.1063/5.0128602.

Smith, T. J. (2017). Practical significance: A concept whose time has come. Educational and Psychological Measurement, 57(5), 746-759.Nunnally, J. C. (1978). Psychometric theory (2nd ed.).

Song, B., Liew, C., Sia, J., & Gopal, K. (2021). Electronic word-of-mouth in travel social networking sites and young consumers' purchase intentions: an extended information adoption model. Young Consumers. https://doi.org/10.1108/yc-03-2021-1288.

Tahar, A., Riyadh, H.A., Sofyani, H., & Purnomo, W.E. (2020). Perceived Ease of Use, Perceived Usefulness, Perceived Security and Intention to Use E-Filing: The Role of Technology Readiness. Journal of Asian Finance, Economics and Business, 7, 537-547.

Tham, K. W., & Atan @ Yaakub, S. A. (2021). SME Readiness Towards Digitalization in Malaysia. Research in Management of Technology and Business, 2(1), 361–375. https://publisher.uthm.edu.my/periodicals/index.php/rmtb/article/view/1858

Uyar, A., Nimer, K., Kuzey, C., Shahbaz, M., & Schneider, F. (2021). Can e-government initiatives alleviate tax evasion? The moderation effect of ICT. Technological Forecasting and Social Change, 166, 120597. https://doi.org/10.1016/J.TECHFORE.2021.120597.

Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). User Acceptance of Information Technology: Toward a Unified View. MIS Quarterly, 27(3), 425-478.

Wang, Y., Emurian, H. H., & Zhu, L. (2016). An e-government evaluation framework: Utilizing a business analysis perspective. Government Information Quarterly, 33(2), 394-410.

Yusof, Norhanisha & Hashim, Nor Laily & Hussain, Azham & Ibrahim, Marhaiza. (2020). Prior User Experience (UX) on E-procurement System Usage.

Zayyad, M., & Toycan, M. (2018). Factors affecting sustainable adoption of e-health technology in developing countries: an exploratory survey of Nigerian hospitals from the perspective of healthcare professionals. PeerJ, 6. https://doi.org/10.7717/peerj.4436.

APPENDIX A: Survey Form

QUESTIONNAIRE

ASSESSING THE DIFFUSION OF E-FILING FOR TAX COMPLIANCE AMONG SMALL AND MEDIUM ENTERPRISES (SMEs) IN MALAYSIA

Dear participant,

This questionnaire is designed to study about the Diffusion of E-Filing for Tax Compliance Among Small and Medium Enterprises (SMEs) in Malaysia. Your participant is highly appreciated.

This study is conducted as a partial fulfilment for my Master of Science (International Accounting). The information you provide for the purpose of this study will be kept STRICTLY CONFIDENTIAL and for the academic purpose only.

Your input is highly valued. Thank you very much for your time and cooperation.

Yours sincerely,

Nuraisyah Fitrie binti Abdullah @ Abd Jalil

Master of Science (International Accounting)

Universiti Utara Malaysia

nuraisyah_fitrie2@cob.uum.edu.my/ 011-29637745

SECTION A: DEMOGRAPHIC INFORMATION

Please tick (√) in the box provided.

Type of the business	Automotive	
	Construction	
	Electrical	
	Entertainment	
	Food & Beverages	
	Healthcare	
	Hospitality	
	Manufacturing	
How many years has your business been in operation?	1 to 5 years	
	6 to 10 years	
	11 to 15 years	
	16 to 20 years	
	21 to 25 years	
	26 to 30 years	
	31 years ad above	
Age	18 to 26 years old	
	27 to 42 years old	
	43 to 58 years old	
	59 years old or older	
Highest level of education completed	High School (e.g., SPM, PMR)	
	Diploma	
	Master's Degree	
	Doctoral Degree	
Did you used e-filing to declare your Income Tax?	No	
	Yes	

SECTION B: INFLUENCING FACTOR TOWARD E-FILLING SYSTEM ADOPTION

Based on the scale given below, please tick (√) in the box if you think appropriate for each item.

