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

**By**

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**UUM**  
**Universiti Utara Malaysia**

**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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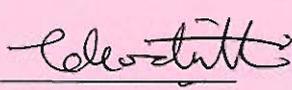
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## ABSTRACT

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, while, 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

*Lembaga Hasil Dalam Negeri Malaysia (LHDNM) telah memperkenalkan sistem pemfailan cukai elektronik (e-filing) pada tahun 2003 untuk pembayar cukai korporat dan kemudian ia telah diperluaskan kepada pembayar cukai individu pada tahun 2006. Perkhidmatan ini disediakan secara percuma. Selepas lebih dari 10 tahun pelaksanaannya, kadar penggunaan menunjukkan trend peningkatan yang positif dari tahun ke tahun. Tempoh 10 tahun ini boleh dikatakan cukup matang untuk suatu sistem itu diterima. Walaubagaimanapun, baru-baru ini kadar penerimaan terhadap sistem e-filing menunjukkan hanya 52.21% pembayar cukai bergaji telah menggunakan e-filing untuk pulangan cukai di Malaysia dan oleh pembayar cukai Sarawak dengan hanya 50.43%. Dalam kertas ini, penerimaan pembayar cukai bergaji terhadap sistem dalam talian untuk memfailkan pulangan cukai pendapatan individu, terutama di Sarawak, dengan menggunakan Teori Unified Theory of Acceptance and Use of Technology (UTAUT). Tujuan kajian adalah untuk mengenal pasti hubungan antara jangka prestasi, jangka usaha, pengaruh sosial, keadaan fasilitati terhadap penerimaan sistem cukai e-filing. Satu lagi objektif adalah untuk menentukan faktor yang penting penerimaan sistem cukai e-filing di Sarawak. Untuk mengumpul maklumat, kira-kira 630 soal selidik yang ditadbir sendiri telah diedarkan kepada responden dan data diukur dengan menggunakan beberapa analisis: Ujian-T dan Analisis Sehalu Varians (ANOVA), Pekali Korelasi Pearson dan Regresi Berganda. Hasil kajian menunjukkan bahawa jangka prestasi, jangka usaha, keadaan fasilitati dan pengaruh sosial mempunyai hubungan yang signifikan dan positif terhadap niat tingkah laku dalam menggunakan sistem cukai e-filing. Jangka prestasi, keadaan fasilitati dan pengaruh sosial didapati sebagai penentu penting dalam kajian ini, manakala, jangka usaha adalah tidak signifikan. Sebagaimana LHDNM yang kini sedang mengambil langkah-langkah untuk meningkatkan perkhidmatan penghantaran sistem cukai e-filing, hasil kajian diharapkan boleh membantu LHDNM untuk merancang strategi yang lebih berkesan dari segi mereka bentuk sistem cukai e-filing yang lebih baik kepada pembayar cukai bergaji di Malaysia.*

**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

## TABLE OF CONTENTS

<b>PERMISSION TO USE</b> .....	<b>iii</b>
<b>ABSTRACT</b> .....	<b>iv</b>
<b>ABSTRAK</b> .....	<b>v</b>
<b>ACKNOWLEDGEMENT</b> .....	<b>vi</b>
<b>LIST OF FIGURES</b> .....	<b>x</b>
<b>LIST OF TABLES</b> .....	<b>xi</b>
<b>LIST OF APPENDICES</b> .....	<b>xii</b>
<b>ABBREVIATIONS</b> .....	<b>xiii</b>
<b>CHAPTER 1: INTRODUCTION</b> .....	<b>1</b>
1.1 Background and Motivation of the Study .....	1
1.2 Problem Statements .....	5
1.3 Research Questions .....	8
1.4 Research Objective .....	8
1.5 Scope of the Research .....	9
1.5.1 Location .....	9
1.5.2 Sampling Basis .....	9
1.5.3 Data Collection Method .....	9
1.5.4 Cross-Sectional .....	9
1.5.5 Theory/Variables .....	10
1.6 Significant of the Research .....	10
1.6.1 Practical Significant .....	10
1.6.2 Theoretical Significant .....	11
1.7 Organization of the Thesis .....	11
<b>CHAPTER 2: LITERATURE REVIEW</b> .....	<b>12</b>
2.1 Introduction .....	12
2.2 The Information System and Its Benefit to Organizations .....	12
2.3 Overview of Tax E-Filing System in Malaysia .....	13
2.4 Studies on Technology Acceptance .....	15
2.4.1 Performance Expectancy and Intention Behavior .....	17

2.4.2 Effort Expectancy and Intention Behavior.....	18
2.4.3 Social Influence and Intention Behavior.....	20
2.4.4 Facilitating Conditions and Intention Behavior .....	22
2.4.5 Behavioral Intention.....	23
2.5 Related Theories to Technology Acceptance .....	24
2.5.1 Theory of Planned Behavior (TPB) .....	24
2.5.2 Technology Acceptance Model (TAM).....	26
2.5.3 The UTAUT Model .....	27
2.6 Chapter Summary.....	29
<b>CHAPTER 3: RESEARCH METHODOLOGY .....</b>	<b>30</b>
3.1 Introduction .....	30
3.2 Research Conceptual Framework .....	30
3.3 Hypotheses Development.....	32
3.3.1 Performance Expectancy and Tax E-Filing Intention Behavior.....	32
3.3.2 Effort Expectancy and Tax E-Filing Intention Behavior.....	32
3.3.3 Social Influence and Tax E-Filing Intention Behavior.....	33
3.3.4 Facilitating Conditions and Tax E-Filing Intention Behavior.....	34
3.4 Research Design.....	35
3.5 Operational Definition .....	35
3.5.1 Tax E-Filing System.....	35
3.5.2 Tax E-Filing as a Self-Assessment System.....	36
3.5.3 Individual Taxpayers .....	36
3.5.4 Behavioral Intention.....	36
3.5.5 Performance Expectancy.....	37
3.5.6 Effort Expectancy.....	37
3.5.7 Social Influence.....	37
3.5.8 Facilitating Conditions .....	37
3.6 Measurement of Variables .....	38
3.7 Data Collection.....	40
3.7.1 Sampling Method .....	40
3.7.2 Questionnaire .....	40
3.7.3 Data Collection Procedures.....	41

3.8 Techniques of Data Analysis .....	41
3.9 Pilot Study .....	43
3.10 Chapter Summary .....	44
<b>CHAPTER 4: RESULTS AND DISCUSSION .....</b>	<b>45</b>
4.1 Introduction .....	45
4.2 Response Rate .....	45
4.3 The Respondents' Profile .....	46
4.4 Descriptive Analysis .....	51
4.5 Reliability Test .....	52
4.6 T-Test and One-way ANOVA .....	53
4.7 The Construct Analysis .....	58
4.7.1 Pearson Correlation Analysis .....	58
4.7.2 Multiple Regression .....	60
4.8 Discussion on Findings .....	62
4.9 Summary of Results .....	65
4.10 Chapter Summary .....	66
<b>CHAPTER 5: CONCLUSION AND RECOMMENDATION.....</b>	<b>67</b>
5.1 Introduction .....	67
5.2 Implication of the Study .....	67
5.2.1 Theoretical Implication .....	67
5.2.2 Practical/Policy Implication .....	68
5.3 Limitation of the Study .....	69
5.4 Recommendations for Future Research .....	69
5.5 Conclusion .....	70
<b>REFERENCES.....</b>	<b>72</b>
<b>APPENDICES .....</b>	<b>81</b>

## LIST OF FIGURES

Figure 2.1	Theoretical Framework: Theory of Planned Behavior.....	25
Figure 2.2	Technology Acceptance Model (TAM).....	26
Figure 2.3	Unified Theory of Acceptance and Use of Technology.....	28
Figure 3.1	Research Framework for Tax E-Filing Acceptance in Sarawak..	31



## LIST OF TABLES

Table 1.1	Users of Tax E-Filing in Malaysia (Salaried Group Taxpayers).....	6
Table 1.2	Users of Tax E-Filing in Sarawak (Salaried Group Taxpayers).....	7
Table 3.1	Results of Reliability.....	43
Table 4.1	Response Rate.....	46
Table 4.2	Respondents' Gender, Age, Marital Status, Ethnicity and Location.....	47
Table 4.3	Respondents' Academic Qualification, Working Sector and Occupation Level .....	48
Table 4.4	Respondent's Monthly Income, Other Income, Frequency of Tax Form Submitted and Level of IT Knowledge.....	50
Table 4.5	Descriptive Statistic Result of Each Constructs .....	51
Table 4.6	Reliability Test.....	53
Table 4.7	Descriptive for UTAUT Scores between Male and Females Taxpayers.....	54
Table 4.8	Independents Samples T-Test for UTAUT Scores between Male and Females Taxpayers.....	55
Table 4.9	Descriptive of UTAUT across Academic Background .....	56
Table 4.10	ANOVA for UTAUT Scores across Academic Background.....	58
Table 4.11	The Relationship between Each Variables.....	60
Table 4.12	Model Summary.....	61
Table 4.13	Results of Multiple Regression .....	61
Table 4.14	Summary of Results.....	65

## LIST OF APPENDICES

Appendix 1	Sample of Questionnaires.....	81
Appendix 2	Reliability Test Results.....	89
Appendix 3	T-Test Results.....	98
Appendix 4	Analysis of Variance (One-way ANOVA) Results.....	99
Appendix 5	Pearson Correlation Analysis Results.....	100
Appendix 6	Multiple Regression Analysis Results.....	102



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## ABBREVIATIONS

IRBM	: Inland Revenue Board of Malaysia
IT	: Information Technology
TRA	: Theory of Reason Action
TPB	: Theory of Planned Behavior
TR	: Technology Readiness
UTAUT	: Unified Theory of Acceptance and Use of Technology
TAM	: Technology Acceptance Model
MM	: Motivational Model
MPCU	: Model of Personal Computer Utilization
IDT	: Innovation Diffusion Theory
SCT	: Social Cognitive Theory
ICT	: Information and Communications Technology
SAS	: Self-Assessment System
PE	: Performance Expectancy
EE	: Effort Expectancy
SI	: Social Influence
FC	: Facilitating Conditions
BI	: Behavioral Intention
PU	: Perceived Usefulness
PEOU	: Perceived Ease of Use
PBC	: Perceived Behavioral Control
E-filing	: Electronic filing

## 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 25<sup>th</sup> 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

e-Government ranking with a total score 93.80%. Thus, more efforts should be taken to promote e-Government services by the government. In 2013, Malaysia's ranking was at the 24<sup>th</sup> position which is better compared to year 2015. This unstable ranking could be a signal for government agencies in Malaysia to study the user's acceptance of e-Government services which are deemed to be under-utilized currently.

In view of tax e-filing system, there are numerous advantages offered by tax e-filing services, such as reduce errors, fast credit refund process, saving time and cost of filing and elimination of the delays of tax return (Ibrahim and Pope, 2011). The tax return forms can be filed by taxpayers electronically at any time from any location. The users can get assistance to fill, compute and submit their tax return forms electronically. Everything is done as to support the main objective of the IRBM which to provide a good channel for their clients in fulfill their tax obligation.

However, personal observation done through six years' experience in IRBM Sibul Branch in Sarawak, it is found that there are salaried taxpayers who seem to be not so confident to do e-filing and still need assistance from the IRBM to file their tax return form. As for now, there are still a number of taxpayers who are unable to fill the form themselves without assistance. In fact, every year, the IRBM department avails counter services to help taxpayers, especially the groups of salaried earners and business income earners.

The counters and kiosks services for salaried earners are open for a longer time than for the business group. A two-month period starting on 1 March up to end of April every year, known as “HASiL4U”, is allocated, where the IRBM welcomes its salaried earner clients, and provides proper facilities and duty officers to assist the taxpayers to use the tax e-filing system. It is followed by a period from 1 June to 30 June for B Forms filers (business income earners) at IRBM branches and any agency premises as per instructions received by the Corporate Services Department.

Unfortunately, there are no counters opened for other groups of taxpayers, such as corporate taxpayers. In 2014, about 5,534 counters were opened for individual taxpayers and a total of 353,998 taxpayers visited the counters looking for various services and help (IRBM Annual Report, 2014). Thus, why do the individual taxpayers still need assistance when doing tax e-filing? In this regard, studying the technology acceptance toward the system could provide an answer and ensure the system is better utilized by salaried taxpayers.

Thus, the tax e-filing system is selected for this study. One of the reason is, this service will be more increasingly used over the coming years and even be made mandatory eventually. The system enables taxpayers to save time compared to filing manually. It is found that on average for complete filing process, tax e-filing system consumes about 10 hours while manual filing takes about 13 hours (Ibrahim, 2014). Taxpayers are now dealing with tax services which are entirely technology-based.

The technology has rapidly changed over time and is becoming increasingly sophisticated, which in turn, could be more challenging to both the tax administrator and taxpayers. Ibrahim (2013), in her study, suggested that the application of e-tax returns system and the tax policy is challenging. Thus, it is important to measure the acceptance of the system among taxpayers so as to ensure they are ready to face new and more sophisticated technology in future.

Therefore, behavioral intention to use the tax e-filing system among salaried taxpayers in Sarawak is being examined in this present study. There are four large town in Sarawak: Kuching, Miri, Sibu and Bintulu. However, for this study, the sample is taken from Sibu to describe entirely salaried taxpayers in Sarawak and it is believed that there is no different between other large town in Sarawak. The constructs that significantly affect taxpayers' intention to use technology from the Unified Technology Acceptance and Use of Technology (UTAUT) model by Venkatesh, Morris, Gordon and Davis (2003) is adapted with some modifications. The study aims to verify that behavioral intention to use tax e-filing is affected by the four constructs of performance expectancy, effort expectancy, social influence and facilitating conditions. The determinants could help to predict the acceptance of salaried taxpayers toward the tax e-filing system.

## 1.2 Problem Statement

It is desired that a high level of technology acceptance could help taxpayers and tax administrators to fully utilize the tax e-filing system. The introduction of the tax e-filing system should benefit both the tax administrator and taxpayers as the system integrates and covers all tax management practices, including tax preparation, tax filing and tax payment. Legris, Ingham and Collerete (2003) indicated that tax e-filing is considered successful if the take-up rate is high. In the USA, the e-filing rate was reported at about 86.02% in 2014, and increased to 91% in 2015. The rate shows that the USA has successfully reached its targeted goal of a minimum of 80% for both years.

However, in Malaysia, statistical evidence shows unsatisfied achievement of the use of tax e-filing system. The take-up rate of the tax e-filing system by individual taxpayers is still considered low (Ibrahim, 2015). Table 1.1 indicates that in 2013, 47.14% of salaried taxpayers in Malaysia used the tax e-filing system. In 2014, the usage increased to 50.22% and again increased in 2015 to 52.21%.

Table 1.1

*Users of Tax E-Filing in Malaysia (Salaried Group Taxpayers), 2013 to 2015*

Year	Total Malaysian Taxpayers (Salaried Income Group)	Users of Tax E-Filing (Salaried Income Group)	
		Malaysian e-filers	Percentage (%)
2013	4,366,196	2,058,395	47.14%
2014	4,640,605	2,330,298	50.22%
2015	4,972,218	2,596,338	52.21%

Source: Information from the IRBM Annual Reports 2014 (Inland Revenue Board of Malaysia, 2014).

Table 1.2 shows the rate of tax returns using e-filing among salaried taxpayers in Sarawak from 2013 to 2015. In year 2013, the rate of return was 46.20%, decreasing in 2014 to 41.23% and increasing to 50.43% in 2015. This rate of return that is less than 80% shows that the acceptance level in Malaysia, generally and specifically in Sarawak, is still low and not fully utilized yet. The rate of tax e-filing system used is about 50% a year. It shows that there is another 50% of the population who earn a salaried income who are not using the tax e-filing system. Therefore, this study is conducted in order to know the major factors for this unsatisfactory acceptance toward the system.

Table 1.2

*Users of Tax E-Filing in Sarawak (Salaried Group Taxpayers), 2013 to 2015*

Year	Total Sarawak Taxpayers (Salaried Income Group)	Users of Tax E-Filing (Salaried Income Group)	
		Sarawak e-filers	Percentage (%)
2013	288,585	133,340	46.20%
2014	310,754	128,127	41.23%
2015	337,744	170,337	50.43%

Source: Information from the IRBM Annual Reports 2014 (Inland Revenue Board of Malaysia, 2014) and personal communication through email, Bahagian Statistik dan Perangkaan, Jabatan Operasi Cukai, LHDNM.

