Challenges of implementing E-filing tax System Case study of Large Taxpayers office in Ethiopia

By

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This is to certify that the thesis prepared by Dilet Sisay Abera entitled "Challenges of implementing e-filing tax system: The case of Large Taxpayers Office (LTO)", which is submitted in partial fulfillment of the requirements for the Master of Business Administration in Accounting and Finance complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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This thesis has been submitted to St.Mary's University college school of Graduate studies for preparation with my approval as a university advisor.

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TABLE OF CONTENTS

DECLARATION……………………………………………………………………iii
ACKNOWLEDGMENTS …………………………….………………….. iv
ABSTRACT ………………………….……….………………............. v
LIST OF TABLES………………………………………….……............... vi
LIST OF FIGURES……………………..……….….……...................... viii
ABBERVATION……………………………………………………………...ix

CHAPTERS **Page**
1. INTRODUCTION………………………………..…….……...….….………1
1.1 Background …..……..………………………….……….……..………………. 1
1.2 Problem Statement ………………………….…….…….………..……….. 2
1.3 Research question….……………………….……….…….…..……..………… 3
1.4 Research objective………………………….………..……......………………. 3
1.5 Significance of the study……………………………….……….…..…...……… 4
1.6 Scope of Study……………………………………..…………………………….. 4
1.7 Limitation of Study………………………………...…..………………………. 5
1.8 Organization of the Study………………………..…………………………….. 5
2 LITERATURE REVIEW…………………………..…...…………………………. 7
2.1 Theoretical review of e-filing tax ……………..………………………………… 7
2.1.1 Technology Adoption …………………...………...………………………… 7
2.1.2 Adoption of e-filing tax ………………….……..………..…………………….. 9
2.1.3 Technology Acceptance Model (TAM)…………………………………………...11
2.1.4 Perceived usefulness …………………….………………..…..…………………… 13
2.1.5 Perceived easy to use …………………………..……………….……………… 13
2.1.6 Perceived Risk………………………………………..………...……….……… 14
2.2 Empirical Review ……………………..………………..……..………… …….15
2.4 Summary of Literature Review………………...………...…...…………… 25
3 RESEARCH METHODOLOGY…………………………....…...…………….…...26
3.1 Selection of Measures……………….…………………..…..………………….26

3.2 Research Approaches ……..……..26
3.3 Research Methods ……..……27
3.4 Source of data……..… ..…..…….……27
3.4.1 Sampling of Designs ……..……..…….28
3.4.2 Population and Sampling procedure..……..…..…… 28
3.4.3 Data Collection Procedures…….28
3.5 Data Analysis Techniques……..…...……29
4 DIUSCUSSION…….……...……...30
4.1 Profile of the Respondents……...…….…….……..30
4.2 Descriptive Data ……..……..……...…….36
5 Findings, Recommendation and Conclusion…..……..…..……..…… 41
5.1 Findings ... ……..…….……41
5.2 Recommendation ……..…..…….……..42
5.3 Conclusion ……..……..……..44
Reference
ANNEXURES
Appendix A: Questionnaire
Appendix B: Research analysis

Abstract

Online tax system is an important innovation in managing and effective tax administration system. Its implementation has been influenced by several factors. Therefore, this paper examines the influence of technology characteristics (ease of use, usefulness, facility and perceived risk) on an online tax system. The sample size 92 respondents to do this, a questionnaire was administered and analyzed using structural questions by convenience non-probable sampling methods.. The result showed that all the indicators of technology are statistically significant as a measure of online tax system. It also indicates problems in e-filing tax system. This study would give a better understanding of the prospect and challenges in online tax system. In particular it studies would help ERCA to understand the problems related factors on the online tax system however, its effective implementation has suffers major setbacks arising from poor information and technological infrastructure.

Keywords: online tax system, Technology, easy to use, usefulness, facility, risk

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"I can do things you cannot, you can do things I cannot, but together we can do great things."
Mother Teresa.

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"It always seems impossible until it is done." Nelson Mandela

LIST OF TABLES

TABLES……..**Page**

Table 4.1: Respondents Gender……..…….30

Table 4.2: Respondents Age group……..31

Table 4.3: Nationality e-filler……...32

Table 4.4: Profession of e-filers…….……..…….33

Table 4.5: Tax and technology knowledge..…….35

Table 4.6: e-filing easy to use……...36

Table 4.7: usefulness of e-filing…….……...37

Table 4.8: perceived risk in using e-filing……...…….…38

Table 4.9: facility to use e-filing……...……39

LIST OF FIGURES

FIGURES……..**Page**

Figure 4.1: Gender ……..31

Figure 4.2: Respondents Age group …….……..32

Figure 4.3: Nationality e-filer ……..……33

Figure 4.4: Professions of e-filers……34

Abbreviations

E-filing tax – Electronic filing Tax

LTO – Large taxpayer's office

ERCA – Ethiopia Revenue and Customs Authority

IT – Information Technology

TAM – Technology Acceptance Model

TAR – Theory Reasoned Action

TPB - Theory of Planned Behavior

VAT – Value Added Tax

PU – Perceived Usefulness

PR - perceived risk

PEOU - perceived ease of use

PF - perceived facility

Chapter One: Introduction

1.1 Background of the study

Governments today are under an increasing pressure to improve the delivery of public services in cost effective ways. To meet this challenge for example tax authorities are turning to e-government led solutions like electronic tax filing (e-filing) (Amitabh et al., 2009). To date, the use of ICT is prominent in business and tax settings. Notably, tax authorities around the world are using electronic tax administration systems to interact with taxpaying public in tax collection, administration and compliance settings. Technology has influenced the way we work, play, and interact with others. The use of technology to improve the effectiveness of tax administration, expand taxpayer services, and enhance tax compliance has come to attract increasing attention in developed and developing countries (Dowe, 2008).

Pippin and Tuson (2008) describe Electronic government (e-government) services as tools to improve democracy, transparency, and accountability as well as possibly government performance. These systems are said to have enhanced relationships between clients and suppliers, logistics partners etc. As a result organizations including governments around the world have increasingly realized the importance of leveraging information technology and the internet to streamline government services and provide better customer services to its people. Fenwick and Browstone (2002) argue that adopting e-filing will require fundamental changes in organization, operation, management, and resource utilization by courts, lawyers, clients, citizens, and government entities.

Electronic taxation, like other fields which are spoken of in an electronic perspective, is based on the rate of adoption of information technology (IT) in that field. So, electronic taxation refers to complete and desirable usage of information technology (IT) in the field of taxation. Compared to other online services provided by the government, filling out the tax returns electronically is one of the most advanced and widespread services being used. Given the tendency to online services in the public sector, tax authorities tend to be a leading progenitor using information technology (Connolly and Bannister, 2008). The electronic tax filing system is a subdivision of electronic taxation which refers to collection of taxes electronically resulting in a good deal of time-savings and cost-savings of the public and the government, provided that it is used in the

right manner (Burgelman et al, 2005). Study on countries regulatory environment conduciveness for Small and Medium Sized Enterprises The World Bank (2016), under the category of time to comply there tax (the taxes and mandatory contributions that a standard medium-size firm must pay in a given year and the administrative burden of paying taxes and contributions), Ethiopia still scored poor record on paying taxes ranking on an average time taken to comply there tax liability is around 308 hours per year it is about the Average time taken to sub Sahara region is 313 hours (World bank,2016).

Electronic tax-filing is important to the Government because the system improves the efficiency of evaluating and collecting tax information, increase tax collection and reduce the error in computations. Furthermore electronic tax-filing has also benefited taxpayers in many ways. It avoids the hassle of going to the tax office to submit the forms, saves time to do the calculation, and most importantly electronic tax-filing system will speed up tax refunds. Thus, with the evolution of Internet technology, electronic tax-filing is a convenient and faster way to send and receive information (Ng. L et al., 2010).