1	2	3	4	5

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Perceived Ease of Use						
Questions		**1**	**2**	**3**	**4**	**5**
1.	The e-filing system is easy to understand.					
2.	Learning to use the e-filing system is effortless.					
3.	Interacting with the e-filing system is clear and straightforward.					
4.	Using the e-filing system requires very little effort.					
5.	Overall, the e-filing system is user-friendly					

Perceived Usefulness						
Questions		**1**	**2**	**3**	**4**	**5**
6.	The e-filing system enhances my tax filing process.					
7.	Using the e-filing system saves me time when filing taxes.					
8.	The e-filing system improves the accuracy of my tax submissions.					
9.	I find the e-filing system beneficial for my business.					
10.	The e-filing system is valuable for managing tax-related tasks.					

Digital Tax Compliance						
Questions		**1**	**2**	**3**	**4**	**5**
11.	I believe that adopting digital tax compliance methods is essential for SMEs in the business.					
12.	Digital tax compliance helps in keeping financial records organized.					
13.	Using digital methods for tax compliance is efficient.					
14.	Digital tax compliance reduces the risk of errors in tax					

	reporting.					
15.	The government's encouragement of digital tax compliance is a positive step.					

SME Intention towards Adoption of E-filing						
Questions		**1**	**2**	**3**	**4**	**5**
16.	I intend to use the e-filing system for my tax compliance needs.					
17.	I am likely to adopt the e-filing system in the near future.					
18.	I am motivated to explore e-filing as a tax compliance method.					
19.	I have a strong intention to use e-filing for tax submissions.					

20. Please share your views on how the e-filing system for SMEs can be improved in the future.

APPENDIX B: SPSS Result

Demographic Analysis

Frequency Table

Type of the business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Automotive	24	14.0	14.0	14.0
	Construction	22	12.9	12.9	26.9
	Electrical	26	15.2	15.2	42.1
	Entertainment	15	8.8	8.8	50.9
	Food & Beverages	27	15.8	15.8	66.7
	Healthcare	14	8.2	8.2	74.9
	Hospitality	21	12.3	12.3	87.1
	Manifaturing	22	12.9	12.9	100.0
	Total	171	100.0	100.0	

How many years has your business been in operation?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	10	5.8	5.8	5.8
	2	19	11.1	11.1	17.0
	3	20	11.7	11.7	28.7
	4	19	11.1	11.1	39.8
	5	9	5.3	5.3	45.0
	6	7	4.1	4.1	49.1
	7	6	3.5	3.5	52.6
	8	6	3.5	3.5	56.1
	9	8	4.7	4.7	60.8
	10	12	7.0	7.0	67.8
	11	3	1.8	1.8	69.6
	12	1	.6	.6	70.2
	13	3	1.8	1.8	71.9
	14	4	2.3	2.3	74.3
	15	4	2.3	2.3	76.6
	16	2	1.2	1.2	77.8
	17	4	2.3	2.3	80.1
	18	2	1.2	1.2	81.3
	19	1	.6	.6	81.9
	20	7	4.1	4.1	86.0

	21	3	1.8	1.8	87.7
	22	1	.6	.6	88.3
	25	4	2.3	2.3	90.6
	26	2	1.2	1.2	91.8
	27	1	.6	.6	92.4
	28	1	.6	.6	93.0
	29	2	1.2	1.2	94.2
	30	3	1.8	1.8	95.9
	31	1	.6	.6	96.5
	32	1	.6	.6	97.1
	33	1	.6	.6	97.7
	34	2	1.2	1.2	98.8
	35	1	.6	.6	99.4
	37	1	.6	.6	100.0
	Total	171	100.0	100.0	

Years_Operation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 to 5 years	77	45.0	45.0	45.0
	6 to 10 years	39	22.8	22.8	67.8
	11 to 15 years	15	8.8	8.8	76.6
	16 to 20 years	16	9.4	9.4	86.0
	21 to 25 years	8	4.7	4.7	90.6
	26 to 30 years	9	5.3	5.3	95.9
	31 years ad above	7	4.1	4.1	100.0
	Total	171	100.0	100.0	