As far as the author's concern, there is no specific study on the acceptance of tax e-filing system performs in Sarawak. It also found that few studies in tax e-filing system ground found in Malaysia. Even the previous study mostly discussed on technology acceptance but it is various and more on other technology rather than tax e-filing system; For example, the acceptance on Mobile Internet (Wang & Wang, 2010); Digital Television Adoption (Sapio, Cornacchia, Papa, Nicolo & Livi, 2010); Acceptance of Distance Learning (Wang, Tseng & Tsai, 2010); the 3G Mobile Data Services Acceptance (Lu, Yu & Liu, 2009); The acceptance of tablet PCs (Anderson, Schwager & Kerns, 2006).

Many studies on tax e-filing system found in Malaysia, however most of them conducted by using other type of taxpayers. For example, Abdul Aziz in 2015, who has studied on corporate taxpayers instead of personal taxpayers. Although some of them studied on personal tax payers, but they only covered on western area of

Malaysia, such as Abdul Manaf, Ishak and Abdul Warif (2010) who studied on personal taxpayers but they only covered in area of Shah Alam. Therefore the main difference between the current study and the previous study is that this research is concentrate on area of Sarawak using the salaried taxpayers as the respondents while previous studies majority focus on western area of Malaysia with using a different type of respondents.

### **1.3 Research Questions**

This study focuses on two research questions to address the research purpose.

- i) What is the relationship between Performance Expectancy, Effort Expectancy, social Influence, Facilitating Conditions and the tax e-filing acceptance in Sarawak?
- ii) What are the significant determinants of tax e-filing acceptance in Sarawak?

### **1.4 Research Objectives**

This study aims:

- i) To examine the relationship between Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Conditions and the tax e-filing acceptance in Sarawak.
- ii) To identify the significant determinants of tax e-filing acceptance in Sarawak.

## **1.5 Scope of the Research**

### **1.5.1 Location**

This study will cover area of Sarawak which the data collection gather from salaried taxpayers by using survey distributed to government agencies and private agencies located in Sibul, Sarawak.

### **1.5.2 Sampling Basis**

The data used in this study based on random sampling. Thus, the results are much relevant to the selected research area. This may inappropriate to generalized in other state.

### **1.5.3 Data Collection Method**

Survey questionnaire was employed in this study for data collection and this method may have limitations. Barribeau et al. (2005) described survey questionnaires as a standardized way to deliver information. However, it depends on respondents honesty and their ability to correctly interpret the questions (Sandford, 1995, p. 378; Axinn & Pearce, 2006, p. 4). Their interpretation might be various from the meaning intended by the researcher.

### **1.5.4 Cross-Sectional**

This study only focused on a cross-sectional analysis of one tax year data and not focusing on trend analysis. Data collection conducted in October 2016.

### **1.5.5 Theory/Variables**

The study was conducted by using UTAUT Model. The selected variables are performance expectancy, effort expectancy, social influence and facilitating conditions only. Other variables are not tested in this study. Only direct relationships are tested for this study.

### **1.6 Significance of the Research**

This research is conducted as to fill the identified gaps both on practical and theoretical part. At the same time, the study may contribute to the developing stream of research on e-filing in each part.

#### **1.6.1 Practical Significant**

By understanding the relationships between the performance expectancy, effort expectancy, social influence, facilitating conditions and tax e-filing acceptance, it is practically significant as the findings can help the IRBM to focus on priority areas/variables as found in this study. The findings could also benefit the IRBM as the information of tax e-filing acceptance can be used to understand the factors that affect acceptance, thereby helping the IRBM's system designers to make decisions on the approaches to effectively design a better system.

### **1.6.2 Theoretical Significant**

The theoretical significance of this study is that it can add to tax e-filing acceptance literature. The study was conducted by using the UTAUT model which tested the four UTAUT variables have direct relationship for salaried taxpayers in Sarawak. Respondents in this study are the salaried group of taxpayers who have a different background in terms of location and culture. In general, the study could extend or enhance our understanding of the current tax e-filing acceptability. The findings could show the reasons for the resistance to the tax e-filing system in Sarawak. At the same time, this present study could contribute additional information to the body of knowledge in the information technology field. Therefore, this study can be a basis for future research on technology acceptance especially on other system introduced by the IRBM.

### **1.7 Organization of the Thesis**

The remainder of this paper is structured as follows; a review of related literature on UTAUT and research questions are discussed in chapter two; chapter three presented the research framework developed and the methodology used in this study; the empirical results and discussion of the study disclosed in chapter four. Lastly, chapter five will conclude the paper.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter presents previous studies that have been conducted in the area of users' acceptance of information systems as well as its adoption. It begins with an overview of the information systems and how it benefits organizations. Next discussion is an overview of tax e-filing system in Malaysia and followed by a critical review on the previous studies of technology acceptance. Next, the relevant theories related to technology acceptance are also discussed in this chapter. Finally, it highlights relevant empirical research using the UTAUT model, which is the foundation of this study.

#### 2.2 The Information System and its Benefits to Organizations

Currently, it is almost impossible for organizations to survive without an information system. It is believed that an organization can stay competitive only when it is supported by an information system which can help the organization to be highly efficient. Thus, it is not surprising that information systems have been widely used both in the public and business sectors. There are many reasons for organizations to invest a huge amount of money on information systems. For example, organization urge to reduce operating costs and to stay competitive in the market. As the technology can offer greater convenience and faster trading activities, they have shifted from traditional ways of doing business to using modern technology.

Technology has also attracted many governments and other public sector organizations to invest in information systems. The study conducted by Gilbert and Balestrini (2004) shows that the barriers to e-government adoption outweigh the benefits. They also concluded that if these obstacles are not properly addressed, the adoption rate will not be likely to increase. According to Pikkarainen, Karjaluoto and Pahnla (2004), the benefits of the system have not been fully utilized and do not justify the huge investment. Therefore, it is clear that the success of any new system is affected by the users' acceptance. One of the indicators of an information system being successful is the usage of the system itself (Pikkarainen et al., 2004). Hence, how the users perceive the system may determine whether the system is regarded as good or bad. In simple words, without users, no matter how good a system is, the system would still be a failure. Thus, it is important to discover the reasons why people decide to use or not to use a new system.

### **2.3 Overview of Tax E-Filing System in Malaysia**

Tax e-filing system has been introduced by Inland Revenue Board of Malaysia (IRBM) in 2006 for personal taxpayers to filing their tax return. Current year of 2016 is the ten years age of the system implemented. It is good time to review the acceptance of the system among the users as to ensure the effectiveness of the system introduced. Since its introduction, Malaysian salaried taxpayers have an option of filing tax return forms though either internet based (e-filing) or manual paper filing. The use of income tax e-filing service continues to be voluntary for

Malaysian salaried taxpayers which similarly applied in India for salaried taxpayers (Mamta, 2012). In Malaysia, the employment income source is taxable according to Section 4(b), Income Tax Act 1967. Salaried taxpayers are also subject to the Self-Assessment System (SAS). Under SAS, the responsibility for correctly assessing a person's tax liability is transferred from the IRBM to the taxpayer. The tax e-filing system thus, introduced under SAS is as an encouragement made by Malaysian government to ease the SAS.

E-filing users received special benefits. For example, the salaried taxpayers can enjoy the extension time of 15 days after the actual dateline of 30<sup>th</sup> April for filing a return. The taxpayers can e-file after 30<sup>th</sup> April till 15<sup>th</sup> May and the return form is considered received in time. But, for those using the manual form, if the return form received after the dateline of 30<sup>th</sup> April, it would be penalized as late submission and late penalty would be imposed. Another benefit is quick tax refund process for those taxpayers who have credit balance in the account. The tax refund will be process within 30 days after the submission date as compared to manual filing which take longer time of process about 90 days. Moreover, some of the taxpayer's information has been prepopulated in the e-filing system such as taxpayers name, address, tax file number and even total salary. This may reduce the risk of error in filling a return form. Although there are a lot of benefits and improvements to the original tax e-filing system in Malaysia, the usage rate of e-filing is still considered low as compared to other countries such as Singapore at current study.

## **2.4 Studies on Technology Acceptance**

Most of the studies on determinants of technology acceptance have used a self-administered questionnaire as the instrument for data collection (Ludwig, Lemuria and Jeff, 2010; Abdul Manaf et al., 2010; Hussein et al., 2011; Azmi and Ng 2012; Lu, Yu and Liu, 2009; Mamta, 2012 and Lu and Nguyen, 2016). However, only one study by Wang (2002) used telephone interview for data collection method in his study in Taiwan. This means that, the survey questionnaire method is the most appropriate in conducting quantitative study for data collection purpose specifically study on human behavior.

Previous studies reviewed in this study is to give a useful insights for understanding an individual's intention of using e-Government services. Ludwig et al. (2009) studies on e-file intention when they found that one of the USA congress' goals for 2007 which 80% of tax and informational to be filled electronically has not been achieved. Similarly, Mamta (2012) studies the e-filers in India after eight years of implementation (September, 2004) when he found out that only one per cent of tax filing were done through e-filing in year 2011 - 2012.

The study on taxpayers acceptance in Vietnam by Lu and Nguyen (2016) was also done when the percentage of tax that taxpayer pay through e-filing system was still extremely lower compared to traditional way in Vietnam. Overall, the studies on technology acceptance are mainly conducted to identify the determinants of the

technology acceptance when the researchers found the system has not fully utilized.

There are various independent variables tested on behavioral intention in technology acceptance study area: performance expectancy, effort expectancy, social influence, facilitating conditions, perceived usefulness, perceived ease of use (Ludwig et al., 2009; Wang, 2002; Wu and Chen, 2005; Ozgen and Turan, 2007; Ilias, Suki, Yasoa' & Rahman, 2008; Venkatesh et al., 2003; Charter & Schaupp, 2009; Ojha, Sahu & Gupta, 2009; Ambali, 2009; Schaupp et al., 2010; Charter, Schaupp, Horbbs & Campbell, 2011; Sharma & Yadav, 2011; Mamta, 2012; Lu et al., 2009) perceived risk, optimism bias (Lai, Obid, & Meera, 2004; Ambali, 2009; Ludwig et al., 2009; Charter & Schaupp, 2009; Schaupp, Carter & McBride, 2010; Manaf et al., 2010; Wang, 2002; Sharma & Yadav, 2011; Hussein et al., 2011; Mamta, 2012) perceived credibility (Anuar & Othman, 2010).

From the previous studies, most of independent variables tested were performance expectancy, effort expectancy, social influence and facilitating conditions and it is found that the researchers have frequently used and repeatedly tested the four original UTAUT variables. Thus, it is may be due to the strength of the variables itself which able to predict the behavior. For example, performance expectancy found as the strongest predictor of behavioral intention by many studies (Venkatesh et al., 2003; Ludwig et al., 2009; Charter & Schaupp, 2009; Carter et al., 2011 and Mamta, 2012).

However, only few tested on perceived risk, optimism bias, perceived credibility and trust in determining the technology acceptance as mentioned above. Therefore, the four original of UTAUT independent variables have been use in present study as to examine the salaried taxpayers acceptance toward tax e-filing system in Sarawak. Specific variables which tested in this study then discussed further.

#### **2.4.1 Performance Expectancy and Intention Behavior**

Performance expectancy (PE) is defined as the degree to which an individual believes that using the system will help him or her to attain gains in job performance (Venkatesh et al., 2003). The PE have same meaning to certain variables in other theories such perceived usefulness introduced in Technology Acceptance Model (TAM), extrinsic motivation in Motivational Model (MM), job-fit in Model of Personal Computer Utilization (MPCU), relative advantage in Innovation Diffusion Theory (IDT) and outcome expectations in Social Cognitive Theory (SCT).

The PE is found in many studies as the primary determinant toward intention behavior (Davis, 1989; Venkatesh et al., 2003 and Ludwig et al., 2009). It is the main driver for intention behavior (Fu, Farn & Chao, 2006). Most of the prior studies use the PE as independent variable to explain the dependent variable such intention behavior (Venkatesh et al., 2003; Ludwig et al., 2009; Carter & Schaupp, 2009; Schaupp et al., 2010; Carter et al., 2011;) perceived usefulness toward intention behavior (Ozgen & Turan, 2007 and Sharma & Yadav, 2011)

According to the past literature, PE always have positive significant results (Wang, 2002; Venkatesh et al., 2003; Ozgen and Turan, 2007; Ludwig et al., 2009; Charter and Schaupp, 2009; Carter et al., 2011, Mamta, 2012 and Lu and Nguyen, 2016). However, it is found that fewer studies have non-significant results on PE (Wu and Chen, 2005). It is the study conducted in Taiwan which have reveal that only attitude and Perceived Behavioral Control (PBC) are significantly influenced the behavioral intention to use e-filing. The PE is non-significant in determining the e-filing behavioral intention among taxpayers in Taiwan during that time.

In conclusion, since the studies of PE factors mostly have a positive effect and frequently used in most behavioral study, it is important to test to the behavioral intention. Most of studies proved that the PE has significant positive results when predict the intention. Hence, this present study also will employ the PE as independent variable in predicting the behavioral intention toward tax e-filing system in Sarawak.

#### **2.4.2 Effort Expectancy and Intention Behavior**

The effort expectancy (EE) is defined as the degree of ease associated with the use of the system (Venkatesh et al., 2003). The similar variables from other theories are: perceived ease of use in TAM model (Davis, 1989); complexity in MPCU (Thompson, Higgins and Howel, 1991) and ease of use in IDT (Moore and Benbasat, 1991). One of the strong determinants of behavioral intention is effort expectancy. However, according to Davis (1989), perceived ease of use (PEOU) shown as a

secondary determinant of intentions to use a certain technology after the perceived usefulness (PU).

Evidence from prior study have shown that the results of effort expectancy are mixed. Carter et al. (2011) reveals that the EE significantly influences the e-filing acceptance in their study in USA. Wang (2002); Ozgen and Turan, 2007; Mamta, 2012; Ojha et al, 2009; Sharma and Yadav, 2011; Lu and Nguyen, 2016) also found the EE is significantly and positively influence the behavioural intention to use technology.

However, in another study, the rejection is more if the system requires advanced and difficult learning levels (Moore & Benbasat, 1991). In other words, the complexity may reduce the relationship between EE and the intention to adopt a technology. Study by Ludwig et al. in 2009 indicates that effort expectancy was not shown to be a significant predictor of intention to use. This study highlights the necessity for an e-file system to be easy to use in order to accommodate individuals that are not considered to be as computer savvy. Another prior study have the same non-significant results were Schaupp et al., 2010; Carter and Schaup, 2009 and Wu and Chen, 2005.

In conclusion, although EE has mixed results in previous studies, it is still relevant to test to the behavioral intention as the EE were recognized as second important

determinant of behavioral intention after the PE factor. As an exploratory study in Sarawak, this present study also tested the EE as independent variable in predicting the behavioral intention toward tax e-filing system in Sarawak.

### **2.4.3 Social Influence and Intention Behavior**

Social influence is defined as the degree to which an individual perceives what other people believe is considered to be important to them in terms of using the new system (Venkatesh et al., 2003). In addition, social influence also refers to the extent to which use of an innovation is perceived as enhancing one's status in a social system (Moore and Benbasat, 1991). It is same definition to Venkatesh et al. (2003), where this factor influences behavioral intention in that individuals believe others' opinion could result in the individual's acceptance of the technology (Lee, Cerreto, & Lee, 2010; Lu et al., 2009). The social influence as a determinant of technology acceptance was developed from several construct in other theories. The similar variables to it were subjective norm in Theory of Reasoned Action (TRA)/Theory of Planned Behaviour (TPB) and TAM Model; social factors in MPCU and image in Innovation Diffusion Theory (IDT) model.

Most of prior research used social influence to directly predict the behavioral intention (Venkatesh et al., 2003 and Ludwig et al., 2009). The same scope internationally tested for example: Ludwig et al. (2009) study on e-file intention in USA; again in USA, the study of e-filing acceptance by Carter and Schaupp (2009);

Mamta (2012) also tested social influence in predicting the e-filing behavioral intention in India. In Malaysia, there are several studies on technology acceptance used social influence as a factor give effect toward behavioral intention: Hussein et al. (2011) applied social influence as a direct determinant of e-filing intention; subjective norms used by Ramayah, Yusoff, Jamaludin and Ibrahim (2009) to examine the tax e-filing intention.

Anuar and Othman (2010) also use subjective norms in their study as a direct determinant toward intention to use e-payment. Moreover, image also tested to predict e-government acceptance by Lean, Zailani, Ramayah and Fernando in 2009. Thus, from the literature, most of prior studies used the social influence in predicting the behavioral intention and it means that the factor have a strong impact in predicting intention to act.

In conclusion, based on the analysis from the literature, it is shows that, the SI factors have a positive effect and frequently used in behavioral study. Most of prior studies proved that the SI has significant positive results when predict the intention. Therefore, this present study also utilized the SI as part of independent variable in predicting the behavioral intention toward tax e-filing system in Sarawak.