1.2. Statement of the problem

Taxation in developing countries is a challenging topic and has attracted increasing attention in the last two decades. During this period, many problems observed like poor administration, failing to collect sufficient tax revenues, lack of government and economic stability (Vadde & Gundarapu, 2012). Ideally, taxpayers can put the information about their income and possessions into the taxation website electronically without any need to their presence in taxation units / banks and pay off their taxes (Denise and Edwards, 2008). Although many governments in both developed and developing nations have made good progress in delivering digital services to their citizens, most of them are still overwhelmed by the complexity of the technology and their own bureaucracy. One purpose of providing government e-services is to promote the accessibility and ease of providing essential government services to its citizens (Carter & Belanger, 2005).

However, the citizens are less satisfied with e-services for a number of reasons such as skepticism, lack of digital skills, lack of trust in the systems, confusion resulting from poor instructions, etc. (Lee et al, 2000). It has become obvious that the future is trending more towards online delivery of government services such as education, housing, justice, taxation, social

services, etc. The intense research interest in this area is a reflection of its importance and of how little is known about electronic government (e-government) service delivery and the users' success factors. To enhance effectiveness in government online service delivery, the barriers to increase online user satisfaction must be identified and addressed by the respective governments. From website design and quality of online service to assurance of privacy, barriers must be sufficiently addressed in order to increase users' desire to continue using e-services provided by governments to their citizens (Chen et al, 2002).

They proposed to give taxpayers an option that doesn't know how to use e-filing tax so that can encourage taxpayers to claim their tax. By fully using e-Filing system will make difficulties to LTO taxpayers work manually and doesn't have computer. They also propose that the system should be done in several phases so that taxpayers will get used to it incrementally. E-Filing systems can be more convenience to the users but several of them don't know how to use online filing (LTO annual report, 2012). LTO should not use e-Filing too quickly until want to stop using of form manually. They have to consider to those don't know how to use online internet filing companies which will bring difficulties to them. Therefore, the companies feel that the system is difficult. To be more specific to those taxpayers living in the rural as well as urban area, Ethiopian's internet coverage not widely have coverage at certain area. Thus, they have less perception towards e-Filing systems (LTO annual report, 2016).

1.3 Research Questions

This study will seek to answer the following questions:

- Do the tax payers find that e-Filing system is easy to use?
- Is e-filing system is efficient to be use?
- Do the tax payers find e-filing is difficult to be use?
- Do the tax payers own enough facility to use e-filing system?

1.4 Research Objectives

General objective

The general objective of the study is to obtain the taxpayers states about the challenges and opportunities of e-filing tax.

Specific Objectives

The following are the specific objectives of the study:

- To know whether the tax payers feel easy to use e-filling system.
- To identify whether e-filling system is efficient to be used by taxpayers.
- To investigate whether the tax payers have problem in using the e-filing system.
- To know whether the tax payers have the facilities to use the e-filling system.

1.5 Significance of the study

This research is significant in order to study whether the e-Filing system can enhance efficiency of e-Filing work. It means that, whether e-Filing system can accelerating the process and activities of e-Filing, reduce geographical and distance barriers and enhancing existing process and activities of e-Filing work. This research is also important to identify why taxpayers do not use e-filing system to declare their tax. This research is significant to know the responds of e-Filing system to the large taxpayers. This is because the researchers are not sure whether all the society able to use the e-Filing system and how they deal with the software. Thereby, this research gives the researcher the answer of the study whether the responds of e-Filing is positively or negatively responds and also responds on the effectiveness of the system in large taxpayer office.

1.6. Scope of the Study

The study has the following scopes:

This study was conducted on selected taxpayers in large taxpayer branch. The taxpayers are selected based on the following requirements. 1) Taxpayers' who submit their income tax by e-filing online, 2) the professionals that working e-filing, and 3) at least e-filing their tax once.

This research was conducted only based on these requirements because electronic tax-filing was initially launched in LTO taxpayers. Thus, this group of taxpayers has been exposed to the system. Taxpayers who file their own tax return were considered as a sample in this study because of their hands-on experience with the electronic tax-filing system, thus, their perception on the system will be more accurate for this study. The technical aspect of e-filing tax is out of the scope of the thesis. This includes how much ERCA is equipped with required hardware and software infrastructure.

1.7 Limitation of the study

The first limitation lies on the subject matter itself. E-filing tax is a broad subject. It covers both technical and non-technical aspects. The study has not addressed the technical issues of the system as constrained by lack of expertise by the researcher and time.

Secondly, the research model is based on perceived risk (PR), perceived usefulness (PU) and perceived ease of use (PEOU) and perceived facility (PF). That constructs other than those examined in this study are needed to explain for additional variance.

1.8 Organization of the Study

The outline of this research project is as follows.

Chapter One – Introduction

This is an overview of the chapter of this study. It covers introduction, the problem statement, the purpose and significance, research model and hypotheses, scope of study and limitation of study.

Chapter Two – Literature Review

This chapter discusses the related and relevant literature which discusses the use of e-filing tax and the variable perceived risk, perceive usefulness, perceive easy to use and facilitation to examine taxpayers' perception toward adoption of electronic tax-filing system.

Chapter Three – Research Methodology

This chapter explains the selection of measures, sampling of designs, data collection procedures and data analysis techniques.

Chapter Four – Discussion

This chapter presents the overall findings of the study. It summarizes the statistics of the respondents, results of the hypotheses analysis and discussion of the research findings.

Chapter Five –Findings, Conclusion and Recommendation

This is the last chapter of the study, which concludes the study by summarizing the findings and provides some suggestion for future research. Implications of the study are also presented in the study.

Chapter Two

Literature Review

2.1 Theoretical review of E-filing tax

2.1.1 Technology Adoption

Information technology diffusion has been explored extensively in the literature (Davis, 1989, DeLone and McLean, 1992; DeLone and McLean, 2003; DeLone and McLean, 2004; Doll and Torkzadeh, 1988; McKinney et al., 2002; Seddon, 1997; Szanja, 1996; Wixom and Todd, 2005). The UTAUT model integrates the eight theoretical models noted above and is made up of core determinants of usage intention (performance expectancy, effort expectancy, social influence, and facilitating conditions) and was empirically tested in four different organizational settings over a period of six months (Venkatesh et al., 2003). Four core determinants, performance expectancy, effort expectancy, and social influence were found to significantly predict intention. The UTAUT model is well suited for the context of this study in that the goal is to understand intention/usage as the dependent variable (Venkatesh et al., 2003), as is the case in the present study. UTAUT has also been utilized in prior e-government research investigating e-government service adoption (Al Awadhi and Morris, 2008).

Performance expectancy is defined as the degree to which individuals believe that using the system will help them improve their job performance (Venkatesh et al., 2003). Five variables comprise the performance expectancy construct: perceived usefulness, extrinsic motivation, job-fit, relative advantage, and outcome expectations (Venkatesh et al., 2003). Recent literature has shown that there are similarities between constructs: usefulness and extrinsic motivation (Davis, 1989), usefulness and job-fit (Thompson et al., 1991), usefulness and relative advantage (Davis, 1989; Moore and Benbasat, 1991; Plouffe et al., 2001) usefulness and outcome expectations (Compeau and Higgins, 1995; Davis, 1989), and job-fit and outcome expectations (Compeau and Higgins, 1995). Performance expectancy has been found to be the strongest predictor of intention

in previous model tests (Agarwal and Prasad, 1999; Compeau and Higgins, 1995; Thompson et al., 1991; Venkatesh, 2000; Venkatesh et al., 2003).