What is your age?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-26	35	20.5	20.5	20.5
	27-42	59	34.5	34.5	55.0
	43-58	47	27.5	27.5	82.5
	59 or older	30	17.5	17.5	100.0
	Total	171	100.0	100.0	

What is your highest level of education completed?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	63	36.8	36.8	36.8
	Doctoral Degree	12	7.0	7.0	43.9
	High School (e.g., SPM, PMR)	77	45.0	45.0	88.9
	Master's Degree	19	11.1	11.1	100.0
	Total	171	100.0	100.0	

Did you used e-filing to declare your Income Tax

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	22	12.9	12.9	12.9
	Yes	149	87.1	87.1	100.0
	Total	171	100.0	100.0	

Factor analysis (KMO bartlett)

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.848
Bartlett's Test of Sphericity	Approx. Chi-Square	2643.486
	df	171
	Sig.	.000

Reliability Analysis

Scale: Perceived Ease of Use

Case Processing Summary

		N	%
Cases	Valid	171	100.0
	Excluded[a]	0	.0
	Total	171	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.948	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
B1-The e-filing system is easy to understand.	13.64	28.325	.862	.936
B2-Learning to use the e-filing system is effortless	13.64	25.690	.890	.931
B3-Interacting with the e-filing system is clear and straightforward.	13.61	28.191	.837	.940
B4-Using the e-filing system requires very little effort.	13.96	27.022	.855	.937
B5-Overall, the e-filing system is user-friendly.	13.58	28.186	.855	.937

Scale: Perceived Usefulness

Case Processing Summary

		N	%
Cases	Valid	171	100.0
	Excluded[a]	0	.0
	Total	171	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.786	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
C1-The e-filing system enhances my tax filing process.	16.24	12.948	.034	.893
C2-Using the e-filing system saves me time when filing taxes.	16.23	9.130	.694	.705
C3-The e-filing system improves the accuracy of my tax submissions.	16.43	8.940	.706	.699
C4-I find the e-filing system beneficial for my business.	16.46	9.038	.718	.697
C5-The e-filing system is valuable for managing tax-related tasks	16.35	7.688	.779	.663

Scale: Digital Tax Compliance

Case Processing Summary

		N	%
Cases	Valid	171	100.0
	Excluded[a]	0	.0
	Total	171	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.902	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted

D1-I believe that adopting digital tax compliance methods is essential for SMEs in the business.	15.15	17.196	.629	.905
D2-Digital tax compliance helps in keeping financial records organized.	15.38	15.508	.775	.876
D3-Using digital methods for tax compliance is efficient.	15.43	16.718	.750	.883
D4-Digital tax compliance reduces the risk of errors in tax reporting.	15.36	13.468	.862	.857
D5-The government's encouragement of digital tax compliance is a positive step.	15.40	15.477	.783	.874

Scale: SME Intention towards Adoption of E-filing

Case Processing Summary

		N	%
Cases	Valid	171	100.0
	Excluded[a]	0	.0
	Total	171	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.918	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted

E1-I intend to use the e-filing system for my tax compliance needs.	10.95	12.880	.807	.896
E2-I am likely to adopt the e-filing system in the near future.	10.87	11.230	.847	.884
E3-I am motivated to explore e-filing as a tax compliance method.	10.78	13.915	.746	.917
E4-I have a strong intention to use e-filing for tax submissions.	10.91	11.662	.871	.873

Normality Analysis

Explore

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Perceived Ease of Use	171	100.0%	0	0.0%	171	100.0%
Perceived Usefulness	171	100.0%	0	0.0%	171	100.0%
Digital Tax Compliance	171	100.0%	0	0.0%	171	100.0%
SME Intention towards Adoption of E-filing	171	100.0%	0	0.0%	171	100.0%