#### **2.4.4 Facilitating Conditions and Intention Behavior**

Facilitating conditions (FC) is referring to the degree to which a person believes that the organizational and technical infrastructure is in place to support the use of the technology (Venkatesh et al., 2003). The organizational and technical infrastructures are the resources and support available to perform a behavior. Perceived behavioral control in TPB (Azen, 1991; Taylor & Todd, 1995), facilitating conditions in MPCU (Thompson et al., 1991) and compatibility in IDT (Moore & Benbasat, 1991) were present the same variables to FC in the UTAUT model.

In the original UTAUT model, the FC is tested direct on usage behavior. However, there is several studies directly tested the FC toward the behavioral intention instead of usage behavior. It is suggest by Brown, Dennis and Venkatesh (2010) which stated that the effect of facilitating conditions directly influences the intention to use the technology introduced.

Study by Ludwig et al. (2009) found that FC has positive significant impact on behavioral intention. Similar to Ludwig et al., 2009, Ambali (2009) have the same results which show that FC has a direct impact on behavioral intention. Suki and Ramayah (2010) found the FC is significant in determining the user acceptance of e-government services.

In conclusion, based on the analysis from the literature, it is shown that the FC has a positive effect and is frequently used in behavioral study. The prior studies proved that the FC has significant positive results in predicting the behavioral intention. Hence, this present study considered the FC as part of independent variable in predicting the behavioral intention toward tax e-filing system in Sarawak.

#### **2.4.5 Behavioral Intention**

Ajzen (1975) described that intentions are assumed to capture motivational factors that influence behavior. It also describes as a measure of how much effort someone is willing to exert when performing a behaviour". Ajzen (2002) defined the behavioral intention as "an indication of an individual's readiness to perform a given behaviour. It is assumed to be an immediate antecedent of behavior. The formations of behavioral intention are: attitude toward the behavior; normative belief and subjective norms.

In this study, the relationship of intention and usage behavior is not discussed and remained to be studied. The study mainly examines the relationship between the selected independent variables (PE, EE, SI and FC) toward behavioral intention. However, most of the time it is assumed that intention to use has a positive outcome with the usage behavior. The next section discusses related theories used in previous studies that examine the factors affecting user acceptance in technology in general and in tax e-filing system in particular.

## **2.5 Related Theories to Technology Acceptance**

There are various theories and models on technology acceptance available to explain the acceptance and adoption of new information technologies, including the Theory of Reasoned Action (TRA) (Ajzen and Fishbein, 1980); then further improved to the Theory of Planned Behavior (TPB) (Ajzen and Madden, 1986); followed by the Technology Acceptance Model (TAM) (Davis, 1989); the notion of Technology Readiness (TRI) model (Parasuraman, 2000) and most recently, the Unified Theory of Acceptance and Use of Technology (UTAUT)” model (Vankatesh et al., 2003).

All these models have their own strengths in predicting behavior for each tested construct. The TAM is an improvement over the TRA model developed by Ajzen and Fishbein in 1980. Perceived behavioral control and behavioral intention are the determinants that may influence an individual’s behavior as theorized by the TPB. Related theories were discussed further are the TPB, TAM and UTAUT. For this study, UTAUT found as most appropriate model for the determination of the users’ acceptance of technology.

### **2.5.1 Theory of Planned Behaviour (TPB)**

The theory of attitude which links the beliefs and behavior has been developed by Icek Ajzen in 1985. The theory was developed from TRA which introduced by Martin Fishbein and Icek Ajzen in 1980. Attitude toward behavior and subjective norms are the two variables conveyed from TRA model and the new variable tested

in this theory is perceived behavioral control (PBC). The PBC is an additional determinant of intention and behavior. These three factors lead to the formation of behavioral intention.

Thus, the TPB aim is to explain that people are much more likely will perform certain behaviors when they feel that they can act successfully. It is become as a strength of TPB when it may include the behavior that is not the will of the people which not covered in TRA. However, some scholars critics on the TPB on the ground that the theory was based on the cognitive-processing. Figure 2.1 show the theoretical framework of TPB.

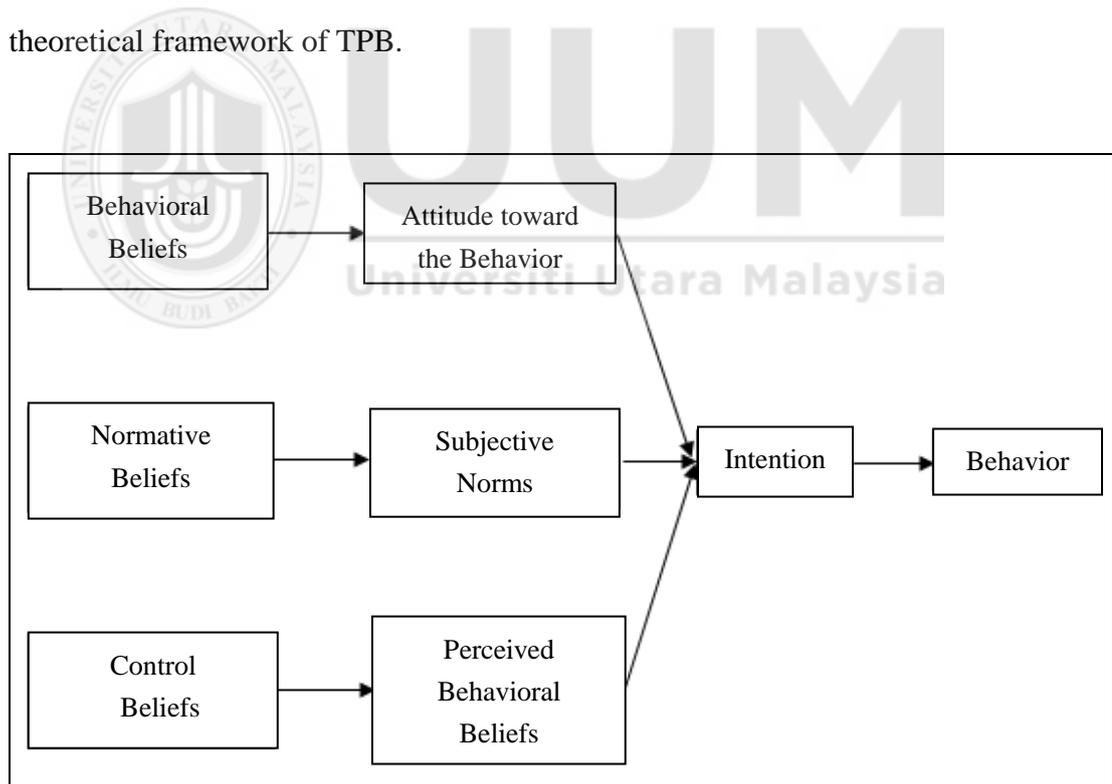


Figure 2.1  
*Theoretical Framework: Theory of Planned Behavior*  
 Source: Ajzen (1985)

### 2.5.2 Technology Acceptance Model (TAM)

The theory of information system explains how people/users come to accept and use the system introduced is called as the Technology Acceptance Model (TAM). The TAM is developed by Fred Davis in 1989. It is an extension of Ajzen and Fishbein's Theory of Reason Action (TRA). The purpose of this model is to predict the acceptability of a tool and to identify the modifications which must be brought to the system in order to make it acceptable to users. The two technology acceptance measures are perceived usefulness (PU) and perceived ease of use (PEOU).

PU defined as "the degree to which a person believes that using a particular system would enhance his or her job performance" and PEOU defined as "the degree to which a person believes that using a particular system would be free of effort" (Davis, 1989, p.320). However, there is limited which only two determinants describe the behavioral intention and usage behavior in this model. Figure 2.2 describe the original TAM framework (Davis, 1989).

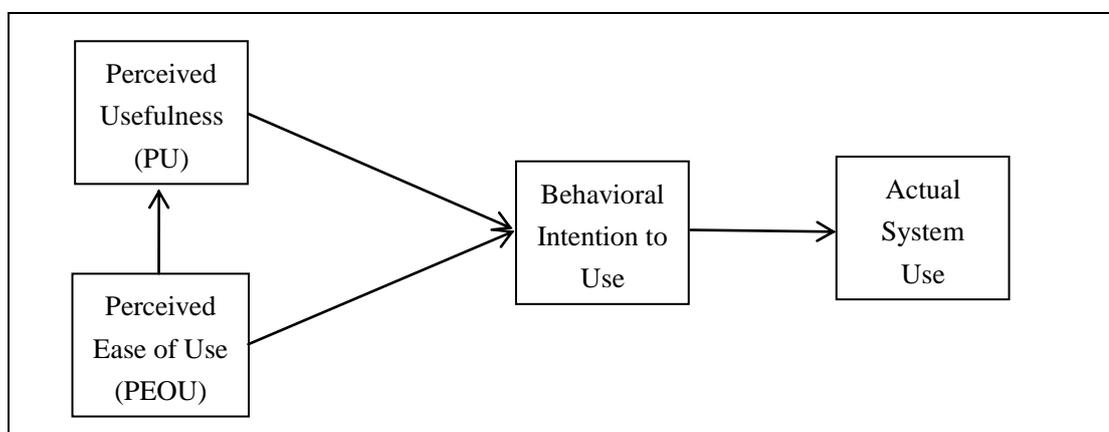


Figure 2.2

*Technology Acceptance Model (TAM)*

Source: Davis et al. (1989)

### 2.5.3 The UTAUT Model

Venkatesh, Morris, Davis, and Davis (2003) developed the Unified Theory of Acceptance and Use of Technology (UTAUT) model to consolidate previous TAM related studies (see Figure 2.3). The integrated model comprising the core determinants of usage intention is known as the UTAUT model developed by Venkatesh et al. in 2003. It incorporates based on eight major theories available in the acceptance of technology literature.

The present factors in UTAUT model are reviewed and consolidation of the constructs in the eight related technology acceptance model. There are four independent variables available in this model. The three determinants are “performance expectancy (PE)”, “effort expectancy (EE)” and “social influence (SI)” which have a direct influence on “intention behavior”, which subsequently influence users’ behavior. Furthermore, “facilitating conditions (FC)” have a direct influence on users’ behavior as suggested by this theory (Davis, 1989; Venkatesh et al., 2003).

However, this model is moderated by age, gender, experience and voluntariness of use which give an impact toward four key construct on usage intention and usage behavior. It is similar to original TAM model which PE and EE are incorporate from PU and PEOU. Means that, the construct bring the same meaning in predicting behavioral intention. Moreover UTAUT attempt to explain how individual differences influence technology use. Figure 2.3 depicts the original UTAUT model.

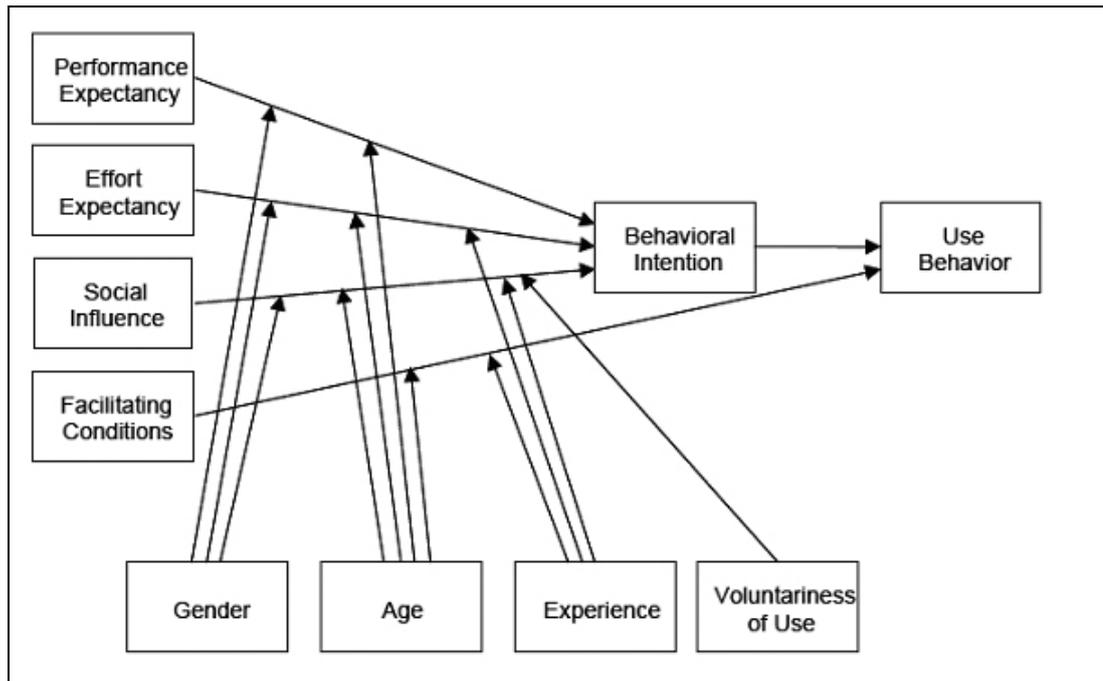


Figure 2.3

*Unified Theory of Acceptance and Use of Technology (UTAUT)*

Source: Venkatesh et al. (2003)

In conclusion, based on the three theories discussed above, the TPB is well in predicting behavior, but it is stop mainly toward behavior and the technology itself does not cover in the model. Same goes to the TAM model, even it has been widely used in determining technology acceptance, it is limited which only two factors being tested in predicting behavior. With regards to the technology acceptance, the UTAUT model was the robust model which consolidates all the construct in eight models. Therefore, the UTAUT model considered as the most appropriate in determining the salaried taxpayers acceptance of tax e-filing system in Sarawak. It is the latest model and well suited for this current study. However, as this is an exploratory study which first time conducted in Sarawak, the UTAUT is adapted and the moderating variables is dropped for this study.

## 2.6 Chapter Summary

This chapter presented the background of information system and e-government in Malaysia. Firstly, an overview on Malaysian tax e-filing system is reported in general. After that, previous studies related to the technology acceptance have been critically reviewed in both other country view and locally Malaysian view. Later, the related theories have been discussed specifically on the Theory of Planned Behavior (TPB) and Technology Acceptance Model (TAM). The both theory are part of the major theory (UTAUT model) which applied in this study. Hence, their developing process are important to be reviewed.

Most of the previous study from USA, Taiwan, Turkey, India and Vietnam, recognized that PE, SI and FC have strong impact on technology acceptance. However, the EE was found to have mixed results. There is various model used in past studies to predict behavioral intention such as TRA, TPB, TAM, MPCU, ADT and SCT. This present study is the first study on tax e-filing acceptance conducted for salaried taxpayers in Sarawak. Therefore, all four original of the UTAUT determinants (PE, EE, SI and FC) were tested toward the intention to use tax e-filing system in Sarawak. However, the moderating variables in UTAUT model is dropped in this current study. The next chapter discussed on the theoretical framework development for this study and the methodology that was adopted for collection and analysis of data.

## CHAPTER 3

### RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter precisely looks at the methodology applied in this research. It started with the research conceptual framework proposed in this study. Then, briefly discussed on the development of the hypotheses. The remaining was an explanation of the research method used is covered in this chapter.

#### 3.2 Research Conceptual Framework

This study aims to investigate the acceptance of tax e-filing system among salaried taxpayers based on the UTAUT research model as developed by Venkatesh et al. (2003). The proposed model to examine the e-filing usage intention as adapted from Venkatesh et al. (2003) is illustrated in Figure 3.1. The independent variables in this study are “performance expectancy (PE)”, “effort expectancy (EE)”, “social influence (SI)” and “facilitating conditions (FC)”. The UTAUT model is well suited to the aim of this research, which is to determine the acceptance of tax e-filing system in Sarawak. The acceptance of employees and organizations could improve technology efficiency and effectiveness and make the study on intention an important one (Anderson et al., 2006).

Figure 3.1 is the proposed research model for the current study. The model was developed based on Venkatesh et al. (2003) with some modifications. The current model dropped the moderating variables of “age”, “gender”, “experience” and

“voluntariness of use”. These variables were dropped in this study because this is a preliminary study for Sarawak’s salaried taxpayers, whereby the aim is basically to know the direct relationships. However, all the four original determinants from Venkatesh et al. (2003) were tested as direct relationships toward the behavioral intention. Usage behaviour, as proposed by Venkatesh et al. (2003), is excluded in this study as intention is used as the proxy for actual behavior.

