The Analysis of Factors Which Affect Corporate Taxpayer`s Interest Using e-Filing System

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ABSTRACT

The purpose of this study is to examine the effects of performance expectation, quality system, and user satisfaction toward corporate taxpayers' interest using e-filing system. The population of this study were 1.733 corporate taxpayers who are registered with Tax Office of Central Jakarta as respondents, and the samples were 100 respondents from the population. This study uses a non-probability convenience sampling technique and data was obtained from questionnaires distributed to the respondents. The study shows the variable of performance expectations, system quality, and user satisfaction simultaneously have a significant effect on corporate tax payer`s interest using e-filing system and among those variables, the system quality is the most dominant.

Keywords: E-filing, performance expectations, quality system, user satisfaction

INTRODUCTION

Information and communication technology is being integrated to deliver better and convenient public services in various ways under e-governance. Governments around the world are increasingly integrating this technological development to reinvent public service and dissemination of information for better public administration under various e-governance initiatives. Technological advances has led to production of electronic devices to help in maintaining archives of important government documents. It helps offices to speed up the process of e-governance. The increase in number of taxpayers which are scattered throughout Indonesia requires high quality services,

minimum time and cost involved in tax payment and minimum paper usage in the administrative process. Thus, e-filing system is vital. Mustapha and Obid (2015) stated that online tax system has received global attention through the development of information technology, which affects tax administration system.

The laws of Directorate General of Taxation number PER - 03/PJ/2015 about Procedures for Submission Tax Letter Notification Electronically, defines e-filing as an electronic system to notify the tax return for both individual or firm (corporate or organisation), as media to report tax payment through online system using internet or application service provider. The main objective of e-filing is to improve service for public by facilitating processing tax returns electronically via Internet. This application will reduce the cost and time required by the taxpayer to prepare, process, and submit his tax return on time (Sugihanti, 2011). Through this system, tax return reporting can be expeditious, convenient, and secure.

Gardner and Amoroso (2004) revealed that experience of using g internet impacts on one's interest in using internet. Wiyono (2008) examined tax payers who used e-filing in Indonesia. He reported the attitude of e-filing usage affects the interest of its user. A research about gender differences on social factors and their role in technology acceptance and usage through technology acceptance model (TAM) by Morris and Venkatesh (2000) revealed that information system and the environment have a significant influence in the usage of information system. Venkatesh, Morris, Davis and Davis (2003) reviewed and combined multiple models of system information acceptance. Their study showed that performance expectation, business expectation and social factor influence interest in Information Systems (IS), while interest and conditions influence system information usage.

Dewi (2009) conducted an empirical study on tax payers' acceptance of e-filing. She found perceived usefulness, perceived ease of use, complexity, voluntaries have positive influence on e-filing users. While, experience, attitude, security and privacy, design and content, and speed have negatively influence e-filing usage.

E-filing system operates online and real time system using internet media, through the application service provider's media or Application Service Provider (ASP). Users of e-filing are still quite a few as users of e-filing in KPP Madya Jakarta Pusat. It is caused by lack of socialisation of the DGT or the Taxpayer rejected the new technology in its tax reporting. Although already using E-SPT, the Taxpayer still encounters problems in reporting the tax manually due to the following: long queue which results in wastage of time, long, unable to synchronise the format of data that exist with their data format which is set by the System of Application Providers (ASP) and the Directorate General of Taxation system. Therefore, the taxpayer is expected to be conscientious and must understand how to use e – filing system. Therefore,

the objective of this research is to analyse the effect of performance expectation, quality system, and user satisfaction toward corporate taxpayer`s interest in using the e-filing system.

LITERATURE REVIEW

Performance Expectation

Performance expectation measures how an individual will use information system if it can help him to improve his performance (Handayani, 2007). Venkatesh et al. (2003) defined performance expectations as to what extent one believes that using a system will help him to gain an advantage. Hamzah (2009) explained that this concept describes benefits in terms perceived usefulness, extrinsic motivation, job suitability and relative gain. In the context of e-filing system, performance expectation of e-filing user shows that the system is beneficial for the taxpayer.