Descriptives

			Statistic	Std. Error
Perceived Ease of Use	Mean		3.4222	.09958
	95% Confidence Interval for Mean	Lower Bound	3.2256	
		Upper Bound	3.6188	
	5% Trimmed Mean		3.4573	
	Median		4.2000	
	Variance		1.696	
	Std. Deviation		1.30221	
	Minimum		1.20	
	Maximum		5.00	
	Range		3.80	
	Interquartile Range		2.60	
	Skewness		-.444	.186
	Kurtosis		-1.609	.369

Perceived Usefulness	Mean		4.0854	.05756
	95% Confidence Interval for Mean	Lower Bound	3.9718	
		Upper Bound	4.1990	
	5% Trimmed Mean		4.1523	
	Median		4.4000	
	Variance		.567	
	Std. Deviation		.75269	
	Minimum		1.40	
	Maximum		5.00	
	Range		3.60	
	Interquartile Range		.60	
	Skewness		-1.558	.186
	Kurtosis		1.516	.369
Digital Tax Compliance	Mean		3.8363	.07477
	95% Confidence Interval for Mean	Lower Bound	3.6887	
		Upper Bound	3.9839	
	5% Trimmed Mean		3.8964	
	Median		4.2000	
	Variance		.956	
	Std. Deviation		.97780	
	Minimum		1.60	
	Maximum		4.80	
	Range		3.20	
	Interquartile Range		1.60	
	Skewness		-1.046	.186
	Kurtosis		-.519	.369
SME Intention towards Adoption of E-filing	Mean		3.6257	.08864
	95% Confidence Interval for Mean	Lower Bound	3.4507	
		Upper Bound	3.8007	
	5% Trimmed Mean		3.6781	
	Median		4.2500	
	Variance		1.344	
	Std. Deviation		1.15916	
	Minimum		1.00	
	Maximum		5.00	
	Range		4.00	
	Interquartile Range		2.25	
	Skewness		-.904	.186
	Kurtosis		-.804	.369

Descriptive Analysis

Descriptive Statistics

	N	Mean	Std. Deviation
Perceived Ease of Use	171	3.4222	1.30221
B1-The e-filing system is easy to understand.	171	3.47	1.339
B2-Learning to use the e-filing system is effortless	171	3.47	1.577
B3-Interacting with the e-filing system is clear and straightforward.	171	3.50	1.382
B4-Using the e-filing system requires very little effort.	171	3.15	1.482
B5-Overall, the e-filing system is user-friendly.	171	3.53	1.360
Perceived Usefulness	171	4.0854	.75269
C1-The e-filing system enhances my tax filing process.	171	4.19	.988
C2-Using the e-filing system saves me time when filing taxes.	171	4.20	.974
C3-The e-filing system improves the accuracy of my tax submissions.	171	4.00	1.000
C4-I find the e-filing system beneficial for my business.	171	3.96	.970
C5-The e-filing system is valuable for managing tax-related tasks	171	4.08	1.178
Digital Tax Compliance	171	3.8363	.97780
D1-I believe that adopting digital tax compliance methods is essential for SMEs in the business.	171	4.04	1.068
D2-Digital tax compliance helps in keeping financial records organized.	171	3.80	1.156
D3-Using digital methods for tax compliance is efficient.	171	3.75	1.006
D4-Digital tax compliance reduces the risk of errors in tax reporting.	171	3.82	1.358

D5-The government's encouragement of digital tax compliance is a positive step.	171	3.78	1.152
SME Intention towards Adoption of E-filing	171	3.6257	1.15916
E1-I intend to use the e-filing system for my tax compliance needs.	171	3.55	1.228
E2-I am likely to adopt the e-filing system in the near future.	171	3.63	1.443
E3-I am motivated to explore e-filing as a tax compliance method.	171	3.73	1.133
E4-I have a strong intention to use e-filing for tax submissions.	171	3.60	1.349
Valid N (listwise)	171		