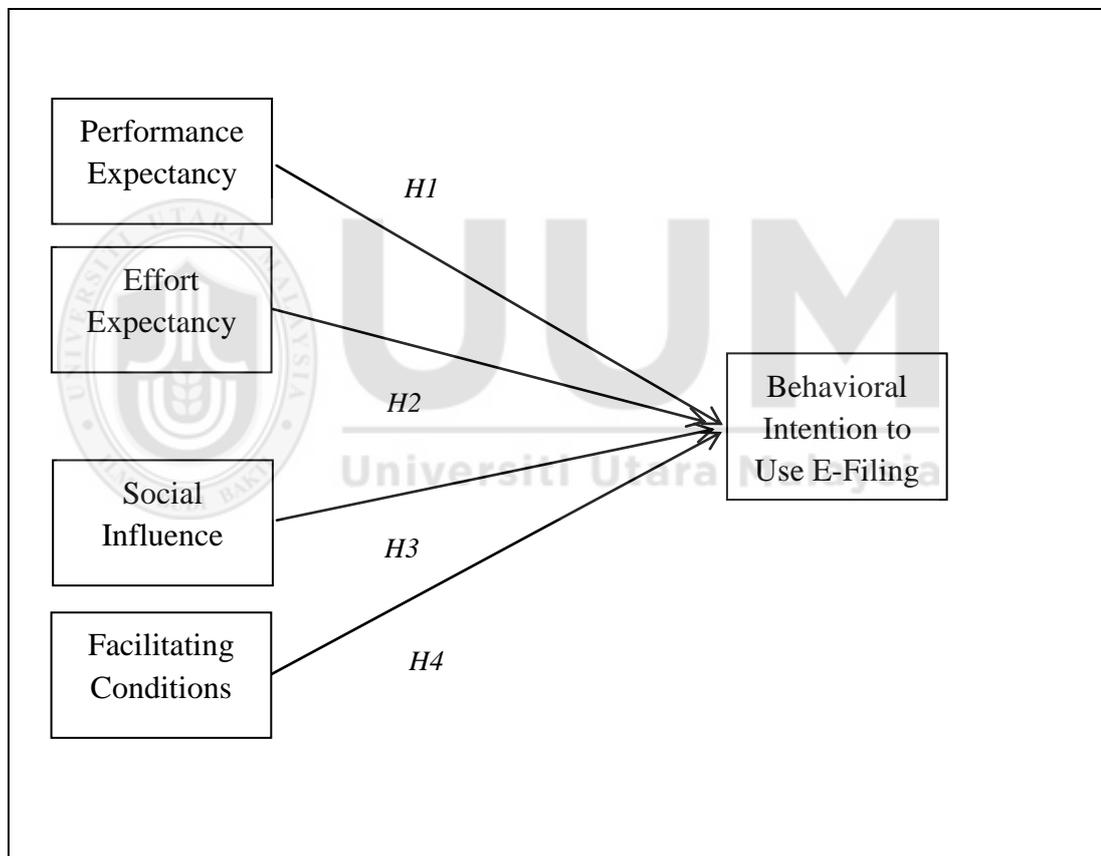


Figure 3.1  
*Research Framework for Tax E-Filing Acceptance in Sarawak*  
Source: Adapted from UTAUT (Venkatesh et al., 2003)

### **3.3 Hypotheses Development**

In this study, the UTAUT model was modified and changed to suit the situation of tax e-filing system in Sarawak. No additional variables were tested in this study.

There were four hypotheses developed in this study.

#### **3.3.1 Performance Expectancy and Tax E-Filing Intention Behavior**

Previous studies have shown that “performance expectancy” has a significant positive influence on the behavioral intention (e.g., Dwyer & Knapp, 2004; Hill, Scriven, & Wunsch, 1994; Ruby, 2005; Sterling & Brinthaup, 2003). This indicates that the number of taxpayers who use e-filing can be increased by increasing the “performance expectancy” of the the tax e-filing system to submit their tax return forms. “Performance expectancy” is believed to be the strongest predictor for usage behavior when more individuals believe the technology could improve their job performance (Venkatesh et al., 2003). Therefore, the same pattern of prediction would be apply in this study and the hypothesis below is developed:

*H<sub>1</sub>: “Performance expectancy has a positive influence on behavioral intention to accept tax e-filing system in Sarawak”.*

#### **3.3.2 Effort Expectancy and Tax E-Filing Intention Behavior**

The technology introduced is expected by the users to be free of effort or this means that it is easy to use without or with less help from others. It has been shown that the technology is less useful when the system requires more effort to use. If the e-filing

system is free and does not need much effort to use, the users could be attracted to adopt the system. In contrast, the rejection is more if the system requires more effort (Moore & Benbasat, 1991). Prior studies have shown that “effort expectancy” toward behavioral intention has a positive significant influence (e.g., Venkatesh et al., 2003, Wang et al., 2003). “Effort expectancy” is an important determinant of behavioral intention at the early stage of adoption (Agarwal & Prasad, 1999; Darsono, 2005; Davis, F. D., 1989; Venkatesh et al., 2003). Thus, the hypothesis is developed base on previous studies which to predict the positive relationship between two variables:

*H<sub>2</sub>: “Effort expectancy has a positive effect on behavioral intention to accept tax e-filing system in Sarawak”*

### **3.3.3 Social Influence and Tax E-Filing Intention Behavior**

Malaysia’s tax e-filing system is on a voluntary basis. Thus, “social influence” could indirectly influence tax e-filing usage behavior. It is believed that people might use a system to comply with the mandates of others rather than their own feelings and beliefs in some cases (Davis and Arbor, 1989). There are many empirical studies related to the relationship between “social influence” and behavior (e.g., Tornatsky & Klein, 1982; Venkatesh & Davis, 2000). The findings shown that “social influence” has a positive influence toward behavioral intention (Lee, Cerreto, & Lee, 2010; Lu et al., 2009). This factor also found significantly influence behavioral intention in many studies (Hung, Chang & Yu, 2006; Schaupp et al., 2010; Carter &

Schaupp, 2009; Carter et al., 2011; ramayah et al., 2009; Anuar & Osman, 2010)

Therefore, this study posits that:

*H<sub>3</sub>: “Social influence has a positive influence on behavioral intention to accept tax e-filing system in Sarawak”*

### **3.3.4 Facilitating Conditions and Tax E-Filing Intention Behavior**

According to Venkatesh et al. (2003), the “facilitating conditions” is a significant predictor of usage behavior. It significantly affects usage behavior as it is believed that the individual will use any technology or product when the organization provides the facilities and technical support (Lu et al., 2009). Venkatesh et al. (2003) however, found that the “facilitating conditions” factor is non-significant with the existence of “performance expectancy” and “effort expectancy” toward intentions. Even though the variable is not significant in determining behavioral intention, several scholars have retained the factor to be tested for the purpose of discussion (Taylor & Todd, 1995). For example, Brown et al. (2010) in their study, found that the facilitating conditions is directly influences the behavioral intention to use the technology. Thus, the hypotheses is developed that:

*H<sub>4</sub>: “Facilitating conditions has a positive influence on behavioral intention to accept tax e-filing system in Sarawak”.*

### **3.4 Research Design**

The study uses a quantitative research design and survey method for data collection. The focus of this study is mainly on the acceptance of tax e-filing among individual taxpayers with salaried income in Sarawak. The unit of analysis is salaried taxpayers in Sarawak who were selected via simple random sampling. Other taxpayers were not taken as a unit of analysis because they mostly used experienced tax advisers in managing their tax return forms. A survey questionnaire was developed based on the 5-point Likert scale and distributed accordingly. In total, the survey consists of 38 questions. The population for this study is all the individual taxpayers with salaried income in Sarawak. In 2015, there were a total of 337,744 active salaried taxpayers registered in Sarawak (Unpublished data from communication through email with the Profiling Unit, IRBM Sibu Branch, 29 June 2016).

### **3.5 Operational Definition**

For better understanding, there are several variables need to be understood. The comprehensive information on the determinants is provided as it affect in evaluating the study on acceptance of the tax e-filing system in Sarawak.

#### **3.5.1 Tax E-Filing System**

An electronic income tax filing system whereby encompasses the use of internet technology, the Worldwide Web and Tax software (Edwards-Dowe, 2008, p.6) defined that it is the submission of tax using digital form to a taxing authority in a

computer file format through an internet connection and may be done at any computer.

### **3.5.2 Tax E-Filing as a Self-Assessment System**

An approach whereby taxpayers are required by law to determine their taxable income, compute their tax liability and submit their tax returns based on existing tax law and policy statements issued by the tax authorities.

### **3.5.3 Individual Taxpayers**

Individual taxpayer is the person who obligates to pay tax on the chargeable income. This is according to the Income tax Act 1967, where income is chargeable upon income that is accruing in or derived from Malaysia or received by resident person in Malaysia from outside Malaysia. The focus on this study is related to individual taxpayers with salaried only.

### **3.5.4 Behavioral Intention**

Tax e-filing behavioral intention in this study will present as dependent variable. It is referring to the individual tax-payers usage behavior to accept or reject the tax e-filing system.

### **3.5.5 Performance Expectancy**

“Performance expectancy” is referred to as independent variable. Operationally, performance expectancy is defined as believes that individual taxpayers have on tax e-filing system could ease in their tasks as well as enhance in job performance.

### **3.5.6 Effort Expectancy**

In this study, “effort expectancy” is related with the effort need to put for as to accept the tax e-filing system. This is related to whether prior preparation needed in ensuring the tax e-filing system could be used after being used.

### **3.5.7 Social Influence**

As an independent variable, “social influence” in this study is referred as external factors that individual taxpayers perceived as important to consider others believe on the need to adopt the tax e-filing system and its reflect to usage behavior.

### **3.5.8 Facilitating Conditions**

This “facilitating conditions” is referred as independent variable in this study. It related to the organizational and technical infrastructure support. The study will examine how important is facilitating conditions provided to encourage the usage of tax e-filing system.

### 3.6 Measurement of Variables

In purpose to examine the user's acceptance level toward the system, the UTAUT drivers develop by Venkatesh et al., (2003) will be used for measurement purpose in this study. To assess the respondents' acceptance towards tax e-filing system, there are about a total of 39 items developed in the survey. A five-point Likert scales with ranging from "1 = strongly disagree" to "5 = strongly agree" employed for all questions except for demographic questions. There are three section of questionnaire is developed to measured the intention. The behavioral intentions are measured using Venkatesh et al.'s (2003) Behavioral Intention Scale included in the UTAUT measure. In all, there are five items in this construct. Sample items include "I predict I will use tax e-filing system to submit my tax form, I intend to use tax e-filing system in the next tax filing season" and "I have a plan to use the e-filing system in the near future".

Performance Expectancy Scale included in the UTAUT is used to measure the performance expectancy. There are six items in this determinant. The salaried taxpayers perception on whether the tax e-filing technology increased their job performance is measures by the 5-point Likert scale ("1 = strongly disagree" to "5 = strongly agree"). Sample of positive items include "if I use the system, I will get my tax refund more quickly" and "Using the tax e-filing system would save my costs of filling my tax return" and "Using tax e-filing system would improve my job performance".

The “effort expectancy” is measured using Venkatesh et al.'s (2003) Effort Expectancy Scale included in the UTAUT measure. The amount of effort of salaried taxpayers expected in accepting the tax e-filing technology and vice versa for the negative statement. Sample of positive statement items include "I find that it is easy to use the tax e-filing system provided by LHDNM" and "Learning to operate the tax e-filing system is easy for me". As for example, the negative statement for this constructs includes "using the system is a bad idea". In total, there are seven items inclusive two type of statement which positive statement and negative statement in this construct.

The Social Influence Scale from the UTAUT measure is applicable for the “social influence” construct. The amount of influence a salaried taxpayers perceives important others within the organization have on them using the tax e-filing system is measured by using the same scale. Out of 38, there are three items in this construct. The sample items include "people who are important to me (e.g. my family) think that I should use the tax e-filing system for submitting my tax return form" and "My colleagues who influence my behavior think that I should use the tax e-filing system".

The “facilitating conditions” also based on Venkatesh et al.'s (2003). The scale is measures the salaried taxpayers’ perception of how supportive the organization is with the tax e-filing system. The items of sample include "I have the resources to use

the tax e-filing system" and "In General, Malaysia's Government has supported the use of tax e-filing system". Overall, there are seven items in this construct.

### **3.7 Data Collection**

This study has used survey method for data collection. This method is appropriate as the respondents is scattered in Sarawak (Kanuk and Berenson, 1975). The good is, this method able to provide the information about population in a quick, inexpensive, efficient and accurate (Zikmun, Babin, Carr and Griffin, 2010). The population of interest in the present study is the salaried taxpayers' in Sarawak State.

#### **3.7.1 Sampling Method**

In this study, random sampling was used to select respondents to represent taxpayers from the salaried income population. The sample size is 630 respondents, i.e., a 64% increase from the recommended size. The additional number of respondents is to cover the non-response rate as experienced by previous studies. The higher sample size was taken considering the possibility of failure to return the questionnaire.

#### **3.7.2 Questionnaire**

The questionnaire consists of the structured questions. The questionnaire was prepared in English and divided into two sections (Sections A and B). Section A consists of 12 demographic questions. Section B is divided into five parts: Part I, Part II, Part III, Part IV and Part V are related to the determinants of tax e-filing. The

questions listed give an idea on PE, EE, SI and FC of tax e-filing among salaried taxpayers. It is used to solicit taxpayers' perceptions on tax e-filing system. Appendix 1 shows the full set of questionnaire used in this study.

### **3.7.3 Data Collection Procedures**

Simple random sampling (Sekaran, 2000b) was used to select the 630 respondents located in Sarawak. Self-administrated questionnaires were distributed to the human resource department in every selected government department, government agency and other private organizations located in the town of Sibu in Sarawak. This procedure could ensure every respondent with salaried income had an equal probability to be chosen as the sample. The simple random sampling was conducted using Microsoft Excel 2010 version. A list of personal taxpayers was obtained from the IRBM updated as at year 2015. In total, there are 337,744 active salaried taxpayers registered in Sarawak. The questionnaires were distributed to the selected respondents by hand, to their employment address. After one week, the questionnaires were collected back from the respondents.

### 3.8 Techniques of Data Analysis

After the questionnaires were collected from the respondents, data analysis was conducted by using the Statistical Package for Social Science Software (SPSS) version 21. The demographic information was then evaluated by using descriptive statistics which is based on the mean and percentages. It is used to describe the profile of the respondents. Then, research questions of the study were answered through t-test, one-way analysis of variance (ANOVA), correlation and multiple regressions. The t-test and one-way ANOVA analysis can help to compare the relationships between several variables with a categorical or nominal variable which has two or more groups. Any significant differences between these groups can be detected by t-values that are large and the F value for a one-way ANOVA. A t-test is appropriate for two groups and one-way ANOVA is most appropriate for more than two groups.

The significant difference levels are  $p < 0.01$  and  $p < 0.05$ , where  $p < 0.01$  indicates a 99% confidence level and  $p < 0.05$  indicates a 95% confidence level. Gupta (1999) expressed that it will become insignificant when it does not indicate any of these values. Accordingly, Pearson correlation analysis is used for to examine either the relationship between independent variables and dependent variables exist in this study. Finally, multiple regression is used to identify the most significant determinants influencing the intention to use tax e-filing in Sarawak. For this study purpose,  $p < 0.10$  is considered significant as this is a preliminary study.

### 3.9 Pilot Study

For this research study, there are four independent variables and one dependent variable that we need to test their reliability and stability. The pilot test conducted and the finding of reliability analysis for each variable presented in Appendix 2. Cronbach's alpha technique is used in testing the instrument to determine the internal consistency. Sekaran (1992) said that a Cronbach's Alpha nearer to 1 shows strong internal consistency. Results in Table 3.1 shows that the Cronbach's Alpha for each variable are more than 0.80 with ranging from 0.847 to 0.969, means that all variables have strong internal consistency and can be accepted. The Cronbach's alpha minimum value is 0.60 (Peterson, 1994). In this present study, all variables is remained as it has exceeded the minimum value. According to Hair, Black, Babin and Anderson (2010), the items are necessary to remove if the correlation with the matrices' value is below 0.5. Results of reliability for each construct shown in Table 3.1 below.

Table 3.1  
*Results of Reliability*

<b>Construct</b>	<b>No of Items</b>	<b>Cronbach's Alpha</b>
Performance Expectancy	6	0.961
Effort Expectancy	7	0.897
Social Influence	3	0.847
Facilitating Condition	7	0.855
Behavioral Intention	3	0.969

### **3.10 Chapter Summary**

This chapter presenting the methodology adopted in this study. It begins with detail explanation on the theoretical framework development. Then further discussed on four hypotheses development in this study. Next, the chapter reveal the method applied for this study. Paper survey is used to obtain the data and brief discussion of the statistical techniques that will be conducted to achieve the research objectives as well as to test all the hypotheses developed in this study. Finally, results on the pilot study are discussed. The next chapter reporting the data analysis and disclose the findings of this study.