System Quality

According to DeLone and McLean in Livari (2003) quality system is a characteristic or feature of desired quality of information system. DeLone and McLean (1992) explained that system quality includes the combination of hardware and software of information system. Kristin and Ekawati (2016) explained the quality of information systems affects the use of KM portal. The qualities of information system as promoted by Directorate General of Taxation are features, performance and user interface.

According to Shannon and Weaver in DeLone and McLean (2003) quality of an information system is measured by a technical achievement. Technical level of communication is defined as the accuracy and efficiency of communication systems that generate information. Sharma and Yadav (2011) found that perceived ease of use, perceived usefulness, perceived credibility, and computer awareness significantly influence customer's acceptance of e-filing. The quality of e-filing can be measured by several indicators, such as ease of use, response time, reliability, flexibility, and security.

Customer Satisfaction

Livari (2005) reported an information system that can fulfil the needs of users will enhance user satisfaction. Some indicators are used to measure user satisfaction: Efficiency, Effectiveness, Satisfaction, and Proudness. Sugihanti (2011) stated that performance expectation, system quality, customer satisfaction significantly influence user's interest toward e-filing.

H1: The expectation performance has a positive influence toward corporate tax payer's interest using e-filing.

H2: The quality system has a positive influence toward corporate tax payer's interest using e-filing.

H3: Customer satisfaction has a positive influence toward corporate tax payer's interest using e-filing.

MATERIALS AND METHODS

The population of this study is 1733 of corporate taxpayers who are registered with Medium Tax Office of Central Jakarta. It uses a non-probability technique with the Convenience sampling method and questionnaire as a data collection instrument. The samples had a margin of error of 10%:

$$n = \frac{1733}{(1+ (1733)\,(0,1)^2)}$$
$$n = 95,677 \text{ rounded to } 100$$

The variables of this study are performance expectancy, system quality, customer satisfaction, and tax payer's interest using e-filing and the answers were measured using a Likert scale ranging from 1 (strongly disagree), 2 (disagree), 3 (doubtful), 4 (agree), 5 (strongly agree).

Validity and Reliability Test

Validity was used to measure the questionnaire. If the corrected item-total correlation > r table, it means the data is valid (Ghozali, 2011). Reliability test is used to determine the consistency of results. . Construct or variables are said to be reliable if they value of Cronbach Alpha > 0.60 (Ghozali, 2011).

Normality Test and Classical Assumption test

The normal distribution test in this study used Kolmogorov-Smirnov Z value. Classical assumption test for linear regression model was to ensure that the model was free from multicollinearity, autocorrelation, and heteroscedasticity.

The regression model is shown on equation (1)

$$Y= \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \varepsilon \ (1)$$

Where:

Y = the use of e-filing by corporate taxpayers

X1 = performance expectancy

X2 = system quality

X3 = customer satisfaction

β1, β2, β3 = regression coefficients

ε = error

Following that, using α 5% the hypothesis will be tested statistically, while the t and F test use multiple regression.

RESULTS AND DISCUSSIONS

Respondents' Profile

The respondents' profile based on type of manufacturing were 15 with a percentage of 15%, and for banking respondent were two with a percentage of 2%, and for the trade and service respondent were to 73 with a percentage of 73%, while other types of businesses are dominated by financial institutions and non-banking respondent were 10 entities with a percentage 10%. Respondents in this study were dominated by those from the trade and services sector.

The respondents' profile based on the type of income tax return was 55% (or 55 respondents). Number of respondents with

value added tax return with percentage of 10% was 10, while the respondents with income tax return and value added tax return with percentage of 35% were 35.

Descriptive Analysis

The result of descriptive statistical analysis is shown in Table 1. It shows the average value of respondents is greater than the standard deviation. It means the data has low variability.

The result of validity and reliability of data

Test validity of the data on variables produces a correlation coefficient greater than 0,197 which means the data is valid while the reliability test results obtained by Cronbach alpha > 0,6 which means the data is reliable.