Correlation Analysis

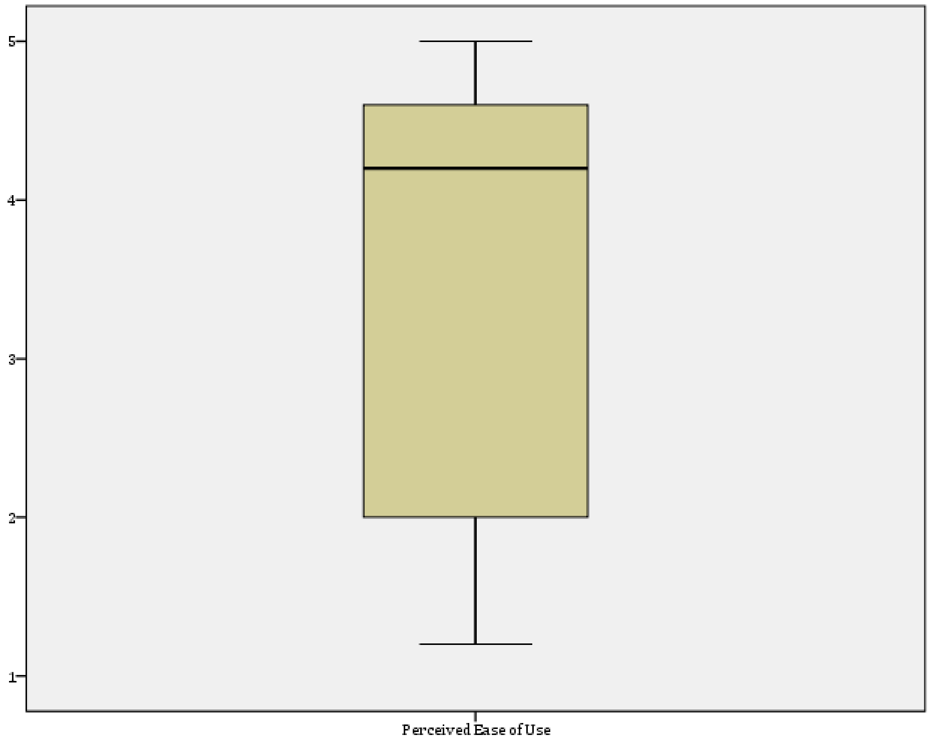
Correlations

		Perceived Ease of Use	Perceived Usefulness	Digital Tax Compliance	SME Intention towards Adoption of E-filing
Perceived Ease of Use	Pearson Correlation	1	.208**	.194*	.230**
	Sig. (2-tailed)		.006	.011	.002
	N	171	171	171	171
Perceived Usefulness	Pearson Correlation	.208**	1	.782**	.593**
	Sig. (2-tailed)	.006		.000	.000
	N	171	171	171	171
Digital Tax Compliance	Pearson Correlation	.194*	.782**	1	.724**
	Sig. (2-tailed)	.011	.000		.000
	N	171	171	171	171
SME Intention towards Adoption of E-filing	Pearson Correlation	.230**	.593**	.724**	1
	Sig. (2-tailed)	.002	.000	.000	
	N	171	171	171	171