## CHAPTER 4

### RESULTS AND DISCUSSION

#### 4.1 Introduction

The main objectives of this study are to examine the acceptance of tax e-filing system among salaried taxpayers in Sarawak. Thus, the empirical findings obtained from a statistical analysis conducted on the data collected during the survey period will be presented in this chapter. The chapter starts with the results of the response rate of the respondent and then followed by respondent's demographic information. The t-test and one-way ANOVA results are also presented to describe the respondent's difference between groups. Next, the reliability test is disclosed. The remaining section then, discussed the results of Pearson Correlation Analysis and Multiple Regression which are used to answer the research questions. Finally, discussion on findings is presented.

#### 4.2 Response Rate

A total of 630 self-administered questionnaires were distributed and a total of 397 usable questionnaires were received giving a response rate of 63 per cent. The information regarding the response rate is presented in the Table 4.1 below.

Table 4.1  
*Response Rate*

<b>Questionnaire</b>	<b>Total</b>	<b>Percent (%)</b>
Distributed	630	100.0
Returned	426	
Incomplete	29	
Usable	397	63.0

### 4.3 The Respondents' Profile

The descriptive analysis of the respondents' profile presented in Appendix 2. Table 4.2 shows demography information on gender, age, marital status, ethnicity and location. For gender, out of the 397 respondents, about 187 are male (47.1 per cent) and 210 females (52.9 per cent), roughly shows an equal group size. In term of age, the result indicates that large numbers of respondents are from group age between 25 - 34 years old representing 44.8 per cent. For marriage status, 66.5 per cent of respondents are married, 33 per cent single, 66.5 per cent and 0.5 percent others status.

The ethnicity distribution of the respondents is Sarawakian, 160 respondents representing 40.3 per cent, a Malay representation of 36.8 per cent (135 respondents), Chinese 23.9 per cent with total 95 respondents and other races representation of 1.3 per cent. For location, majority of respondents are located in Sibü (94.5 per cent), followed by Kuching (3.5 per cent), Miri (1.5 per cent) and Sarikei (0.5 per cent). However, there are no representatives from other location.

Table 4.2

*Respondents' Gender, Age, Marital Status, Ethnicity and Location.*

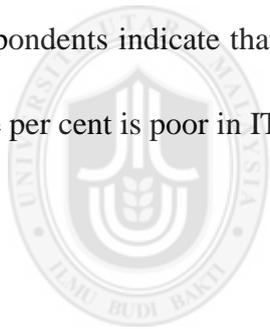
<b>Demography</b>	<b>Frequency</b>	<b>Percent (%)</b>
<b>Gender:</b>		
Male	187	47.10
Female	210	52.90
Total	397	100
<b>Age:</b>		
24 and under	26	6.5
25 - 34	178	44.8
35 - 44	82	20.7
45 - 54	85	21.4
55 - 64	26	6.5
Total	397	100
<b>Marital Status:</b>		
Single	131	33.0
Married	264	66.5
Others	2	00.5
Total	397	100.0
<b>Ethnicity:</b>		
Malay	135	34.0
Chinese	95	23.9
Sarawakian	160	40.3
Others	5	01.3
Total	397	100.0
<b>Location:</b>		
Kuching	14	3.5
Sarikei	2	0.5
Miri	6	1.5
Sibu	375	94.5
Total	397	100

Table 4.3 shows the statistical results on academic qualification, working sector and level of occupation of the respondents. For education level, most of the respondents hold a University degree (bachelor, master and doctoral) with 44.3 per cent and diploma holders comprise of 97 respondents (24.4 per cent). SPM and STPM equivalent qualifications are each with 72 and 45 respondents (18.1 and 11.3 per cent) respectively. The respondents with professional qualification are seven which contribute 1.8 per cent. In term of working sector, it is shows that 82.6 per cent of respondents are from the public sector, 14.1 per cent private sector and 3.3 per cent are from others sector. Then, for occupation level, large numbers of respondent are from management and professional group with 52.9 per cent.

Table 4.3  
*Respondent's Academic Qualification, Working Sector and Occupation Level.*

<b>Demography</b>	<b>Frequency</b>	<b>Percent (%)</b>
<b>Academic Qualification:</b>		
SPM/MCE and under	72	18.1
STPM/HCE/Certificates	45	11.3
Diploma	97	24.4
Professional Qualification	7	1.8
University Degree/Masters/Doctoral	176	44.3
Total	397	100
<b>Working Sector:</b>		
Public Sector	328	82.6
Private Sector	56	14.1
Others	13	3.3
Total	397	100
<b>Occupation Level:</b>		
Management and Professional Group	210	52.90
Supporting Group	164	41.30
Others	23	5.80
Total	397	100.00

Table 4.4 shows the finding for respondent's monthly income, other income and frequency of tax form submitted and level of IT knowledge. For monthly income, the results indicates that large numbers of respondents are from monthly income ranging between RM3,000 - RM6,000 group. It is 56.7 per cent. This is a minimum monthly gross income taxable by the government of Malaysia. Then, it is about 83.6 per cent of respondents earned salary income only. For frequency of tax form submitted, about 23.2 per cent respondents never use the tax e-filing system and the rest have an experience in using the system. The result also indicates that most respondents have an experience use the system in the range 1-5 times. Finally, the 46.3 per cent of respondents indicate that they have a good knowledge in information systems. Only one per cent is poor in IT knowledge.



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Table 4.4

*Respondent's Monthly Income, Other Income, Frequency of Tax Form Submitted and Level of IT knowledge.*

<b>Demography</b>	<b>Frequency</b>	<b>Percent (%)</b>
<b>Monthly Income:</b>		
Less than RM3, 000	83	20.90
RM3, 000 - RM6, 000	225	56.70
RM6, 001 - RM9, 000	85	21.40
RM9, 001 - RM12, 000	2	0.50
More than RM12, 000	2	0.50
Total	397	100.00
<b>Other Income:</b>		
Yes	65	16.40
No	332	83.60
Total	397	100.00
<b>The Frequency of Tax Form Submitted:</b>		
Never	92	23.2
1 - 5	150	37.8
6 - 10	71	17.9
More than 10	84	21.2
Total	397	100
<b>Level of IT Knowledge:</b>		
Poor	4	1
Fair	31	7.8
Good	184	46.3
Very Good	132	33.2
Excellent	46	11.6
Total	397	100

#### 4.4 Descriptive Analysis

The descriptive statistic results for all constructs are described in Table 4.5 below. The dependent variable is behavioral intention and four independent variables; “performance expectancy”; “effort expectancy”; “social influence” and “facilitating condition”. The mean value described that it is a favorable response if the value above 3 and unfavorable if the value below 3. Table 4.5 shows that the mean value for the dependent variable for behavioral intention is 4.22 and its follow by performance expectancy at 4.14. Both are highest mean value score compared to others variable. The third higher mean value 3.79 is facilitating conditions. Next is effort expectancy with mean value 3.76, slightly different from facilitating conditions. Lastly, the lowest means refers to the social influence with a value of 3.64. Accordingly, the measurement scale of standard deviation would describe that it is better if the value closer to the 1.0 and considered as poor when the value is below than 0.3. The highest standard deviation is recorded in social influence 0.989 and effort expectancy is the lowest with a value of 0.579.

Table 4.5

*Descriptive Statistic Result of each Constructs (n=397)*

	n	Minimum	Maximum	Mean	Standard Deviation
Social Influence	397	1	5	3.64	0.989
Effort Expectancy	397	1	5	3.73	0.579
Facilitating Conditions	397	1	5	3.79	0.607
Performance Expectancy	397	1	5	4.14	0.720
Behavioral Intention	397	1	5	4.22	0.847

#### **4.5 Reliability Test**

In this study, reliability test is utilized to determine the Cronbach's Alpha of the variables used. Sekaran (2003) stated that the value of Cronbach's Alpha should be at least 0.60 to be accepted. It is only acceptable if the Cronbach's Alpha with range of 0.6 to 0.7 and considered good if the value is more than 0.8. Similar to Peterson (1994) who indicated that the Cronbach's Alpha minimum value is 0.60. This value can determine either the instrument used in this research is acceptable or not. Hence, this reliability test is important to conduct for this study as to measure the consistency of the instrument used.

The results of reliability test as presented in Appendix 3 shows that the performance expectancy (PE), effort expectancy (EE), social influence (SI), facilitating conditions (FC) and behavioral intention (BI) have a Cronbach's Alpha value of .924, .629, .891, .765 and .937 respectively. The variables of PE, SI, FC and BI are having a good internal consistency and EE was in acceptability range which the Cronbach's Alpha is more than 0.6. Overall, all these instrument is acceptable. Means that, the respondents in this study have giving the consistent, reliable and stable response in the questionnaire. The finding of the reliability analysis for each variable is shown is the Table 4.6 below.

Table 4.6  
*Reliability Test*

<b>Variable</b>	<b>No. Of Items</b>	<b>Cronbach's Alpha</b>
Performance Expectancy	6	.924
Effort Expectancy	7	.629
Social Influence	3	.891
Facilitating Conditions	7	.765
Behavioral Intention	3	.937

#### **4.6 T-Test and One-way ANOVA**

The t-test and a one-way ANOVA analysis can help to compare the relationships between several variables with a categorical or nominal variable which have two or more groups. Any significant differences between these groups can be detected by t-values that are large and the F value for a one-way ANOVA. A t-test is appropriate for two groups and one-way ANOVA are most appropriate to data which more than two groups. The significant difference level are  $p < 0:01$  and  $p < 0:05$ , where  $p < 0:01$  indicates that a 99 per cent confidence level and  $p < 0:05$  indicates a 95 per cent confidence level.

#### ***Gender***

Table 4.7 shows roughly equal means scores of between male and female. It can be concluded that acceptance level between male and female are average to use tax e-filing.

Table 4.7

*Descriptive for UTAUT Scores between Male and Females Taxpayers.*

	Type of Gender	n	Mean	Std. Deviation	Std. Error Mean
Performance	Male	187	4.1	0.802	0.059
Expectancy	Female	210	4.17	0.639	0.044
Effort Expectancy	Male	187	3.74	0.658	0.048
	Female	210	3.73	0.499	0.034
Social Influence	Male	187	3.63	1.033	0.076
	Female	210	3.65	0.952	0.066
Facilitating Conditions	Male	187	3.79	0.685	0.05
	Female	210	3.79	0.529	0.037
Behavioral Intention	Male	187	4.21	0.94	0.069
	Female	210	4.24	0.757	0.052



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Table 4.8 indicates that there is no difference in all factors; performance expectancy, effort expectancy, social influence and facilitating conditions between male and female (significant at Sig 2-tailed < 0.05).

Table 4.8  
*Independents Samples T-Test for UTAUT Scores between Male and Females Taxpayers.*

		Levene's Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
PE	Equal variances assumed	2.526	0.124	-1.8	27	0.083	-0.506	0.281	-1.084	0.071
	Equal variances not assumed			-2.373	3.011	0.098	-0.506	0.213	-1.184	0.171
EE	Equal variances assumed	1.779	0.193	-1.463	27	0.155	-0.374	0.255	-0.898	0.15
	Equal variances not assumed			-2.253	3.599	0.095	-0.374	0.166	-0.855	0.108
SI	Equal variances assumed	1.323	0.26	-1.995	27	0.056	-1.111	0.557	-2.254	0.031
	Equal variances not assumed			-1.357	2.183	0.298	-1.111	0.819	-4.367	2.145
FC	Equal variances assumed	0.654	0.426	-0.571	27	0.573	-0.172	0.301	-0.79	0.446
	Equal variances not assumed			-0.868	3.532	0.44	-0.172	0.198	-0.753	0.409
BI	Equal variances assumed	1.444	0.24	-0.031	27	0.976	-0.013	0.416	-0.866	0.84
	Equal variances not assumed			-0.036	2.707	0.974	-0.013	0.36	-1.231	1.205

### *Academic Background*

A one-way between groups' ANOVA was conducted to compare the effect of academic background on the four determinants of the intention to use e-filing. There were five groups of academic background: up to SPM/MCE, STPM/Certificates, diploma, professional qualification and University degree/master/doctoral holder. The details results of the ANOVA test for different academic background are presented in Table 4.9. The findings in Table 4.9 indicate that academic background did not affect the PE, EE and FC. However, academic background only had a significant affect at the  $p < 0.05$  on SI. The results overall imply that academic background did have an effect, but only on the social influence predictor.

Table 4.9  
*Descriptive of UTAUT across Academic Background.*

Contracts	Academic Qualifications	N	Mean	Std. Dev.	Std. Error	95% Confidence Interval for Mean		Min	Max
						Lower Bound	Upper Bound		
Performance	SPM/MCE and under	72	4.14	0.816	0.096	3.95	4.34	2	5
Expectancy	STPM/HCE/Certificate	45	4.05	0.691	0.103	3.84	4.26	2	5
	Diploma	97	4.13	0.84	0.085	3.96	4.3	1	5
	Professional Qualification	7	3.67	0.319	0.121	3.37	3.96	3	4
	University Degree/Masters/Doctoral	176	4.18	0.616	0.046	4.09	4.28	3	5
	Total	397	4.14	0.72	0.036	4.07	4.21	1	5

*Table 4.9 Continued*

Effort	SPM/MCE and under	72	3.78	0.642	0.076	3.63	3.93	2	4
Expentancy	STPM/HCE/Certificate	45	3.73	0.532	0.079	3.57	3.89	3	5
	Diploma	97	3.73	0.674	0.068	3.6	3.87	1	5
	Professional Qualification	7	3.65	0.139	0.053	3.52	3.78	4	4
	University Degree/Masters/Doctoral	176	3.72	0.518	0.039	3.64	3.8	2	5
	Total	397	3.73	0.579	0.029	3.68	3.79	1	5
Social	SPM/MCE and under	72	3.93	0.958	0.113	3.71	4.16	1	5
Influence	STPM/HCE/Certificate	45	3.83	0.843	0.126	3.58	4.08	2	5
	Diploma	97	3.66	1.107	0.112	3.44	3.88	1	5
	Professional Qualification	7	3.33	0.638	0.241	2.74	3.92	3	4
	University Degree/Masters/Doctoral	176	3.48	0.951	0.072	3.33	3.62	1	5
	Total	397	3.64	0.989	0.05	3.54	3.74	1	5
Facilitating	SPM/MCE and under	72	3.84	0.609	0.072	3.7	3.98	3	5
Conditions	STPM/HCE/Certificate	45	3.84	0.658	0.098	3.64	4.04	2	5
	Diploma	97	3.87	0.671	0.068	3.74	4.01	2	5
	Professional Qualification	7	3.45	0.209	0.079	3.26	3.64	3	4
	University Degree/Masters/Doctoral	176	3.72	0.558	0.042	3.64	3.81	1	5
	Total	397	3.79	0.607	0.03	3.73	3.85	1	5
Behavioral	SPM/MCE and under	72	4.19	0.884	0.104	3.99	4.4	2	5
Intention	STPM/HCE/Certificate	45	4.3	0.803	0.12	4.06	4.55	3	5
	Diploma	97	4.21	0.909	0.092	4.03	4.4	1	5
	Professional Qualification	7	3.81	0.325	0.123	3.51	4.11	3	4
	University Degree/Masters/Doctoral	176	4.23	0.824	0.062	4.11	4.36	2	5
	Total	397	4.22	0.847	0.043	4.14	4.31	1	5

Table 4.10

*ANOVA for UTAUT Scores across Academic Background*

		Sum of Squares	df	Mean Square	F	Sig.
Performance	Between Groups	2.289	4	0.572	1.104	0.354
	Within Groups	203.147	392	0.518		
	Total	205.436	396			
Effort_Expectancy	Between Groups	0.255	4	0.064	0.189	0.944
	Within Groups	132.411	392	0.338		
	Total	132.666	396			
Social_Influence	Between Groups	13.162	4	3.291	3.445	0.009
	Within Groups	374.458	392	0.955		
	Total	387.62	396			
Facilitating_Conditions	Between Groups	2.528	4	0.632	1.728	0.143
	Within Groups	143.331	392	0.366		
	Total	145.859	396			

#### 4.7 The Construct Analysis

In this section, results of Pearson Correlation Analysis and multiple regression are presented. These two analysis used to answer the research objective of this study.

The results of both analysis are discussed in the sub-section below.

##### 4.7.1 Pearson Correlation Analysis

Analysis of Pearson Correlation was conducted in order to answer the first research question. This is parametric test used to test the linear relationship between two

metric variables (Piaw, 2012). Thus, this analysis is appropriate to seek the relationship between independent variables and the dependent variables tested in this study. The positive sign was represents for direct relationship and the negative sign shows the inverse relationship.