Effort expectancy is the degree of ease associated with the use of the system (Venkatesh et al., 2003). The UTAUT model identifies three constructs from the eight models which make up the concept of effort expectancy: perceived ease of use, complexity, and ease of use (Venkatesh et al., 2003). The similarity among these three variables has also been documented in prior literature (Moore and Benbasat, 1991; Plouffe et al., 2001; Thompson et al., 1991; Venkatesh et al., 2003). The effort expectancy construct has been found to be significant in both voluntary and mandatory usage contexts, but only in the initial usage of the technology (Venkatesh et al., 2003). It became insignificant after periods of extended and sustained usage which is consistent with previous research (Agarwal and Prasad, 1999; Thompson et al., 1991; Venkatesh et al., 2003). It has been noted that effort oriented constructs are usually found to be more salient in the early stages of a behavior (Venkatesh et al., 2003). This initial stage is when process issues are hurdles that need to be overcome by users and later are forgotten, giving way to concerns about specific features of the system (Szajna, 1996; Venkatesh et al., 2003).

Social influence is the degree to which an individual perceives that others who are deemed important to them believe that they should use the system (Venkatesh et al., 2003). Social influence is comprised of subjective norms, social factors, and image. The construct name "social norms" has been used in prior literature and is similar to "subjective norm" within the Theory of Reasoned Action (Thompson et al., 1991). It has also been noted that the social influence construct contains the explicit or implicit notion that people's behavior is influenced by the way in which they believe others will view as a result of having used the technology (Venkatesh et al., 2003). None of the social influence constructs were found to be significant in voluntary contexts; however, all of them were found to be significant when usage was mandatory (Venkatesh et al., 2003). These effects in a mandatory context could be attributed to compliance that causes social influence to have a direct effect on intention (Venkatesh, 2000). In contrast, social influence in voluntary contexts, as in this study, functions by influencing perceptions about the technology.

Facilitating conditions are the degree to which an individual believes that an organizational and technical infrastructure exist to support the system (Venkatesh et al., 2003). Facilitating conditions are comprised of three root constructs: perceived behavioral control, facilitating conditions, and compatibility. Each of these root constructs is operationalzed to include aspects of the technological and/or organizational environment that are meant to remove barriers to use (Venkatesh et al., 2003). The authors found that when both their performance expectancy constructs as well as their effort expectancy constructs are present in the model, facilitating conditions becomes a non-significant construct in predicting usage intention. Facilitating conditions has a direct effect on actual system usage not behavioral intention (Venkatesh et al., 2003).

2.1.2 Adoption of e-filing tax

The perception or adoption towards an electronic filing system may also be varying between people in urban area with people in rural area. Differences to perceive the usefulness of technology will give different impact to people in believing the benefits of technology. Some people will have a positive belief on technology and some people may not in the same beliefs. A combination of positive and negative beliefs about technology underlies the domain of technology readiness (Lemuria C. and France B., 2003). In particular, individuals simultaneously have positive (favorable) and negative (unfavorable) beliefs about technology (Asgarkhani M, 2005). The positive beliefs drive individuals towards new technologies, which they believe that by using technology their work get easier, faster and will create them comfortable feeling to use it in their own workplace or at home. Despite, the negative beliefs may hold them back. They may feel that the new technology or the electronic filing system just waste their time and energy because they have to take time to learn new thing, need them to stay in front of the computer for a long hour to use the system properly.

This study focused on understanding the determinants of e-Filing user satisfaction, to measure users' perceived net benefits realization, and subsequently to indicate the area of quality dimensions that MIRB to focus on in order to improve the user satisfaction moving forward. Past literatures on related scholarly models were reviewed to understand the research findings of electronic service quality dimensions that effect user satisfaction and to construct theoretical

model. The basis of this study is adapted from DeLone and McLean Information System Success Model for end user satisfaction developed by DeLone and McLean (2003) to measure online service quality with three major dimensions of information quality, system quality and service quality. From information quality perspective, personalization, completeness, relevance, easy of understanding, and security quality dimensions are used to measure electronic information system content issue (DeLone and McLean, 2004).

System quality measures refers to the desired characteristics of electronic information system by using usability, availability, reliability, adaptability, and response time quality dimensions (DeLone and McLean, 2004). Subsequently, service quality or in another words, overall support delivered by the service provider towards electronic information system, are measured using assurance, empathy, responsiveness quality dimensions (DeLone and McLean, 2004). The electronic information system impact measures are grouped into net benefits variables, where this is used to capture the balance of positive and negative impacts of the electronic information system on users and other stakeholders where cost savings, expanded markets, incremental additional sales, reduced search costs, and time savings are used constructs of measurement (DeLone and McLean, 2004).

The perception or adoption towards an electronic filing system may also be varying between people in urban area with people in rural area. Differences to perceive the usefulness of technology will give different impact to people in believing the benefits of technology. Some people will have a positive belief on technology and some people may not in the same beliefs. A combination of positive and negative beliefs about technology underlies the domain of technology readiness (Lemuria Carter and France Belanger, 2003). In particular, individuals simultaneously have positive (favorable) and negative (unfavorable) beliefs about technology (Asgarkhani M, 2005). The positive beliefs drive individuals towards new technologies, which they believe that by using technology their work get easier, faster and will create them comfortable feeling to use it in their own workplace or at home. Despite, the negative beliefs may hold them back. They may feel that the new technology or the electronic filing system just waste their time and energy because they have to take time to learn new thing, need them to stay in front of the computer for a long hour to use the system properly.

2.1.3 Technology Acceptance Model (TAM)

Similar to any other e-commerce applications, electronic tax-filing is an information system (IS) application where the user will interact with a complex information technology (IT) system. Therefore in this study of taxpayers' perception of adopting the electronic tax-filing system, the focus must on the influence of information technology to taxpayers' usage intention. Theoretical model such as Theory of Reasoned Action (TRA) (Ajzen and Fishbein, 1980), the Theory of Planned Behavior (TPB) (Ajzen, 1991), and the Technology Acceptance Model (TAM) (Davis, 1989; Davis et al., 1989), attempt to explain the relationship between user beliefs, attitudes, intentions, and actual system use. Among these theories, TAM will widely used and accepted to explain the relationship between perceptions and technology use (Agarwal and Prasad, 1999; Morris and Dillon, 1997).

According to Davis (1989), perceived usefulness (PU) is shown as a primary determinant and perceived ease of use (PEOU) as a secondary determinant of intentions to use technology. However, in Wang (2002) study of electronic tax-filing in Taiwan, the findings found that perceived ease of use (PEOU) will a stronger predictor of people's intention to e-file than both perceived credibility and perceived usefulness (PU). The study also found the new TAM construct (perceived credibility) to have a stronger influence on behavioral intention than the traditional TAM construct (perceived usefulness) in the context of electronic tax filing. But according to Fu et al., (2006) which observed on taxpayers intention to adopt a particular tax filing method, the finding shows across the three kinds of taxpayers, behavioral intention will largely driven by perceived usefulness. In the study by Wixom and Todd (2005), the findings found that perceived usefulness (PU) will influenced by perceived ease of use (PEOU).

In prior research, the effect of perceived usefulness and perceived ease of use on intention for current system usage has been studied (Adams, et al., 1992; Davis, 1989; Davis, et al., 1989). Additionally, perceived usefulness is influenced by perceive ease of use to the extent that the system must be easier to use and more useful (Davis, et al., 1989; Venkatesh, 1999; Venkatesh and Davis, 2000). Moreover, prior researches have showed evidence of the significant effect of perceived ease of use on usage intention (Agarwal and Prasad, 1999; Venkatesh, 1999; Venkatesh and Morris, 2000).