Normality and classical assumption test results

By using Kolmogorov-Smirnov Z value, the result of asymp. sig. (2-tailed) value shows above α 5% which means all the variables are normally distributed (Table 2). Table 3 shows the results of multicollinearity test. The value of Variance Inflation Factor (VIF) less than 10 shows data is free from multicollinearity. Table 4 shows the Durbin-Watson score for autocorrelation test which point to the data being free from autocorrelation. The heteroscedasticity test use Scatterplot graph. Figure 1 shows data points are spreading and do not form a clear pattern. Classical assumption test result shows that the variables are free of multicollinearity, autocorrelation, and heteroscedasticity.

Hypothesis testing

Table 5 shows the results of the study which point to Performance expectation, quality system and customer satisfaction having a statistically significant effect on the use of e-filing by the corporate taxpayer. Additionally, quality system is the most dominant variable which influences the use of e-filing indicated by the highest Beta Standardised Coefficients.

Table 1
Descriptive statistics

	N	Min	Max	Mean	Deviation Std
Expectation	100	21	34	26.22	3.344
Quality	100	21	35	29.16	3.077
Satisfaction	100	17	34	27.70	2.904
E - Filing	100	22	33	28.36	2.497
Valid N (listwise)	100				

Table 2
The result of normality test One-Sample Kolmogorov-Smirnov test

		Unstandardised Residual
N		100
Normal Parameters a,b	Mean	0E-7
	Std. Deviation	2.23248049
	Absolute	.111
Most Extreme Differences	Positive	.062
	Negative	-.111
Kolmogorov-Smirnov Z		1.111
Asymp. Sig. (2-tailed)		.169

a. Test distribution is Normal.
b. Calculated from data

Table 3
The result of multicollinearity test

Coefficients[a]							
Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tol	VIF
Constant)	10.194	3.737		2.728	.008		
Expectation	.166	.070	.222	2.376	.020	.951	1.051
Quality	.265	.078	.319	3.411	.001	.952	1.051
Satisfaction	.220	.079	.256	2.794	.006	.994	1.006

a. Dependent Variable: E - Filing

Table 4
The result of autocorrelation test

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.448[a]	.200	.175	2.267	1.750

a. Predictors: (Constant), Satisfaction, Quality, Expectation
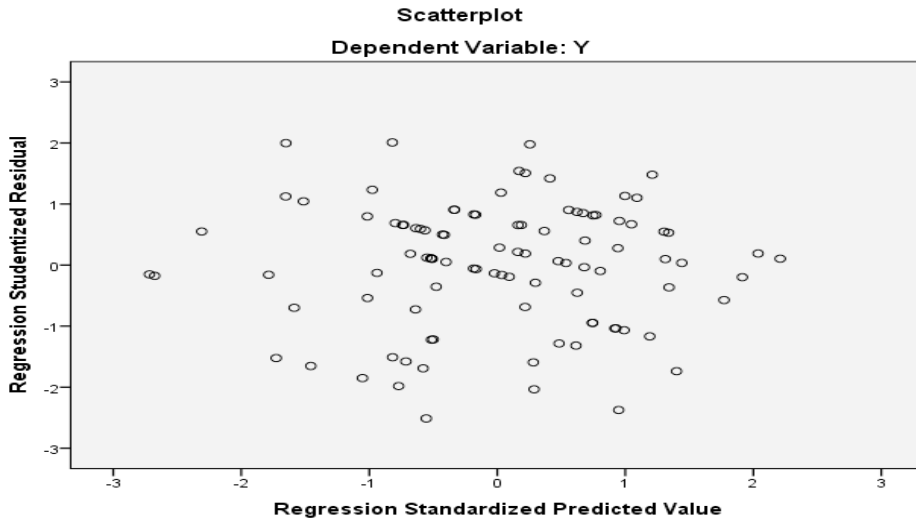b. Dependent Variable: E-Filing

Figure 1. The result of heteroscedasticity

Table 5
The result of multicollinearity test

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Satisfaction	.220	.079	.256	2.794	.006*	.994	1.006

a. Dependent Variable: E - Filing
*Significant at 1% and 5% level
** Significant at 5% level

Performance expectation on corporate taxpayer's interest in using E-filing system

This study proves that performance expectation has significant influence on e-filing usage by taxpayers. Based on the result of t – test, t-count of 2.376 was obtained with a significant level of 0.020.