The correlation analysis in Table 4.11 shows that the relationship between independent variable (performance expectancy) and dependent variable (behavioral intention) exist with strong relationship. The results for correlations shows that the value for this independent variable is 0.784 and significant at 5 per cent level of significant which equal to  $p$ -value 0.000

The second independent variable for this study is effort expectancy. The correlation analysis for this variable result that “effort expectancy” has a positive effect on behavioral intention to accept tax e-filing system in Sarawak. Beta value for this variable presented 0.716 which shows there is very strong relationship exist between effort expectancy and behavioral intention which significant at 5 per cent and  $p$ -value 0.000.

The next independent variable for this study is social influence. The correlation analysis for this independent variable results is a bit lower 0.411. Even so, social influence is considered have a moderate relationship salaried taxpayers’ intention to accept the tax e-filing system. Significant at 5 per cent and  $p$ -value equal to 0.000.

The last independent variable for this study is facilitating conditions. The Beta value for this relationship is 0.766 which presented as second higher score after performance expectancy. The relationship exists between the variables at a strong level. The results of correlations between each variable provide in Table 4.11 below.

Table 4.11  
*The Relationship between Each Variable*

	Performance Expectancy	Effort Expectancy	Social Influence	Facilitating Conditions	Behavioral Intention
Performance Expectancy	1				
Effort Expectancy	.843**	1			
Social Influence	.511**	.599**	1		
Facilitating Conditions	.783**	.800**	.525**	1	
Behavioral Intention	.784**	.716**	.411**	.766**	1

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

#### 4.7.2 Multiple Regressions

Tables 4.12 show the results for model summary.  $R^2$  is used to analyses how far all the study variables (performance expectancy, effort expectancy, social influence and facilitating conditions) can influence the dependent variable (behavioral intention to accept tax e-filing system). Total  $R^2$  for this study is 0.674 (67.4 per cent). To evaluate the influence of the independent variables,  $R^2$  value should be exceeding 50 per cent. Thus, the  $R^2$  value for this study is strong as the score has exceeded 50 per cent requirement to give influence on the dependent variable.

Table 4.12  
*Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.823 <sup>a</sup>	.677	.674	.484
a. Predictors: (Constant), Facilitating_Conditions, Social_Influence, Effort_Expectancy, Performance_Expectancy				
b. Dependent Variable: Behavioral_Intention				

The coefficients results for this study are presented in Table 4.13. Beta value for performance expectancy and facilitating conditions have similar value at 0.559. Both determinants are strongly give effect to the intention to use the tax e-filing system. The intention to use the system also influenced by effort expectancy at 0.046. However the social influence has a negative result of -0.052. The two predictors of performance expectancy and facilitating conditions are significant at 0.000. Effort expectancy are not significant at 0.05 and social influence also not significant at 0.05 however it significant at 0.1 level.

Table 4.13  
*Results of Multiple Regressions*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.192	.165		-1.166	.244
Performance_Expectancy	.559	.067	.475	8.400	.000**
Effort_Expectancy	.046	.090	.032	.512	.609
Social_Influence	-.052	.031	-.061	-1.684	.093*
Facilitating_Conditions	.559	.071	.400	7.834	.000**

a. Dependent Variable: Behavioral\_Intention

\*\*Significant at <0.05 level

\* Significant at <0.1 level

#### **4.8 Discussion on Findings**

The first research question is to find out whether there is any correlation between the four UTAUT components: performance expectancy (PE), effort expectancy (EE), social influence (SI), facilitating conditions (FC) and tax e-filing acceptance in Sarawak. Findings indicate that all the tested UTAUT determinants, namely performance expectancy, effort expectancy, social influence and facilitating conditions are correlated significantly. Those independent variables studied could influence behavioral intention directly.

The results show that PE is having the greatest score of correlation when compared to other three variables. This factor having a very strong relationship toward the intention of taxpayers to use tax e-filing in returning their tax form. For example, when high believe in using the system which could increase their performance, then, it will positively increase the intention to use the system.

In similar way, the EE also have a positive effect toward the behavioral intention to use tax e-filing system. In other words, the salaried taxpayers in Sarawak could attract to adopt the system when they expect the technology introduced is free or less effort needed. They expected there is less effort to use the tax e-filing system. When the system is highly less effort, the use of tax e-filing also increased.

The relationship exists in the same way to the SI factor. The correlation between the SI and behavioral intention however has a small score as compared to other factors. Social influence able to influence the salaried taxpayers in Sarawak to use the tax e-filing system. People who are closely related around taxpayers (eg; parent, colleagues) will affect or influence taxpayers to accept the tax e-filing.

The FC also found as having a very strong relationship toward intention to use tax e-filing system. This means that salaried taxpayers in Sarawak will increasingly use the tax e-filing system when the tax authority provides the facilities and technical support. Necessary resources and knowledge could help them in using the system. Encouragement from tax authority and supported from Malaysia's Government will increase level of acceptance toward the system.

Secondly, this study aims to reveal the most significant determinant of tax e-filing acceptance in Sarawak. The results of multiple regression analysis indicate that PE, FC and SI were the significant factors in determining the acceptance of tax e-filing system in Sarawak.

For PE, this present study have found as significant determinants of intention to use tax e-filing system in Sarawak. This result is similar to Venkatesh et al., (2003) which they found that the performance expectancy are the most significant factor

affect the people behavior to use technology. Anderson et al, 2006 found that the perceived benefits or relative advantage of the technology initiated have impact on the intention to adopt or use the technology. The results also in line with several local studies in Malaysia (Ambali, 2009; Lean et al., 2009; Anuar and Othman, 2010)

As expected, EE was found as non-significant in this study. However this result is in line with Ludwig et al.,2009 which also found that the EE is not significant in their study. The complexity may reduce the intention to adopt the technology. Another studies which in line with the result were Schaupp et al., (2010); Carter and Schaup, (2009); Wu and Chen, (2005).

SI also one of the tax e-filing system acceptance determinants in Sarawak found in this study. It is similar results to the previous international studies (Venkatesh et al., 2003; Ludwig et al., 2009; Carter and Schaupp, 2009; Mamta, 2012). Most of studies in Malaysia (Hussein et al., 2011; Ramayah, 2009; Anuar and Othman, 2010)

FC found as significant determinant after PE in this study. It is supported by several previous studies (Ludwig et al., 2009, Ambali, 2009; Suki and ramayah, 2010). Individual is more likely to adopt the new technology if that technology associated with certain facility such as training and support provided.

#### 4.9 Summary of Results

This study is tested the acceptance of tax e-filing system among salaried taxpayers in Sarawak. For that purpose, there are four hypothesis have been developed. The findings show that, performance expectancy, facilitating conditions and social influence are significantly supported in this study. However effort expectancy are not supported. The summary of results is presented in the Table 4.14 below:

Table 4.14  
*Summary of Results*

<b>Variable</b>	<b>Hypothesis</b>	<b>Results</b>
Performance Expectancy	H <sub>1</sub> : Performance expectancy has a positive influence on behavioral intention to accept tax e-filing system in Sarawak	Supported
Effort Expectancy	H <sub>2</sub> : Effort expectancy has a positive effect on behavioral intention to accept e-filing system in Sarawak	Not Supported
Social Influence	H <sub>3</sub> : Social influence has a positive effect on behavioral intention to accept e-filing system in Sarawak	Supported
Facilitating Conditions	H <sub>4</sub> : Facilitating conditions has a positive effect on behavioral intention to accept e-filing system in Sarawak	Supported

#### 4.10 Chapter Summary

This chapter discussed on the findings of this research. Several analyses (t-test; one-way ANOVA; Pearson Correlation Coefficient and Multiple Regression) applied to describe the background and answer the research objective. The findings indicate that all the independent variable have positive relationship with dependent variable. However only three determinants have a significant relationship with the intention to use the tax e-filing (performance expectancy; social influence and facilitating condition). Based on the result, all the variables have positive significant relationship with dependent variable. Thus, it can be conclude that, all of the four UTAUT determinants have a positive influence toward the behavioral intention to use tax e-filing.

Secondly, the finding of this study indicates that performance expectancy, facilitating condition and social influence are the significant determinants of intention to use tax e-filing system in Sarawak. Performance expectancy and facilitating conditions have significant results at 0.00 and social influence is significant at  $< 0.10$ . The significant level at  $< 0.10$  is considered significant in this study because the study is an exploratory study which first time conducted in Sarawak. Thus, it can be concluded that performance expectancy, facilitating conditions and social influence are the main driver of tax e-filing acceptance in Sarawak.

## CHAPTER 5

### CONCLUSION AND RECOMMENDATION

#### 5.1 Introduction

This chapter is divided into four parts. It begins with the theoretical, practical/policy implication of the study. Next, the limitation of the study is presented in second part. Then, follow by the recommendation proposed for future research are given. Finally, the conclusion is accordingly drawn.

#### 5.2 Implication of the Study

The findings of this study as discussed in chapter 4, have a significant implication on the theoretical and practical/policy respectively. The implications of the study are discussed below.

##### 5.2.1 Theoretical Implication

One of the implications for this study is theoretically contribute to the current literature of behavioral study. This study is in effort to identify the factors that influence the tax e-filing system among salaried taxpayers in Sarawak. Thus, the finding has been specifically adding to the existing literature on tax e-filing system in Malaysia. Even, few studies found have been conducted in tax e-filing system, but the previous studies mostly conducted in different place of respondents, and they also used another type of respondents such corporate taxpayers.

### **5.2.2 Practical/Policy Implication**

The implications toward practical or policy has been identified in this study. Firstly, the findings of this study provide beneficial information to the policy maker in view of taxation. Performance expectancy, effort expectancy and social influence have found as the main driver of tax e-filing system acceptance in Sarawak. Therefore, the policy makers, Malaysian government, Ministry of Finance and other related organizations, specifically Inland Revenue Board of Malaysia (IRBM) should highlight the salaried taxpayers perceive especially on these three factors of tax e-filing system. Salaried taxpayers in Sarawak perceived the performance of the system is important to them. They also seek the facility provided by the IRBM as to support them when using the system. Thus, it is hope that, for example, IRBM could provide more trained ground staff to facilitate and help taxpayers when they use the e-filing system.

The tax authority (IRBM) should continuously improve the security level of data so as to obtain and increase taxpayers' belief in using tax e-filing. The IRBM should conduct massive awareness programs to inform taxpayers about the benefits of tax e-filing, including educating taxpayers on how to use e-filing through a hands-on program. The capacity of the system should be upgraded to avoid congestion during peak period submission, i.e., close to tax e-filing due date.

### **5.3 Limitation of the Study**

There are two limitations associate with this study. First limitation is related to the population of this study. Sample was taken to represent the population. This study is limited to Sibu town which out of four main town in Sarawak. Even generality test has been conducted, the results presented in this study should be carefully used.

Second limitation is associated with the factor that influenced the salaried taxpayers acceptance on tax e-filing system in Sarawak. In this study, the UTAUT factor has been tested without considering the moderating variables. Thus, the results may difference if the moderating variables is recognized in this study. The moderating effect is believed could give a strong impact to the behavioral intention.

### **5.4 Recommendations for Future Research**

This study has indirectly contributed to the body of knowledge on behavioral intention. However, there are still gaps for further study. To enhance and improve the body of knowledge, similar research can be conducted in different fields, such as other e-Government services. With regards to other units of analysis, the same area of research could be applied. It is believed that different perspectives would result in different expectations. For example, a study on non-resident taxpayers as a unit analysis could be undertaken. In addition, future study on similar research also can be conducted on the other IRBM system.

## 5.5 Conclusion

Malaysian government have introduced various types of e-Government services. Generally, the purpose for every system introduced was to enhance the efficiency and productivity as well as reduced the cost of operations. Therefore, a comprehensive understanding of the technology acceptance towards the tax e-filing system may provide useful insights concerning to the system used. In this study, the concern was on tax e-filing system where the take up rate only recorded at 50 per cent achievement among salaried taxpayers in Sarawak. Thus, the factors that influence salaried taxpayers to use the system need to be investigated and the determinants of tax e-filing acceptance is a desperate need to identify. The findings on the acceptance of taxpayers may assist the tax authority in developing and formulating more suitable strategies to speed up the acceptance of the e-filing system among taxpayers.

This study aims to reveals that behavioral intention to use tax e-filing system is influenced by the four determinants of performance expectancy (PE), effort expectancy (EE), social influence (SI) and facilitating conditions (FC). The second purpose of this study is to identify the significant determinant of tax e-filing system acceptance in Sarawak. The findings in this study suggested that the PE, EE, SI and FC are the factors that shaping the salaried taxpayers acceptance in Sarawak. However, EE was found highly correlated to the usage intention, it is not a significant predictor for tax e-filing acceptance among the salaried taxpayers in

Sarawak.

These empirical findings are valuable to both of tax authority and taxpayers. It can help the Malaysian tax authority in general and Sarawak branch in specific to enhance the use of tax e-filing system in Sarawak specifically by considering the behavioral determinants of PE, FC and SI and show how they have a positive effect on the system. The findings can help the IRBM to focus on priority areas/variables (PE/FC/SI) as found in this study, to boost the tax e-filing system acceptance in Sarawak. For taxpayers, their intention to use the system will increase when their perception toward the system benefits met their expectation.



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# **The Acceptance of Tax E-Filing System among Salaried Taxpayers in Sarawak**

Dear participant,

This questionnaire is designed to study about the intention to use tax e-filing system among salaried taxpayers in Sarawak. Your participation is highly appreciated.

This study is conducted as a partial fulfilment for my Master of Science (International Accounting) degree from the Universiti Utara Malaysia. 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.

Your sincerely,

Masriah Binti Alias

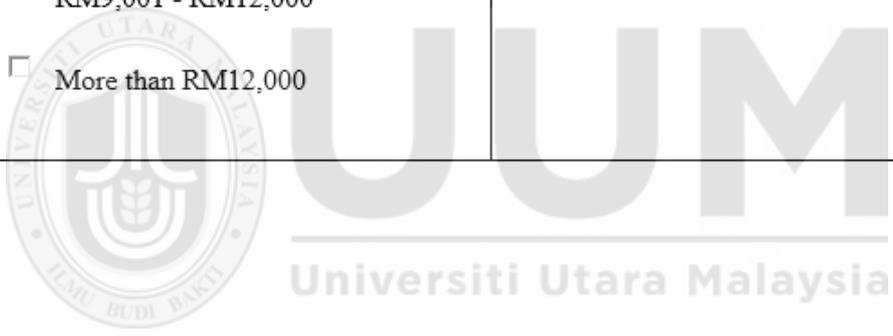
Master of Science (International Accounting), College of Business,  
Universiti Utara Malaysia, 06010 Sintok, Kedah Darulaman

## SECTION A : PERSONAL DETAILS

Please tick the appropriate details.

<p><b>1. Gender:</b></p> <p><input type="checkbox"/> Male</p> <p><input type="checkbox"/> Female</p> <p><b>2. Age:</b></p> <p><input type="checkbox"/> 24 and under      <input type="checkbox"/> 25 - 34</p> <p><input type="checkbox"/> 35 - 44      <input type="checkbox"/> 45 - 54</p> <p><input type="checkbox"/> 55 - 64      <input type="checkbox"/> 65 and over</p> <p><b>3. Marital status:</b></p> <p><input type="checkbox"/> Single      <input type="checkbox"/> Married</p> <p><input type="checkbox"/> Others (<i>Please specify:</i> _____)</p> <p><b>4. Ethnicity:</b></p> <p><input type="checkbox"/> Malay      <input type="checkbox"/> Chinese</p> <p><input type="checkbox"/> Indian      <input type="checkbox"/> <u>Sarawakian</u></p> <p><input type="checkbox"/> Others (<i>Please specify:</i> _____)</p>	<p><b>5. Location:</b></p> <p><input type="checkbox"/> Kuching      <input type="checkbox"/> Miri</p> <p><input type="checkbox"/> <u>Sibu</u>      <input type="checkbox"/> <u>Bintulu</u></p> <p><input type="checkbox"/> <u>Kapit/Song</u>      <input type="checkbox"/> <u>Limbang</u></p> <p><input type="checkbox"/> <u>Mukah</u>      <input type="checkbox"/> <u>Sri Aman</u></p> <p><input type="checkbox"/> <u>Samarahan</u>      <input type="checkbox"/> <u>Sarikei</u></p> <p><input type="checkbox"/> <u>Betong</u>      <input type="checkbox"/> <u>Serian</u></p> <p><b>6. Highest education level: *</b></p> <p><input type="checkbox"/> SPM/MCE and under</p> <p><input type="checkbox"/> STPM/HCE/Certificate</p> <p><input type="checkbox"/> Diploma</p> <p><input type="checkbox"/> Professional Qualification</p> <p><input type="checkbox"/> University Degree/Masters/Doctoral</p> <p><b>7. Working Sector:</b></p> <p><input type="checkbox"/> Public Sector      <input type="checkbox"/> Private Sector</p> <p><input type="checkbox"/> Others (<i>Please specify:</i> _____)</p>
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<p><b>8. Level of Occupation:</b></p> <p><input type="checkbox"/> Management and Professional Group</p> <p><input type="checkbox"/> Supporting Group</p> <p><input type="checkbox"/> Others (<i>Please specify:</i> _____)</p> <p><b>9. Monthly income:</b></p> <p><input type="checkbox"/> Less than RM3,000</p> <p><input type="checkbox"/> RM3,000 - RM6,000</p> <p><input type="checkbox"/> RM6,001 - RM9,000</p> <p><input type="checkbox"/> RM9,001 - RM12,000</p> <p><input type="checkbox"/> More than RM12,000</p>	<p><b>10. Do you have other sources of income than salary?</b></p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><b>11. Using the scale below, please indicate your level of information technology (IT) knowledge:</b></p> <p>1    2    3    4    5</p> <p>Poor ○   ○   ○   ○   ○   Excellent</p>
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## SECTION B : PERCEPTIONS ON TAX E-FILING SYSTEM

**E-Filing systems\*** refers to electronic filing of your income tax form using computer and internet connection. The following statements are divided into FIVE parts and ask your opinion regarding tax e-Filing system. Using the scale below, please indicate your level of agreement with each of the following statements that best reflects your own opinion.