On the other hand, there are also studies on information system (IS) that support the significant effect of perceived usefulness on the usage intention (Venkatesh and Davis, 1996; Agarwal and Prasad, 1999; Venkatesh and Morris, 2000; Venkatesh and Davis, 2000). As according to Davis, future technology acceptance research needs to address how other variables affect usefulness, ease of use and user acceptance (Moore, 1991; Mathieson, 1991; Davis, 1989; Davis et al., 1989; Taylor and Todd, 1995). However, factors affecting the acceptance of new information technology are likely to vary with the technology, target users and the context (Moon and Kim, 2001).

The attitude construct will left out from the original TAM model (Davis, 1989; Davis et al., 1989) because it did not fully mediate the effect of perceived usefulness on behavioral intention (BI) (Venkatesh, 1999). Based on other several studies (Adam, et al., 1992; Gefen and Straub, 1997; Mathieson, 1991; Straub et al., 1995; Venkatesh and Morris, 2000) the effect of perceived ease of use (PEOU) or perceived usefulness (PU) on the attitude construct and/or behavioral intention (BI) have been disregarded. Instead, the impact of perceived ease of use (PEOU) and/or perceived usefulness directly on the actual system usage have being focus. As in this study focuses is on taxpayers' behavioral intention to use the electronics tax-filing system, the technology acceptance model (TAM) will adapted by dropping the attitude construct.

Many researchers have utilized TAM as a base model to predict adoption. TAM has been applied to different technologies and added new variables. With regards to technology originally, TAM will used to investigate email, word processing and graphic software (Davis, 1989; Davis et al., 1989). Then TAM extended its application to various types of information system (IS), such as spreadsheets (Doll et al., 1998; Mathieson, 1991; Venkatesh and Davis, 1996), voice mail (Adam et al., 1992; Chin and Todd, 1995; Segars and Grover, 1993; Straub et al., 1995; Subramaniam, 1994), telemedicine (Hu et al., 1999), personal computing (Agarwal and Prasad, 1999), database management system (DBMS) (Doll et al., 1998; Szajna, 1994; Szajna, 1996) and some other software such as Virtual Workplace System, and proprietary system (Venkatesh, 1999; Venkatesh and Morris, 2000; Venkatesh and Davis, 2000). Furthermore several recent studies (Featherman and Pavlou, 2003; Featherman and Fuller, 2003; Fu et al., 2006; Hong et al., 2001; Moon and Kim, 2001; Wang, 2002) have examined TAM to analyze user behavior on the Internet, specifically the world-wide-web (WWW) and e-services (electronic tax filing,

epayment, digital libraries, e-commerce). However, there are researchers beginning to study e-government adoption using TAM (Horst et al., 2007).

As for the added new variables to TAM, variables such as self-efficacy (Venkatesh and Davis, 1996; Wang, 2002), effectiveness (Segars and Grover, 1993; Chin and Todd, 1995), social presence and information richness (Straub et al., 1995; Gefen and Straub, 1997), subjective norm (Venkatesh and Morris, 2000; Venkatesh and Davis, 2000; Featherman and Fuller, 2003), job relevance (Venkatesh and Davis, 2000), image (Venkatesh and Davis, 2000), quality (Venkatesh and Davis, 2000), perceived credibility (Wang, 2002), perceived playfulness (Moon and Kim, 2001), perceived user resources (Mathieson et al., 2001), compatibility (Chen et al., 2002) and perceived risk (Featherman and Pavlou, 2003; Featherman and Fuller, 2003; Fu et al., 2006 and Horst et al., 2007) have been incorporated into an extended TAM.

2.1.4 Perceived Usefulness

Perceived usefulness (PU) is defined according to Lu, et al. (2000) as a prospective user's which is subjective or with the likelihood of using a specific innovation to enhance it processes. Jiang, et al. (2000) explores more of perceived usefulness on the development and utilization of the internet technologist model to explore the ways by which it is being implemented. With the above definition perceived usefulness is accomplished by being used as advantages for easy application of a new innovation. In an organization context users of any innovation are reinforced by their performance in the use of any technology by giving bonuses. More so when a system is perceived by high users believe in the existence of positive user perception is said to be an innovation of good performance base on their benefits.

2.1.5 Perceived Ease of Use

Perceived ease of use (PEOU) is defined as the degree to which a potential adopter views the usage of the target technology to be relatively free of effort (Davis, 1989). Innovations that are perceived to be easier to use and less complex have a higher likelihood of being accepted and used by potential users (Agarwal and Prasad , 1999). This has been widely investigated as a determinant of information technology adoption because of its wide use by researchers. Davis (1989) identified Perceived ease of use as a primary determinant of IS adoption at the pre-implementation stage.

However, few studies establish no direct effect of PEOU and OTS. The plausible explanation for this inconsistence is that the studies with no direct effect have to do with intention to purchase through the net either at present or in the future and not ordinary adoption of IS. For instance, Hernandez et al., (2009) examined the factors that affect the present and future e-purchasing intention of consumers. The survey will conducted through telephone interview, though the respondents were asked whether they have made e-purchase before to ensure only experienced respondents were involved, e-purchase has to do parting with hard earned resources, and this might affect the perception about the IS adoption. The context of this study might have affected the findings. In the earlier reported study of Wu and Chen (2005) PEOU will also found not to be significant due to the context of the study e-commerce.

A similar finding will found in the earlier reported study of Hung and Chang (2006) examined the taxpayers acceptability of the internet tax-filing system in Taiwan, and PEOU will found as an antecedent to ATT, which has subsequent effect on BI. In a similar study, Hung, et al. (2006) identified the factors that determine the public's acceptance of e-government services through online tax filing in Taiwan with a survey of 1,099 respondents through the e-mail service, and found that PEOU to be an antecedent to ATT Chung, et al. (2010) investigated age differences in perceptions of online community participation held by people who are not using it with a survey of 452 respondents. PEOU will found as a predictor to PU.

A similar finding will found in Boon and Lee (2010), where the authors investigated the level of adoption of e-ticketing among air travelers in China. These findings augmented the earlier study's. However, PEOU will not empirically found as an antecedent to PIIT Agarwal and Prasad (1998) PEOU mediated between information system quality and ATT and PU, information quality and ATT and PU.

2.1.6 Perceived Risk

While the electronic services is convenient and creates efficiencies for their users, little is understood about how consumers perceive them. Furthermore the development of electronic services will increase the trade-off between as the levels of services increase, the level of risk will also increase. These risks are the result of two processes. They are, (a) information that is sent electronically, and (b) information that is stored electronically. In addition to that, the

coupling of electronic data is much simpler as compare to traditional types of data storage. This means that third parties can capture, read and modify the information as they are being transmitted or stored.

For example, in the case of electronic burglary, large quantities of subtle information can be obtain or wipe out quickly and easily without the public's consent. Since risk is difficult to measure objectively, the literature focuses on users' risk perceptions. Perceived risk can be defined as 'the potential for loss in the pursuit of a desired outcome of using an e-services' (Featherman and Pavlou, 2003). Perceived risk is composed of behavioral and environmental uncertainty (Pavlou, 2003). Behavioral uncertainty occurs because online service providers may behave in an opportunistic manner by taking advantage of the impersonal nature of the electronic environment and the inability of the government to monitor adequately all transactions. Examples of opportunistic manner by online service providers include services/products misrepresentations, false identity demonstrations, private information leaks and denunciations of warranties.

2.2 Empirical Review

This topic of the research covers topics about the findings of different researchers about the. The Challenges of implementing E-Tax System in different countries separately and as panel date done in the world, continentally wise and Regionally wise, finally about tax in case of Ethiopia. Each finding by researchers will summarized separately and will used to analyze with what the researcher did.