Performance expectation is indicated by the ability of e - filing system to improve user productivity in completing tax reporting tasks, work effectiveness especially reporting using SPT, the system is available 24 hours, ASP provides electronic receipts in real time after users submit SPT with e-filing, e-filing can reduce expenses,

improve the performance of tax reporting and generate information for decision making.

Without the expectation of e-filling performance, the corporate taxpayer will have difficulty paying taxes and submitting tax returns, which means he or she neglects their tax obligation. Sugihanti (2011) in his research entitled "Analysis Factors Affecting Tax Behavior To Use E-filing Empirical Studies on Corporate Taxpayers" showed performance expectations have a significant effect on the corporate taxpayers' interest in using e-filing system.

System quality on corporate taxpayer's interest using E-filing system

According to T – test, t-count is equal to 3.411 with significant level 0.001. Therefore t – count > t - table at significant level of 0.05. It proves system quality has significant influence on the corporate taxpayer. The quality of the system is indicated by the fact y e-filing system is used easily and conveniently by corporate user in reporting taxes and its does not require extra effort, ASP server (Application Provider Services) can be accessed quickly, easily and conveniently, e-filing system can respond and deliver confirmation quickly, e-filing system has security to protect confidentiality of corporate user data, the process of sending data to the Directorate General of Taxes (2015) contains no error even though the e-filing user submits large data size, flexibility for users in utilising tax reporting services, and a e-filing system

provides sufficient information data for user needs. Therefore, improving quality of the system leads to an increase in usage of e filing by corporate taxpayers.

User satisfaction on corporate taxpayer's interest using E-filing system

In this study, user satisfaction has a significant influence on the use e-filing system. From the results of t – test, t - count was 2.794 with a significant level is 0.006. Users are satisfied e-filing system is effective for tax reporting and the ability of e-filing systems to provide pleasant experience for users. Other indicators are users use e-filing at all times, they find no difficulty in operating e-filing applications, they have a desire to continue using e-filing for the future, they save time in tax reporting, and they always use e-filing to report taxes because the features are beneficial. In the implementation of the e-filing system, users are satisfied with the e-filing system. If the level of user satisfaction is low, the user will not use the system in the future. This shows that user satisfaction is often used as a proxy for the success of an applied system.

CONCLUSION

This study investigated the effect of performance expectation, system quality, and user satisfaction on corporate tax payer's interest in using e-filing. It revealed performance expectation positively influenced corporate tax payer's interest in using e-filing. It shows that the belief in the benefits of e-filing will provide

convenience, saves time in submitting tax returns, and assures security that confidential information is not leaked out – all these will drive corporate taxpayers to use e-filing.

Additionally, it was found quality system had a positive effect on corporate tax payer's interest in using e-filing. This finding suggests ease of operation, speed of access, reliability system, and security in the use of e-filing will affect interest of corporate taxpayers to use e-filing in submitting their tax return.

User satisfaction also had statistically positive effect on corporate tax payer's interest in using e-filing. Seddon and Kiew (1994) stated that customer satisfaction is the overall evaluation of user experience in using information systems. It is related to the benefits taxpayer can gain in using this system. These findings suggest that efficiency and effectiveness of the use of e-filing lead to greater satisfaction and pride in utilising e-filing for tax returns. In this information-communication technology era, governments are required to develop a reliable, fast and customised channel for service delivery under various e-governance initiatives. Future research should focus on other factors that influence the usage of e-filing by the government taxpayer, private taxpayer and state treasurer.

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