### I. PERFORMANCE EXPECTANCY (PE)

In this part, please indicate your personal perception on the benefits that could be offered by the tax e-filing system using the scale below.

**PE1** : I find/would find the tax e-filing system provided by LHDNM is useful to submit my income tax form.

1      2      3      4      5

Strongly Disagree                  Strongly Agree

**PE2** : Using tax e-filing system enables me to filing the tax form more quickly.

1      2      3      4      5

Strongly Disagree                  Strongly Agree

**PE3** : Using tax e-filing system would improve my performance.

1      2      3      4      5

Strongly Disagree                  Strongly Agree

**PE4** : Using the tax e-filing system would save my costs of filling my tax return.

1      2      3      4      5

Strongly Disagree                  Strongly Agree

**PE5** : If I use the system, I will get my tax refund more quickly.

1      2      3      4      5

Strongly Disagree                  Strongly Agree

**PE6** : If I use the system, the personal data would be more secure.

1 2 3 4 5

Strongly Disagree      Strongly Agree

## II. EFFORT EXPECTANCY (EE)

In this part, please indicate your personal perception on the use of tax e-filing system using the scale below.

**EE1** : My interaction with the tax e-Filing system is/would be clear and understandable.

1 2 3 4 5

Strongly Disagree      Strongly Agree

**EE2** : It would be easy for me to become skilful at using the tax e-Filing system provided by LHDNM.

1 2 3 4 5

Strongly Disagree      Strongly Agree

**EE3** : I find that it is easy to use the tax e-Filing system provided by LHDNM.

1 2 3 4 5

Strongly Disagree      Strongly Agree

**EE4** : Learning to operate the tax e-Filing system is easy for me.

1 2 3 4 5

Strongly Disagree      Strongly Agree

**EE5** : Using the system is a bad idea.

1 2 3 4 5

Strongly Disagree      Strongly Agree

**EE6** : The system makes filing income tax more interesting.

1 2 3 4 5

Strongly Disagree      Strongly Agree

**EE7** : I like filing my tax return form with the tax e-Filing system.

1 2 3 4 5

Strongly Disagree      Strongly Agree

### III. SOCIAL INFLUENCE (SI)

In this part, please indicate your personal perception on the influence of other people on using the tax e-filing system.

**SI1** : My colleagues who influence my behavior think that I should use the tax e-Filing system.

Strongly Disagree      Strongly Agree

**SI2** : My parents who influence my behavior think that I should use the tax e-Filing system.

1 2 3 4 5

Strongly Disagree      Strongly Agree

**SI3** : People who are important to me (e.g. my family) think that I should use tax e-Filing system for submitting my tax return form.

1 2 3 4 5

Strongly Disagree      Strongly Agree

## IV. FACILITATING CONDITIONS (FC)

In this part, please indicate your personal perception on the existing of infrastructures to support the use of the tax e-filing system.

**FC1** : I have the resources necessary to use the tax e-Filing system.

1    2    3    4    5

Strongly Disagree      Strongly Agree

**FC2** : I have the knowledge necessary to use tax e-Filing system.

1    2    3    4    5

Strongly Disagree      Strongly Agree

**FC3** : The tax e-filing system is not compatible with other system I use.

1    2    3    4    5

Strongly Disagree      Strongly Agree

**FC4** : I could complete my tax filing using the system without anybody telling me what to do as I go.

1    2    3    4    5

Strongly Disagree      Strongly Agree

**FC5** : I could complete my tax filing using the system if I could call someone for help if I got stuck.

1    2    3    4    5

Strongly Disagree      Strongly Agree

**FC6** : In general, Lembaga Hasil Dalam Negeri Malaysia (LHDNM) has encouraged the use of tax e-filing system.

1    2    3    4    5

Strongly Disagree      Strongly Agree

**FC7** : In general, Malaysia's Government has supported the use of tax e-Filing system.

1    2    3    4    5

## V. BEHAVIORAL INTENTIONS (BI)

In this section, please indicate your personal intention to use the tax e-filing system in the future.