Ramlah et al., (2010) E-government application: an integrated model on G2C adoption of online tax , This study has several limitations. First, this study only has chosen Malaysia's university educated staff as sample. Thus, the sample of respondents in the various fields of the citizens may be able to provide a clearer picture of acceptance of e-government. Second, the study focused on only the E-filing acceptors.

Shih-wu Liang and Hsi-peng Lu(2012), 'Adoption Of Electronic Government Services: An Empirical Study Of The Online Tax Return System In Taiwan**.'** in an exploratory and practical

study, examined the effective factors which influence people's willingness to use online tax return service. Most of the previous studies done on online tax return service, such as the ability to use the system functions and the degree of user satisfaction were examined. However, a deeper understanding of taxpayers, who have not accepted the new system, should be achieved in order to develop a full scope of online tax return service. Therefore, this study addresses the entire population of taxpayers. Accordingly, the present study uses the theory of innovation diffusion as a research framework and combines the theory of self-efficacy and social cognitive theory(SCT) together to investigate the factors influencing the behavioral intention of the taxpayers.

This study examines the concept of individual self-efficacy and innovative characteristics of the process of online tax return system so as to find out about individuals' stance on adoption of systems provided by the electronic government services. In this paper, the factors affecting taxpayers' intention to adopt an online tax return system at dissimilar stages of the innovation diffusion (IDT) were investigated. A set of factors consists of such items as self-efficacy and personal dimensions of IDT (relative advantage, compatibility, and complexity) and another set consists of such items as social norms and environmental dimensions of IDT. The results demonstrate that the predicted features like testing and visibility capabilities have a significant impact on the adoption intention of the end users. However, these features do not have a significant impact on acceptors of such systems initially. Social norms and the characteristics of the predicted relative advantage, compatibility, and complexity have a significant effect on the intention of users to adopt the online tax return system. As for the potential acceptors, only social norms have a significant effect on the adoption intention of the end users of the online tax return system. This study recommends utilizing an easier and more user-friendly pattern for online filing of tax returns processes which results in development of the understanding of system and encouraging taxpayers to continue with or meditate on using such services provided by the electronic government.

Andy Lymer et al. (2012), 'Developments In Electronic Filing Of Taxes In Britain: Practical Perspectives' report on one of the national researches of taxation Consultants in an exploratory – practical study through following up on continuous interviews and dealing with developing

electronic filing of taxes for individuals in England. The next part of the article will deal with the examination of using technology. In particular, this section will introduce the life cycle of technology as a suitable model for using electronic filing of taxes by the UK tax authorities. The incentive for electronic filing for individuals in England was part of the UK government's modernization agenda in 1998. The UK government set clear receipt and provision targets for governmental departments and organizations in relation to electronic services.

In 1999, Gordon Brown (President of the Treasury) confirmed that the electronic filing of tax returns is possible and using the electronic services is part of the government's commitment. The online facilities of individual self-assessment returns (SA) referred to as Electronic Filing in this article - was introduced on 31st July, 2000 and tax consultants were able to perform the online filing for any customer in August 2001.

The researches being reported in this paper seek to advance the understanding of the development and use of electronic filing in the general department of tax affairs. This paper examines the extent to which the tax representatives' efficiency will expand the electronic filing of self-assessment returns (SA) of England during the critical early years of this process. The results confirmed that there was more potential interest in using the electronic filing for customers in small and medium enterprises. Since the commercial policies of such companies result directly from the vested interests in technology, they have less trouble with the rudimentary system of the existing electronic filing in the early steps of implementation and in addition, the obvious upsides of electronic filing works as a stimulus for them. Greater companies progress at too slow a pace and seems like they have less tendency for using the electronic filing of tax returns and are worried about being involved in controlled systems of tax returns and customs procedures and their objectives will not be in line with the internal systems, information and communications technology integrity and controlling the taxation items (Andy Limer et al, 2012).

Challenges of E-filing

Ludwig et al., (2010) Electronic Tax Filing: The Impact of Reputation and Security on Adoption , Results of structural equation modeling indicate that reputation, credit and perceived security

control have a significant impact on risk perception. Also, perceived risk, expected performance and social influence all have a significant impact on intention to use e-file system, and their effects are discussed in this paper.

Therefore, in studies on adoption of IS i.e. e-filing system, perceived ease of use has found to have significant influence on intention. In the study of the factors affecting consumers' BI to adopting broadband in Pakistan Dwivedi et al., (2008) with a survey of 237 respondents sampled through snowball technique, used PEOU as one of the control constructs and found it to have a significant effect on the BI. Also, in a survey of the perceptions of 97 respondents in Sungai Petani, Kedah, towards e-filing, PEOU to be significant in a single stage model.

Schaupp et al (2010),' Electronic Tax Returns In The United States Of America: The Impact Of Credit And Security On Utilization**.'** in an exploratory and practical study, examined the users' intentions in online filing of their taxes through an approved electronic declaration system. Understanding how and why people choose new technologies has always been the focal point of IS researches. In this study, such factors as expected effort, efficiency expectations , social implications , optimism , credibility/ reputation , predicted security and predicted risk have been examined and finally five of them were confirmed and their significance level were identified(expected effort and optimism have no effect on the intention to use). This study has developed a research model and performs feasibility studies empirically to expand the unified theory of adoption and use of technology (UTAUT) along with integration of predicted risk, predicted security and reputation in an electronic government. This study is Based on the fact that the adoption of electronic tax returns by citizens is significantly influenced by the reputation of the providers of the electronic tax returns which they use for completing and submitting their taxes. Credibility or reputation reduces the predicted risk and increases the predicted probability of use. Therefore, performers should consider factors like security and risk while upgrading their software packages. There are great deals of suppliers of electronic tax returns softwares in the U.S. As mentioned above, such software providers should focus on their products' reliability and security systems. Providers of the electronic tax return systems should focus a considerable level of their marketing efforts upon introducing the security-related features of their products. This study has shown that the predicted risk being under the influence of credibility and security perceptions affects the users of electronic tax return systems. Citizens should be aware of the

existing security scales in order to make sure that providers of the electronic tax return systems are reliable and have a suitable control on the security of the private reports about their income (Schaupp et al, 2010).

Ching-Wen Chen (2010), 'The Impact Of The Quality Factors On Taxpayers' Satisfaction From The Online Tax filing System: An Empirical Study In Taiwan' in an exploratory and practical study, examined the impact of the quality factors on taxpayers' satisfaction from online tax filing system in Taiwan in which the quality of the online tax filing system consists of data quality, system quality, and service quality showing the record of users' satisfaction of each. The results are as follows: Since about 75 % of all income taxes in Taiwan comes from wages and salaries of blue and white collar workers. Therefore, the personal income report for most Taiwanese taxpayers is not overly complicated. In fact, they pay more attention to exemptions' and deductions' data (cost of rent, insurance, tuition, and fees and grants to nonprofit Organizations or charitable organizations) than to non-deductible income data. If Online tax filing system is capable of keeping the taxpayers' information about exemption up-to-date, filing the income tax returns will be less tiring. The availability feature in system quality should be strengthened. If 25 to 30 percent of the taxpayers decide to file their income tax returns in the last 3 days prior to the deadline, the pressure will explode beyond the capacity of the system. When taxpayers are forced to wait for their turn in a queue in the system, the availability feature which is a part of system quality is being threatened .Expanding the capacity of the tax filing system is a solution. However, a more efficient financial option could include solving the problem of having access through appropriate management.