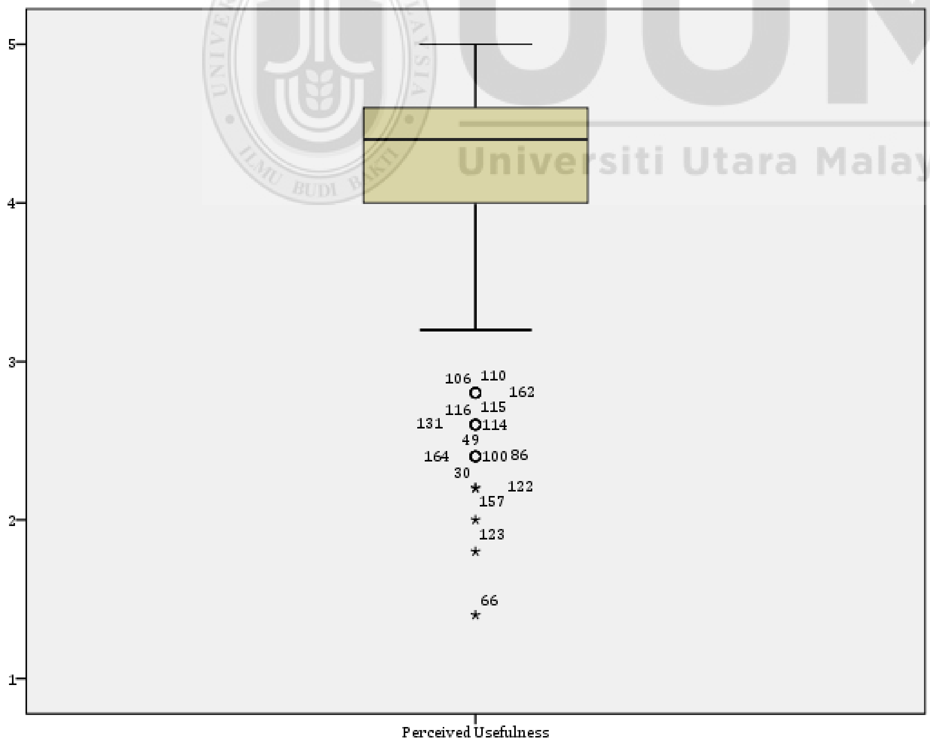
**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

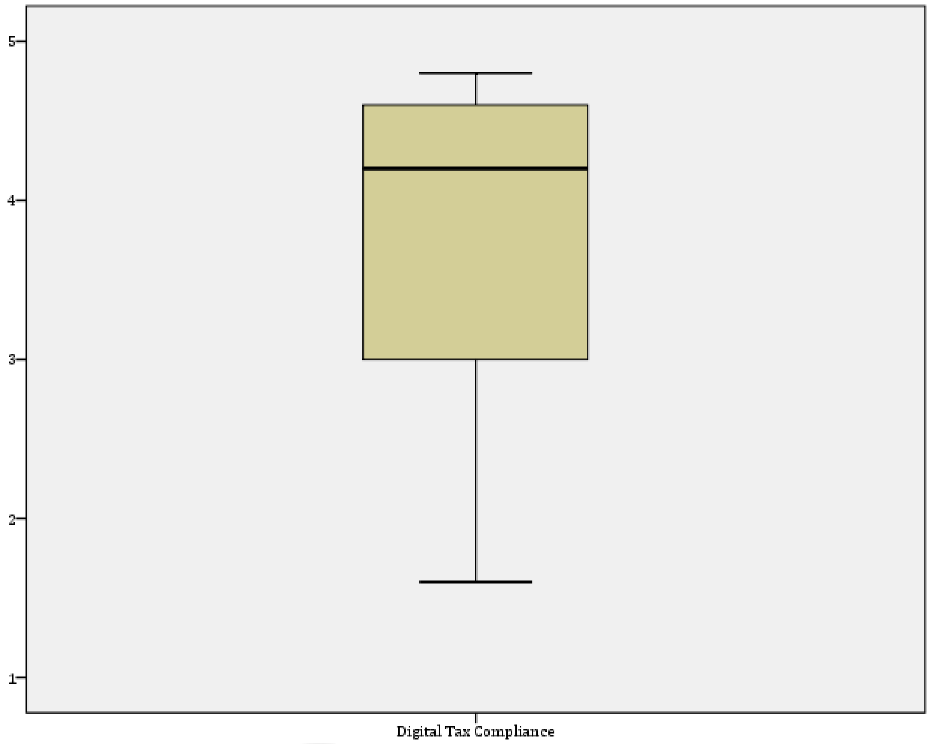
Perceived Ease of Use



Perceived Usefulness



Digital Tax Compliance



SME Intention towards Adoption of E-filing