**BI1** : I Intend to use tax e-filing system in the next tax filing season.

1    2    3    4    5

Strongly Disagree      Strongly Agree

**BI2** : I predict I will use tax e-filing system to submit my tax form.

1    2    3    4    5

Strongly Disagree      Strongly Agree

**BI3** : I have a plan to use e-Filing system in the near future.

1    2    3    4    5

Strongly Disagree      Strongly Agree



**UUM**  
Universiti Utara Malaysia

~~~**THANK YOU FOR YOUR COOPERATION**~~~

Reliability Test Results

**Reliability**

| Notes          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Output Created | 03-JAN-2017 20:18:31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Comments       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Input          | Data C:\Users\User\Desktop\MY<br>THESIS\SPSS\PILOT TEST N30 new.sav<br>Active Dataset DataSet5<br>Filter <none><br>Weight <none><br>Split File <none><br>N of Rows in Working Data 30<br>File<br>Matrix Input<br>Definition of Missing User-defined missing values are treated as<br>missing.<br>Missing Value Handling Cases Used Statistics are based on all cases with valid<br>data for all variables in the procedure.<br>Syntax RELIABILITY<br>/VARIABLES=PE1 PE2 PE3 PE5 PE4<br>PE6<br>/SCALE('ALL VARIABLES') ALL<br>/MODEL=ALPHA<br>/STATISTICS=SCALE.<br>Resources Processor Time 00:00:00.00<br>Elapsed Time 00:00:00.02 |

[DataSet5] C:\Users\User\Desktop\MY THESIS\SPSS\PILOT TEST N30 new.sav

**Scale: ALL VARIABLES**

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .961             | 6          |

**Scale Statistics**

| Mean  | Variance | Std. Deviation | N of Items |
|-------|----------|----------------|------------|
| 23.43 | 30.116   | 5.488          | 6          |

## Reliability

| Notes                  |                                                                                                                                                                                                                                                                                            |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Output Created         | 03-JAN-2017 20:21:22                                                                                                                                                                                                                                                                       |
| Comments               |                                                                                                                                                                                                                                                                                            |
| Input                  | Data C:\Users\User\Desktop\MY<br>THESIS\SPSS\PILOT TEST N30 new.sav<br>Active Dataset DataSet5<br>Filter <none><br>Weight <none><br>Split File <none><br>N of Rows in Working Data 30<br>File<br>Matrix Input<br>Definition of Missing User-defined missing values are treated as missing. |
| Missing Value Handling | Statistics are based on all cases with valid data for all variables in the procedure.                                                                                                                                                                                                      |
| Cases Used             |                                                                                                                                                                                                                                                                                            |
| Syntax                 | RELIABILITY<br>/VARIABLES=EE1 EE2 EE3 EE4 EE5 EE6<br>EE7<br>/SCALE('ALL VARIABLES') ALL<br>/MODEL=ALPHA<br>/STATISTICS=SCALE.                                                                                                                                                              |
| Resources              | Processor Time 00:00:00.00<br>Elapsed Time 00:00:00.00                                                                                                                                                                                                                                     |

[DataSet5] C:\Users\User\Desktop\MY THESIS\SPSS\PILOT TEST N30 new.sav

### Scale: ALL VARIABLES

#### Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .897             | 7          |

#### Scale Statistics

| Mean  | Variance | Std. Deviation | N of Items |
|-------|----------|----------------|------------|
| 24.07 | 29.720   | 5.452          | 7          |

## Reliability

### Notes

|                        |                                                                                       |                                                                                       |
|------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Output Created         | 03-JAN-2017 20:22:57                                                                  |                                                                                       |
| Comments               |                                                                                       |                                                                                       |
| Input                  | Data                                                                                  | C:\Users\User\Desktop\MY THESIS\SPSS\PILOT TEST N30 new.sav                           |
|                        | Active Dataset                                                                        | DataSet5                                                                              |
|                        | Filter                                                                                | <none>                                                                                |
|                        | Weight                                                                                | <none>                                                                                |
|                        | Split File                                                                            | <none>                                                                                |
|                        | N of Rows in Working Data File                                                        | 30                                                                                    |
|                        | Matrix Input                                                                          |                                                                                       |
| Missing Value Handling | Definition of Missing                                                                 | User-defined missing values are treated as missing.                                   |
|                        | Cases Used                                                                            | Statistics are based on all cases with valid data for all variables in the procedure. |
| Syntax                 | RELIABILITY<br>/VARIABLES=SI1 SI2 SI3<br>/SCALE('ALL VARIABLES') ALL<br>/MODEL=ALPHA. |                                                                                       |
| Resources              | Processor Time                                                                        | 00:00:00.00                                                                           |
|                        | Elapsed Time                                                                          | 00:00:00.00                                                                           |

[DataSet5] C:\Users\User\Desktop\MY THESIS\SPSS\PILOT TEST N30 new.sav

## Scale: ALL VARIABLES

### Case Processing Summary

|       |                       | N  | %     |
|-------|-----------------------|----|-------|
| Cases | Valid                 | 30 | 100.0 |
|       | Excluded <sup>a</sup> | 0  | .0    |
|       | Total                 | 30 | 100.0 |

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

### Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .847             | 3          |

## Reliability

|                        |                                | Notes                                                                                                                      |
|------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Output Created         |                                | 03-JAN-2017 20:26:41                                                                                                       |
| Comments               |                                |                                                                                                                            |
| Input                  | Data                           | C:\Users\User\Desktop\MY THESIS\SPSS\PILOT TEST N30 new.sav                                                                |
|                        | Active Dataset                 | DataSet5                                                                                                                   |
|                        | Filter                         | <none>                                                                                                                     |
|                        | Weight                         | <none>                                                                                                                     |
|                        | Split File                     | <none>                                                                                                                     |
|                        | N of Rows in Working Data File | 30                                                                                                                         |
| Missing Value Handling | Definition of Missing          | User-defined missing values are treated as missing.                                                                        |
|                        | Cases Used                     | Statistics are based on all cases with valid data for all variables in the procedure.                                      |
| Syntax                 |                                | RELIABILITY<br>/VARIABLES=FC1 FC2 FC3 FC4 FC5 FC6 FC7<br>/SCALE('ALL VARIABLES') ALL<br>/MODEL=ALPHA<br>/STATISTICS=SCALE. |
| Resources              | Processor Time                 | 00:00:00.02                                                                                                                |
|                        | Elapsed Time                   | 00:00:00.02                                                                                                                |

[DataSet5] C:\Users\User\Desktop\MY THESIS\SPSS\PILOT TEST N30 new.sav

### Scale: ALL VARIABLES

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .855             | 7          |

**Scale Statistics**

| Mean  | Variance | Std. Deviation | N of Items |
|-------|----------|----------------|------------|
| 24.37 | 31.206   | 5.586          | 7          |

## Reliability

### Notes

|                        |                                                                                                            |                                                                                       |
|------------------------|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Output Created         | 03-JAN-2017 20:25:05                                                                                       |                                                                                       |
| Comments               |                                                                                                            |                                                                                       |
| Input                  | Data                                                                                                       | C:\Users\User\Desktop\MY THESIS\SPSS\PILOT TEST N30 new.sav                           |
|                        | Active Dataset                                                                                             | DataSet5                                                                              |
|                        | Filter                                                                                                     | <none>                                                                                |
|                        | Weight                                                                                                     | <none>                                                                                |
|                        | Split File                                                                                                 | <none>                                                                                |
|                        | N of Rows in Working Data                                                                                  | 30                                                                                    |
|                        | File                                                                                                       |                                                                                       |
| Missing Value Handling | Matrix Input                                                                                               |                                                                                       |
|                        | Definition of Missing                                                                                      | User-defined missing values are treated as missing.                                   |
|                        | Cases Used                                                                                                 | Statistics are based on all cases with valid data for all variables in the procedure. |
| Syntax                 | RELIABILITY<br>/VARIABLES=BI1 BI2 BI3<br>/SCALE('ALL VARIABLES') ALL<br>/MODEL=ALPHA<br>/STATISTICS=SCALE. |                                                                                       |
| Resources              | Processor Time                                                                                             | 00:00:00.00                                                                           |
|                        | Elapsed Time                                                                                               | 00:00:00.00                                                                           |

[DataSet5] C:\Users\User\Desktop\MY THESIS\SPSS\PILOT TEST N30 new.sav

## Scale: ALL VARIABLES

### Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .969             | 3          |

### Scale Statistics

| Mean  | Variance | Std. Deviation | N of Items |
|-------|----------|----------------|------------|
| 11.27 | 10.754   | 3.279          | 3          |

## Reliability

### Performance Expectancy

#### Notes

|                        |                           |                                                                                                   |
|------------------------|---------------------------|---------------------------------------------------------------------------------------------------|
| Output Created         | 03-JAN-2017 20:29:03      |                                                                                                   |
| Comments               |                           |                                                                                                   |
|                        | Data                      | C:\Users\User\Desktop\MY THESIS\SPSS\SPSS 2 - THE ACCEPTANCE OF TAX EF SYSTEM.sav                 |
|                        | Active Dataset            | DataSet1                                                                                          |
| Input                  | Filter                    | <none>                                                                                            |
|                        | Weight                    | <none>                                                                                            |
|                        | Split File                | <none>                                                                                            |
|                        | N of Rows in Working Data | 397                                                                                               |
|                        | File                      |                                                                                                   |
|                        | Matrix Input              |                                                                                                   |
|                        | Definition of Missing     | User-defined missing values are treated as missing.                                               |
| Missing Value Handling | Cases Used                | Statistics are based on all cases with valid data for all variables in the procedure.             |
| Syntax                 |                           | RELIABILITY<br>/VARIABLES=PE1 PE2 PE3 PE4 PE5 PE6<br>/SCALE('ALL VARIABLES') ALL<br>/MODEL=ALPHA. |
| Resources              | Processor Time            | 00:00:00.02                                                                                       |
|                        | Elapsed Time              | 00:00:00.02                                                                                       |

[DataSet1] C:\Users\User\Desktop\MY THESIS\SPSS\SPSS 2 - THE ACCEPTANCE OF TAX EF SYSTEM.sav

## Scale: ALL VARIABLES

#### Case Processing Summary

|       |                       | N   | %     |
|-------|-----------------------|-----|-------|
| Cases | Valid                 | 397 | 100.0 |
|       | Excluded <sup>a</sup> | 0   | .0    |
|       | Total                 | 397 | 100.0 |

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

#### Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .924             | 6          |

## Reliability

### Effort Expectancy

#### Notes

|                        |                           |                                                                                                                            |
|------------------------|---------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Output Created         |                           | 03-JAN-2017 20:33:57                                                                                                       |
| Comments               |                           |                                                                                                                            |
|                        | Data                      | C:\Users\User\Desktop\MY THESIS\SPSS\SPSS 2 - THE ACCEPTANCE OF TAX EF SYSTEM.sav                                          |
|                        | Active Dataset            | DataSet1                                                                                                                   |
| Input                  | Filter                    | <none>                                                                                                                     |
|                        | Weight                    | <none>                                                                                                                     |
|                        | Split File                | <none>                                                                                                                     |
|                        | N of Rows in Working Data | 397                                                                                                                        |
|                        | File                      |                                                                                                                            |
|                        | Matrix Input              |                                                                                                                            |
|                        | Definition of Missing     | User-defined missing values are treated as missing.                                                                        |
| Missing Value Handling | Cases Used                | Statistics are based on all cases with valid data for all variables in the procedure.                                      |
|                        |                           | RELIABILITY<br>/VARIABLES=EE1 EE2 EE3 EE4 EE5 EE6 EE7<br>/SCALE('ALL VARIABLES') ALL<br>/MODEL=ALPHA<br>/STATISTICS=SCALE. |
| Syntax                 |                           |                                                                                                                            |
| Resources              | Processor Time            | 00:00:00.00                                                                                                                |
|                        | Elapsed Time              | 00:00:00.00                                                                                                                |

[DataSet1] C:\Users\User\Desktop\MY THESIS\SPSS\SPSS 2 - THE ACCEPTANCE OF TAX EF SYSTEM.sav

### Scale: ALL VARIABLES

#### Case Processing Summary

|       |                       | N   | %     |
|-------|-----------------------|-----|-------|
| Cases | Valid                 | 397 | 100.0 |
|       | Excluded <sup>a</sup> | 0   | .0    |
|       | Total                 | 397 | 100.0 |

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

#### Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .629             | 7          |

## Reliability

### Social Influence

#### Notes

|                        |                           |                                                                                                            |
|------------------------|---------------------------|------------------------------------------------------------------------------------------------------------|
| Output Created         | 03-JAN-2017 20:35:37      |                                                                                                            |
| Comments               |                           |                                                                                                            |
|                        | Data                      | C:\Users\User\Desktop\MY THESIS\SPSS\SPSS 2 - THE ACCEPTANCE OF TAX EF SYSTEM.sav                          |
|                        | Active Dataset            | DataSet1                                                                                                   |
| Input                  | Filter                    | <none>                                                                                                     |
|                        | Weight                    | <none>                                                                                                     |
|                        | Split File                | <none>                                                                                                     |
|                        | N of Rows in Working Data | 397                                                                                                        |
|                        | File                      |                                                                                                            |
|                        | Matrix Input              |                                                                                                            |
|                        | Definition of Missing     | User-defined missing values are treated as missing.                                                        |
| Missing Value Handling | Cases Used                | Statistics are based on all cases with valid data for all variables in the procedure.                      |
| Syntax                 |                           | RELIABILITY<br>/VARIABLES=SI1 SI2 SI3<br>/SCALE('ALL VARIABLES') ALL<br>/MODEL=ALPHA<br>/STATISTICS=SCALE. |
| Resources              | Processor Time            | 00:00:00.00                                                                                                |
|                        | Elapsed Time              | 00:00:00.00                                                                                                |

[DataSet1] C:\Users\User\Desktop\MY THESIS\SPSS\SPSS 2 - THE ACCEPTANCE OF TAX EF SYSTEM.sav

### Scale: ALL VARIABLES

#### Case Processing Summary

|       |                       | N   | %     |
|-------|-----------------------|-----|-------|
| Cases | Valid                 | 397 | 100.0 |
|       | Excluded <sup>a</sup> | 0   | .0    |
|       | Total                 | 397 | 100.0 |

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

#### Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .891             | 3          |

## Reliability

### Behavioral Intention

#### Notes

|                  |                             |                                                                                                            |
|------------------|-----------------------------|------------------------------------------------------------------------------------------------------------|
| Output Created   | 03-JAN-2017 20:40:17        |                                                                                                            |
| Comments         |                             |                                                                                                            |
|                  | Data                        | C:\Users\User\Desktop\MY THESIS\SPSS\SPSS 2 - THE ACCEPTANCE OF TAX EF SYSTEM.sav                          |
|                  | Active Dataset              | DataSet1                                                                                                   |
| Input            | Filter                      | <none>                                                                                                     |
|                  | Weight                      | <none>                                                                                                     |
|                  | Split File                  | <none>                                                                                                     |
|                  | N of Rows in Working Data   | 397                                                                                                        |
|                  | File                        |                                                                                                            |
|                  | Matrix Input                |                                                                                                            |
| Missing Handling | Definition of Missing Value | User-defined missing values are treated as missing.                                                        |
|                  | Cases Used                  | Statistics are based on all cases with valid data for all variables in the procedure.                      |
| Syntax           |                             | RELIABILITY<br>/VARIABLES=BI1 BI2 BI3<br>/SCALE('ALL VARIABLES') ALL<br>/MODEL=ALPHA<br>/STATISTICS=SCALE. |
| Resources        | Processor Time              | 00:00:00.00                                                                                                |
|                  | Elapsed Time                | 00:00:00.00                                                                                                |

[DataSet1] C:\Users\User\Desktop\MY THESIS\SPSS\SPSS 2 - THE ACCEPTANCE OF TAX EF SYSTEM.sav

### Scale: ALL VARIABLES

#### Case Processing Summary

|       |                       | N   | %     |
|-------|-----------------------|-----|-------|
| Cases | Valid                 | 397 | 100.0 |
|       | Excluded <sup>a</sup> | 0   | .0    |
|       | Total                 | 397 | 100.0 |

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

#### Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .937             | 3          |

T-Test Results

**T-Test**

| Notes                  |                                                                                                                                                                                                                                                                                                             |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Output Created         | 08-JAN-2017 02:45:57                                                                                                                                                                                                                                                                                        |
| Comments               |                                                                                                                                                                                                                                                                                                             |
| Input                  | C:\Users\User\Desktop\MY<br>THESIS\SPSS\SPSS 2 - THE<br>ACCEPTANCE OF TAX EF SYSTEM.sav<br>DataSet2<br>Filter <none><br>Weight <none><br>Split File <none><br>N of Rows in Working Data File 397                                                                                                            |
| Missing Value Handling | Definition of Missing<br>User defined missing values are treated as<br>missing.<br>Statistics for each analysis are based on the<br>cases with no missing or out-of-range data<br>for any variable in the analysis.<br>T-TEST<br>/TESTVAL=0<br>/MISSING=ANALYSIS<br>/VARIABLES=GENDER<br>/CRITERIA=CI(.95). |
| Syntax                 |                                                                                                                                                                                                                                                                                                             |
| Resources              | Processor Time 00:00:00.03<br>Elapsed Time 00:00:00.09                                                                                                                                                                                                                                                      |

[DataSet2] C:\Users\User\Desktop\MY THESIS\SPSS\SPSS 2 - THE ACCEPTANCE OF TAX EF SYSTEM.sav

**One-Sample Statistics**

|                | N   | Mean | Std. Deviation | Std. Error Mean |
|----------------|-----|------|----------------|-----------------|
| TYPE OF GENDER | 397 | 1.53 | .500           | .025            |

**One-Sample Test**

|                   | Test Value = 0 |     |                    |                    |                                              |       |
|-------------------|----------------|-----|--------------------|--------------------|----------------------------------------------|-------|
|                   | t              | df  | Sig.<br>(2-tailed) | Mean<br>Difference | 95% Confidence Interval of<br>the Difference |       |
|                   |                |     |                    |                    | Lower                                        | Upper |
| TYPE OF<br>GENDER | 60.955         | 396 | .000               | 1.529              | 1.48                                         | 1.58  |

Analysis of Variance (One-way ANOVA) Results

**Oneway - ANOVA**

| Notes                          |                                                                                                                                 |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Output Created                 | 15-DEC-2016 06:39:59                                                                                                            |
| Comments                       |                                                                                                                                 |
| Input                          | C:\Users\User\Desktop\MY THESIS\SPSS\SPSS 2 - THE ACCEPTANCE OF TAX EF SYSTEM.sav                                               |
| Data                           | DataSet1                                                                                                                        |
| Active Dataset                 | <none>                                                                                                                          |
| Filter                         | <none>                                                                                                                          |
| Weight                         | <none>                                                                                                                          |
| Split File                     | <none>                                                                                                                          |
| N of Rows in Working Data File | 397                                                                                                                             |
| Definition of Missing          | User-defined missing values are treated as missing.                                                                             |
| Missing Value Handling         | Statistics for each analysis are based on cases with no missing data for any variable in the analysis.                          |
| Cases Used                     | ONEWAY Performance_Expectancy Effort_Expectancy Social_Influence Facilitating_Conditions Behavioral_Intention BY EDUCATIONLEVEL |
| Syntax                         | /STATISTICS DESCRIPTIVES HOMOGENEITY /MISSING ANALYSIS /POSTHOC=TUKEY ALPHA(0.05).                                              |
| Resources                      | Processor Time 00:00:00.06                                                                                                      |
|                                | Elapsed Time 00:00:00.26                                                                                                        |

[DataSet1] C:\Users\User\Desktop\MY THESIS\SPSS\SPSS 2 - THE ACCEPTANCE OF TAX EF SYSTEM.sav

**Test of Homogeneity of Variances**

|                         | Levene Statistic | df1 | df2 | Sig. |
|-------------------------|------------------|-----|-----|------|
| Performance_Expectancy  | 2.452            | 4   | 392 | .046 |
| Effort_Expectancy       | 3.342            | 4   | 392 | .010 |
| Social_Influence        | 1.244            | 4   | 392 | .292 |
| Facilitating_Conditions | 2.247            | 4   | 392 | .063 |
| Behavioral_Intention    | 2.033            | 4   | 392 | .089 |

Pearson Correlation Analysis Results

**Correlations**

| Notes                  |                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Output Created         | 08-JAN-2017 03:04:11                                                                                                                                                                                                                                                                                                                                                              |
| Comments               |                                                                                                                                                                                                                                                                                                                                                                                   |
| Input                  | C:\Users\User\Desktop\MY<br>THESIS\SPSS\SPSS 2 - THE<br>ACCEPTANCE OF TAX EF SYSTEM.sav<br>DataSet2<br>Filter <none><br>Weight <none><br>Split File <none><br>N of Rows in Working Data 397<br>File<br>Definition of Missing<br>Cases Used                                                                                                                                        |
| Missing Value Handling | User-defined missing values are treated as<br>missing.<br>Statistics for each pair of variables are based<br>on all the cases with valid data for that pair.<br>CORRELATIONS<br>/VARIABLES=Performance_Expentancy<br>Effort_Expentancy Social_Influence<br>Facilitating_Conditions Behavioral_Intention<br>/PRINT=TWOTAIL NOSIG<br>/STATISTICS DESCRIPTIVES<br>/MISSING=PAIRWISE. |
| Syntax                 |                                                                                                                                                                                                                                                                                                                                                                                   |
| Resources              | Processor Time 00:00:00.03<br>Elapsed Time 00:00:00.09                                                                                                                                                                                                                                                                                                                            |

[DataSet2] C:\Users\User\Desktop\MY THESIS\SPSS\SPSS 2 - THE ACCEPTANCE OF TAX EF SYSTEM.sav

**Descriptive Statistics**

|                         | Mean | Std. Deviation | N   |
|-------------------------|------|----------------|-----|
| Performance_Expentancy  | 4.14 | .720           | 397 |
| Effort_Expentancy       | 3.73 | .579           | 397 |
| Social_Influence        | 3.64 | .989           | 397 |
| Facilitating_Conditions | 3.79 | .607           | 397 |
| Behavioral_Intention    | 4.22 | .847           | 397 |

|                             |                 | Performance<br>_Expectancy | Effort<br>_Expectanc<br>y | Social_Influ<br>ence | Facilitating<br>_Condition<br>s | Behavior<br>al_Intenti<br>on |
|-----------------------------|-----------------|----------------------------|---------------------------|----------------------|---------------------------------|------------------------------|
| Performance_E<br>xpectancy  | Pearson         | 1                          | .843**                    | .511**               | .783**                          | .784**                       |
|                             | Correlation     |                            |                           |                      |                                 |                              |
|                             | Sig. (2-tailed) |                            | .000                      | .000                 | .000                            | .000                         |
|                             | N               | 397                        | 397                       | 397                  | 397                             | 397                          |
| Effort_Expentan<br>cy       | Pearson         | .843**                     | 1                         | .599**               | .800**                          | .716**                       |
|                             | Correlation     |                            |                           |                      |                                 |                              |
|                             | Sig. (2-tailed) | .000                       |                           | .000                 | .000                            | .000                         |
|                             | N               | 397                        | 397                       | 397                  | 397                             | 397                          |
| Social_Influenc<br>e        | Pearson         | .511**                     | .599**                    | 1                    | .525**                          | .411**                       |
|                             | Correlation     |                            |                           |                      |                                 |                              |
|                             | Sig. (2-tailed) | .000                       | .000                      |                      | .000                            | .000                         |
|                             | N               | 397                        | 397                       | 397                  | 397                             | 397                          |
| Facilitating_Con<br>ditions | Pearson         | .783**                     | .800**                    | .525**               | 1                               | .766**                       |
|                             | Correlation     |                            |                           |                      |                                 |                              |
|                             | Sig. (2-tailed) | .000                       | .000                      | .000                 |                                 | .000                         |
|                             | N               | 397                        | 397                       | 397                  | 397                             | 397                          |
| Behavioral_Inte<br>ntion    | Pearson         | .784**                     | .716**                    | .411**               | .766**                          | 1                            |
|                             | Correlation     |                            |                           |                      |                                 |                              |
|                             | Sig. (2-tailed) | .000                       | .000                      | .000                 | .000                            |                              |
|                             | N               | 397                        | 397                       | 397                  | 397                             | 397                          |

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

Multiple Regression Analysis Results

**Regression**

| Notes                  |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Output Created         | 08-JAN-2017 03:13:58                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Comments               |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Input                  | C:\Users\User\Desktop\MY<br>THESIS\SPSS\SPSS 2 - THE<br>ACCEPTANCE OF TAX EF SYSTEM.sav<br>DataSet2<br><none><br><none><br><none><br>N of Rows in Working Data 397<br>File                                                                                                                                                                                                                                                            |
| Missing Value Handling | Definition of Missing User-defined missing values are treated as missing.<br>Cases Used Statistics are based on cases with no missing values for any variable used.<br>REGRESSION<br>/MISSING LISTWISE<br>/STATISTICS COEFF OUTS R ANOVA<br>/CRITERIA=PIN(.05) POUT(.10)<br>/NOORIGIN<br>/DEPENDENT Behavioral_Intention<br>/METHOD=ENTER<br>Performance_Expentancy<br>Effort_Expentancy Social_Influence<br>Facilitating_Conditions. |
| Syntax                 |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Resources              | Processor Time 00:00:00.02<br>Elapsed Time 00:00:00.07<br>Memory Required 6640 bytes<br>Additional Memory Required for Residual Plots 0 bytes                                                                                                                                                                                                                                                                                         |

[DataSet2] C:\Users\User\Desktop\MY THESIS\SPSS\SPSS 2 - THE ACCEPTANCE OF TAX EF SYSTEM.sav

**Variables Entered/Removed<sup>a</sup>**

| Model | Variables Entered                                                                                          | Variables Removed | Method |
|-------|------------------------------------------------------------------------------------------------------------|-------------------|--------|
| 1     | Facilitating_Conditions,<br>Social_Influence,<br>Performance_Expentancy,<br>Effort_Expentancy <sup>b</sup> | .                 | Enter  |

a. Dependent Variable: Behavioral\_Intention

b. All requested variables entered.

**Model Summary**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .823 <sup>a</sup> | .677     | .674              | .484                       |

a. Predictors: (Constant), Facilitating\_Conditions, Social\_Influence, Performance\_Expentancy, Effort\_Expentancy

**ANOVA<sup>a</sup>**

| Model |            | Sum of Squares | df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 192.438        | 4   | 48.110      | 205.444 | .000 <sup>b</sup> |
|       | Residual   | 91.796         | 392 | .234        |         |                   |
|       | Total      | 284.235        | 396 |             |         |                   |

a. Dependent Variable: Behavioral\_Intention

b. Predictors: (Constant), Facilitating\_Conditions, Social\_Influence, Performance\_Expentancy, Effort\_Expentancy

**Coefficients<sup>a</sup>**

| Model |                         | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|-------|-------------------------|-----------------------------|------------|---------------------------|--------|------|
|       |                         | B                           | Std. Error | Beta                      |        |      |
| 1     | (Constant)              | -.192                       | .165       |                           | -1.166 | .244 |
|       | Performance_Expentancy  | .559                        | .067       | .475                      | 8.400  | .000 |
|       | Effort_Expentancy       | .046                        | .090       | .032                      | .512   | .609 |
|       | Social_Influence        | -.052                       | .031       | -.061                     | -1.684 | .093 |
|       | Facilitating_Conditions | .559                        | .071       | .400                      | 7.834  | .000 |

a. Dependent Variable: Behavioral\_Intention