For instance, a taxation agency could encourage taxpayers to use online tax filing system at non-peak hours (0:00 to 8:00) to ensure that the system load can be distributed more evenly. In addition, the taxation agency should offer rewards such as tax discounts to encourage taxpayers to file their income tax soon. These actions can lead to an increase in the availability of tax filing system and satisfaction of its users. When taxpayers dial toll free numbers to attain emergency assistance, they expect the equipped personnel to quickly react to their request for helping with filing their tax returns. Apart from online assistance afforded by the tax authorities in the TSC, personal assistance should be provided by telephone and email, too. When taxpayers email

taxation agencies for assistance, service personnel should respond to the request right off. With appropriate help coming from tax filing System and service centers, gradually, people become accustomed to online income tax filing which yields an acceptable satisfaction pitch(Ching- Wen Chen, 2010).

Dinara et al., (2010) Trust Challenges and Issues of E-Govemment: E-Tax Prospective, This research has demonstrated that trust occurs when only appropriate security is guaranteed. As a solution to meet the needs of the trust, using the general TPM technology online service for the security data were proposed. This method's low cost and security robustness is more attractive than other available security technologies in online services

Santhanamery and Ramayah (2012) Continued Usage Intention of E-Filing System in Malaysia: The Role of Optimism Bias , Practically, this study is about estimate the risk by taxpayers by determining a share of optimistic trend in Malaysia's taxpayers, while they engage to complete e-filing, in fact seeking to set up awareness among taxpayers about their r and security of es personal data breach. So, they are encouraged to take more caution in providing their personal information online.

Ayodeji (2014) looked at the Impact of electronic tax systems on Tax Administration in Nigeria. He argued that the dwindling global fortune occasioned by the fall in the price of crude oil, the major source of wealth for Nigeria shifted the attention of the government and major stakeholders in the country to the revenue generated locally. But the daunting task of boosting the Internally Generated Revenue necessitates the adoption of electronic tax systems technologies to drive Tax administration and concluded that electronic tax systems plays an important role in the increase of internally generated revenue in Nigeria by ensuring compliance thereby boosting productivity and economic activities in the country. It is a change agent for accelerated growth and poverty reduction in Nigeria and the whole of African continent at large. The major recommendation from their study will that necessary laws and regulations have to be passed by the appropriate authorities to reduce or abolish import taxes on information technology hardware such as computers, Servers, printers, biometric scanners and other devices.

In Uganda, Akello (2014) reported that there are challenges such as intermittent power supply and Internet outages but says the tax body has made contingency plans to ensure that the system

is operational 24/7. First, the e-Tax is hosted on a central server at their Kampala headquarters, which means that it's not affected by power or network outages even when power or the Internet is off in some parts of the country. The electronic filing process still confuses a lot of people because the web portal has many features and yet most people cannot understand some tax terms.

Sheikh (2015) explains that as with any new system, there have been numerous teething problems with the electronic system. First, there are two concurrent tax systems — manual and iTax systems — without either system recognizing the other. Taxpayers are also receiving demand emails from the Integrated Tax Management System. This is bound to create discrepancies in taxpayers' records, especially with regards to payment of tax obligations as well as submitting returns. For instance, in the current setup, if a taxpayer pays taxes manually, the iTax system will not recognize the payment. Instead, the system automatically calculates penalties and interest on the perceived "missed" tax payments thereby leading to potential disputes between the tax office and the taxpayer. Second, the iTax system lacks historical records of taxpayers. Its record keeping is a "going forward" type in that it only stores tax records of taxpayers from the time of registering for iTax onwards (Sheikh, 2015).

The factors affecting e-Government can be divided into individual and organizational. Titah and Barki (2006) have suggested that apart from organizational factors, individual beliefs of citizens have a significant influence on the adoption of e-Government services. With strong reference to Davis' technology acceptance model of 1989, it is known that individual beliefs such as perceived usefulness (PU) and perceived ease of use (PEOU) have been considered as the dominant beliefs that affect the intention to adopt or use the technology in a business to consumer (B2C) model (Warkentin et al. 2002).

As e-government services are mostly provided using ICT, it is imperative that the understanding of Information Technology (IT) adoption be done. This understanding can further be extended to help us understand the uptake and adoption of e-government systems (Bwalya, 2009).

According to case studies from different countries, there are many challenges and issues that need to be addressed for successful implementation of e-government. There are distinct factors that command the adoption of e-government, and these factors depend on the local context of any country.

Practically, these barriers can have a significant effect on the development of government organizations' capabilities to provide online services and transactions. According to the findings, these challenges include poor ICT infrastructure, security and privacy issues (Alshehri and Drew ,2010). Security and privacy of information is another serious technical challenge identified in this research and is a well documented issue for e-government implementation all around the world (Layton, 2007).

Benefits of E-tax

Seelmann et al., (2011) did a study Benefits of a computerized integrated system for taxation in Tanzania, they argued that Taxation is often the most important source of state revenue. However, many developing countries lack effective tax administration structures and processes. Technological innovations have not filtered through to the daily working reality of tax officials. They concluded that Computerization of tax and revenue authorities can contribute to reaching the goal of good (financial) governance. It improves accountability and transparency of the revenue authorities. Nevertheless, while reforming and modernizing the tax system is an essential part of improving domestic resource mobilization, such a reform will be sustainable only in conjunction with more profound changes in the administrative and political structure of a state.

Wamathu (2013) studied the effects of electronic taxation on financial performance of audit firms in Kenya. From the finding the study found that there has been timely filing of returns since inception of I-tax, there has been a reduction in audit period due to introduction of I-Tax, respondents were quite knowledgeable. ,system failure when login were less, I-Tax will user manual friendly , I-tax system will reliable and that I-tax will not user friendly, I-tax system cost effective, I-tax system will cost effective and respondent were aware of that I-Tax system will electronic cash register and electronic signature device. She recommended that there is need for the Ethiopia Revenue and custom Authority to invest on technology in order to reduce the system failure as the study revealed that system failure affects system logins. System failure discourages use of technology.

E-Government can also result in huge cost savings to governments and citizens alike, increase transparency and reduce corrupt activities in public service delivery. Previous studies have

categorized public service delivery in three groups: publishing, interacting, and transacting (Kumar et al. 2007).

It can transform old challenges and create unprecedented possibilities for sustainable economic development, just as it has done for businesses in the industrial world. ICTs offer the potential not just to collect, store, process and diffuse enormous quantities of information at minimal cost, but also to network, interact and communicate across the world (Crede and Mansell, 1998).

Ritah Egowan (2011) to assemble the public's perception with regards both e-tax and paper tax declaration in Sweden. by taking data from 90Adults of both sex between ages 20-60+ It will used DeLone and McLean model to show the relationship between Dependent variables Information quality, system quality and service quality with Independent variables Intention to use, user satisfaction and Net benefits.

Berdykhanova et al(2010),' Challenges Of Trust And Issues Related To Electronic Government In Malaysia: The Future Of Electronic Taxation**.'** in an exploratory and practical study, examined issues related to trust and challenges in the way of developers of the electronic government during the process of implementation of online public services. By providing and designing a reliable platform as a tool to maintain the trust of citizens (TPM) and also offering the advantages of TPM and its solutions , the following conclusions were reached .

Recent researches verify that the success of the electronic government's endeavors depends not only on technological superiority of services, but also on other intangible factors. For example, the terms "trust "emerged to determine taxpayers' satisfaction with taxation services. Analysis of different models of electronic taxations shows trust as a key component of the electronic governments' initiatives, especially electronic taxation systems which require sensitive and personal information during an online transaction.
This research has also shown that trust is only achieved when proper security is guaranteed. TPM technology was proposed as a solution to meet the needs of trust while using online public services. Attributes such as low costs and security strength have made this approach a more attractive security solution for online services compared to other existing security technologies (Berdykhanova et al, 2010).

Ng Lee Bee et al. (2010),' Adoption of Electronic Tax Return Systems by the Malaysian Taxpayers: A Simple Model' in an exploratory and practical study, examined the factors which led to the adoption of electronic tax returns among the Malaysian taxpayers using TAM. In this study, a model was used which consisted of three components of usefulness, ease of use, and the risk in which the three factors were predicted. The proposed model in this study is easier when compared to other studies performed on electronic filing.

In this research, it was demonstrated that predicted usefulness, predicted ease of use, and predicted risk are important structures for the effect which taxpayers' perceptions have on electronic filing of taxation system. Considering the fact that using the electronic tax returns systems is voluntary in Malaysia, the results demonstrate that the existence of a suitable and user-friendly system is of great significance for the taxpayers to volunteer to adopt the electronic filing systems of taxation. Therefore, the government should boost its endeavors to promote usefulness and ease of use of electronic tax returns systems for its users. To increase the usefulness of the system, the Malaysian government should invest more in advertising campaign which clearly indicates the usefulness of electronic filing. This campaign should be run strategically during months when tax filing is undertaken. For example advertisements. Which are displayed on billboards being strategically designed to attract more audience. Ease of use of the system should also be emphasized in advertisements. In addition to advertising, the Inland Revenue Board (IRB) can improve the ease of use of the system for its users through the agency of creating online training videos teaching taxpayers about how to use the electronic filing System. IRB can also increase its online support such as providing 24/7 service during the months of tax filing. In short, the development of the electronic filing system is a must for increasing the usage of the electronic filing systems in that they accumulate the predicted ease of use and usefulness and condense the increased risk of the electronic filing for taxpayers. Not only does a reduction in the taxpayers' expectations of the risk of electronic filing increase their expectations of the usefulness of electronic filing, it also leads to using the system (Ng Lee et al, 2010).

Parmyta Saha et al (2012) , 'The assessment of taxation websites in the electronic government of Sweden: information and system quality procedures' in an exploratory and practical study, empirically investigated the system's applicability and information quality criterion in an effort to evaluate websites providing electronic services in the government, on the one hand focusing on performance characteristics, reliability, usability, efficiency, responsiveness , ease of access, productivity and so forth as the attributes of systems quality and on the other hand focusing on accuracy characteristics, relevance, completeness , timeliness, accuracy, ease of understanding, harmony and security as the criteria for the quality of information in governmental websites .The findings showed that ease of access and the possibility of control play an important role in determining the quality of the system perceived by the citizens. Accuracy of information, timeliness and completeness were identified as the main criteria for the quality of information in electronic services provided by the government. In addition, an important finding of this study is that the theory of information systems (IS), e-commerce and marketing are applicable in the field of the evaluation of the services which the government provides its citizens with electronically concerning taxation(ParmytaSaha et al,2012).

2.3 Summary of Literature Review

E-filing is a necessary technology that is adopted internationally by many tax authorities in order to enhance their efficiency and effectiveness in delivering on their mandates. Therefore, in 2012 ERCA officially shift from manual filing to electronic filing of returns in LTO branch. The system is commended by many for reduction of compliance costs, quick turnaround time for assessments of returns and release of notification to taxpayers, the convenience of being able to file anytime and anywhere, plus the fact that it is paperless.

However besides all the benefits the introduction of e-filing, just like any change was met with mixed reactions ranging from fear, resistance and ultimately support by taxpayers. The targeted users were influenced by many factors ranging from attitude, whether the technology would be useful, whether it was easy to use and if it was reliable and secured amongst other things. Security of personal data came up as a valuable and top priority for users.

Chapter 3

Research Methodology

The preceding chapter indicated that the literature on e-filing tax challenge and prospect is limited. Especially from the perspective of Ethiopia, it appears that there is no research conducted in investigating whether the business taxpayers are challenge or not with e-tax system.

The purpose of this chapter is to present the research methodology adopted in this study by arranging it into two major sections. Hence, section 3.1 Selection of Measures, section 3.2 research approaches and section 3.3 Research methods 3.4. Sources of Data in the study final section are 3.5 Data Analysis Methods.

3.1 Selection of Measures

The survey instrument is a three page questionnaire survey, divided into three sections. A sample of the questionnaire is found in the Appendix. Section A of the questionnaire measures the taxpayers' Demographic Profile. It has section B constructs, tax and technology knowledge In section C, In this study, 10 statements each from constructs perceived ease of use (PEOU) were extracted from Hung et al., (2006) study and 6 statements of PU which are perceived usefulness (PU), Wang (2002), Davis (1989) and Davis et al., (1989).perceived risk (PR) of taxpayers' were measured using dimensions consisting of 6 statement. Perceived facility (PF) these 5 statement was extracted from the study of (Featherman and Pavlou, 2003). However, some modifications have been made to the questions on proper enough facility to use e-filing to suit to electronic tax-filing system study.

3.2 Research Approaches

For this study, the researcher applied descriptive analysis using the fact that a descriptive research design is used to describe the data and characteristic about what is being studied. Descriptive survey also enables to obtain the current information. It is also used in fact finding studies and helps to formulate certain principles and give solutions to the problems concerning

local or national issues. Descriptive survey method focuses on investigating the current status, practice and problem related to e-filing tax in LTO.

3.3 Research Methods

In this study, surveys are being used to measure the challenge and prospect of e-filing tax. Survey is one method of descriptive research method that helps us to gather data at a particular point in time with the intention of describing the nature of existing conditions.

Kerchar (2010) argues that "each strategy has its strength and weaknesses and the drive for mixed method research is to use one strategy to inform, validate, or compensate for the weaknesses of another." In other words, the combination of both quantitative and qualitative methods is a more pragmatic approach to gain a better understanding of the phenomenon under study.

3.4. Sources of Data

The data used in this study consists of both primary and secondary data. The primary data were collected through questionnaire. The questionnaire comprised of both closed. Closed ended questions are quicker and easier both for respondents and researcher. Most of the closed ended questions are designed on an ordinal level of measurement basis, and others are designed as multiple choice, some of the closed ended questions were a five scored Likert scales (Kothari, 2004) to provide respondents a wider range of alternatives with end points where '5"with the statement strongly agree, and "1' indicates with the statement refer to strongly disagree.

Secondary data were also collected from the Large taxpayer office annual report from 2012 and 2016 G.C. In addition to annual report, tax declaration and e-filing manual were used to collect data. While collecting and using these data for the study, more considerations were given to their time period, reliability, and relevance to the purpose of the study.

3.4.1 Sampling of Designs

In order to select the appropriate representative of the total population and to make the research findings more relevant and accurate, the sample design would be well structured.

3.4.2 Population and Sampling procedure

Population of the study: The study population/participants were all tax payer paying their tax in Large taxpayer office (LTO) taxpayers it is about 1,100 taxpayers based on conducted inquiry from that office (LTO annual report, 2016).

Sampling: It is the portion of the study population by using Convenience sampling method will use for the study and the sample size is 92 respondents. The targeted respondents were declared their tax in large taxpayer office because large taxpayers are obligated to declare their tax in e-filing and have the largest portion of tax paid to the country. total population and it is assumed that the sample should have 90% reliability and a sampling error of 10% or 0.10.

The maximum sample size is computed as follows:

Therefore, $n= N/ (_{1+N (e^2)})$

$n = (1,100/ (1+ (1,100(.10^2)) = 91.66 =92$

Where N is desired population

n: is sample size

e: is margin of error and which

3.4.3 Data Collection Procedures

The data collection method in this survey was by distributing questionnaires in the counter of LTO customer service. Every effort will made to ensure to meet effective response rate of 92 respondents; with the use of personal visits to LTO customers service department. Respondents were willing to participate and all questionnaires were answered anonymously. The specific respondents will target in e-filing operators for the sampling.

3.5 Data Analysis Techniques

The questionnaires use in the survey were closed ended questions; this means the respondents was to choose between given alternatives for their answers instead of constructing their own responses. This was mainly due to simplify the analysis process. Before the statistical analysis, data collected from the primary survey was compiled, edited, and coded. Then, data was analyzed using a computerized data analysis package known as SPSS version 20. Tables, pie charts, bar graphs were used in analyzing the descriptive findings on the study variables.

CHAPTER 4
DISCUSSION

In this chapter we discussed various outcomes from the statistical analysis of data collected. The data of the study was collected using a questionnaire as the most relevant method in this regard. The questions asked were split into three, the demographic profile, tax and technology knowledge while the last section was addressing factors affecting e-filing adoption.

In this study 92 questionnaires were distributed non-randomly convenience sampling method to taxpayers who is paying their tax liability in LTO, of which 85 were received back and seven did not return the questionnaires mainly due to being uncomfortable doing it since it is about LTO. However besides that, the number of respondents who returned them was found to be representative of the population. The branch has a population 1100 taxpayers who were assessed in terms of the LTO annual 2016 report. Modern software called Statistical Package for Social Sciences (SPSS 20) was used to carry out a statistical analysis. The data was first captured in a spreadsheet in tabular format with various variables from the questionnaire. SPSS was the used to extract results and present them in tables and graphical format. The demographic variable such as age, gender, nationality and profession were measured using frequency procedures.

4.1 Profile of Respondents

The demographics are split into various characteristics based on gender, age, nationality, profession and tax and technology knowledge respondents are registered in LTO taxpayers.

Table 4.1: Gender

Gender		Frequency	Percent
Valid	male	50	58.8
	female	35	41.2
	Total	85	100.0

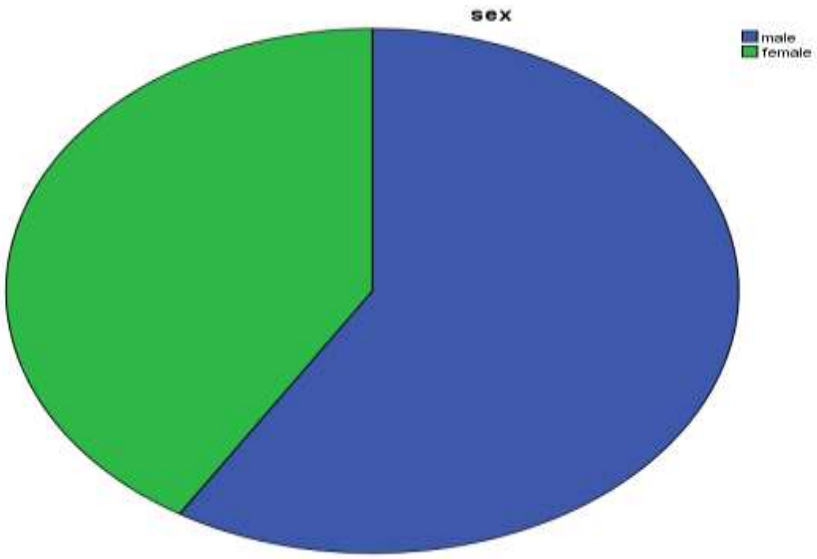

Figure 4.1: Gender

According to table 4.1 above, the total number of respondents who completed and returned questionnaires was 85, of which the majority were males at 50 (58.8%) and the rest being females at 35 (41.2%). The split is further shown on Figure 4.1. It is clear that the difference in the frequency of male and female respondent is significant. Therefore the study is balanced between males and females.

In the next table and graph below the respondent population if split into age group ranging from20 years and below to 50 years and above.

Table 4.2: Age Group

Age Group		**Frequency**	**Percent**
Valid	20-29 years	38	44.7
	30-39 years	35	41.2
	40-49 years	10	11.8
	50years & above	2	2.4
	Total	85	100.0

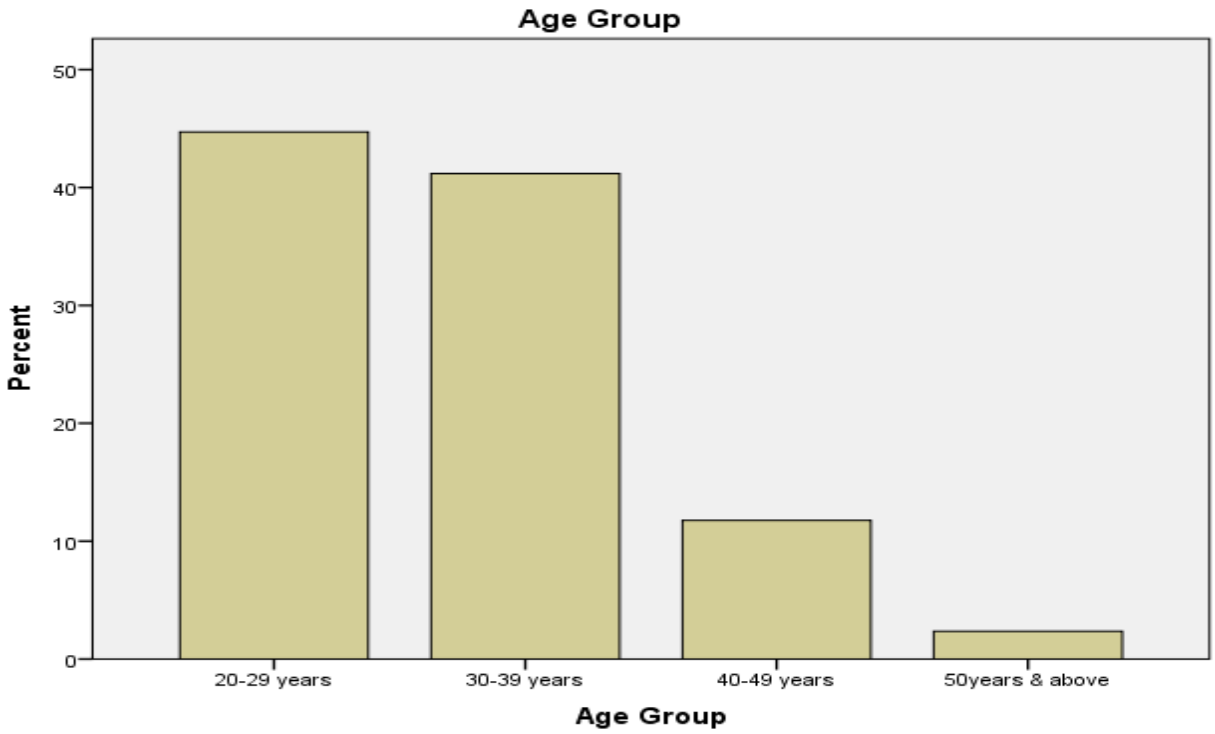

Figure 4.2: Age group

As indicates in Table 4.2 As indicated in Table 2, Respondents are categorized into five stage groups. They consist of respondents ranging less than 20 years old, 20-29years old, 30-39years old, 40-49 years old and 50 years old and above. The result shows majority of respondents are in the age of 20-29 years old, which amounted to 44.7 % (n=38), followed by 41.2 % (n=35) in the group of 30-39 years old, 11.8 % (n=10) in the group of 40-49 years old and 2.4 % (n=2) in the group of 50 years and above. This is an indication that most taxpayers in the sample are at their matured ages and information given to this study is free from emotional (figure 4.2).

Table 4.3: Nationality of e-filers

		Frequency	Percent
Valid	Ethiopia	82	96.5
	Indian	1	1.2
	Chinese	2	2.4
	Total	85	100.0

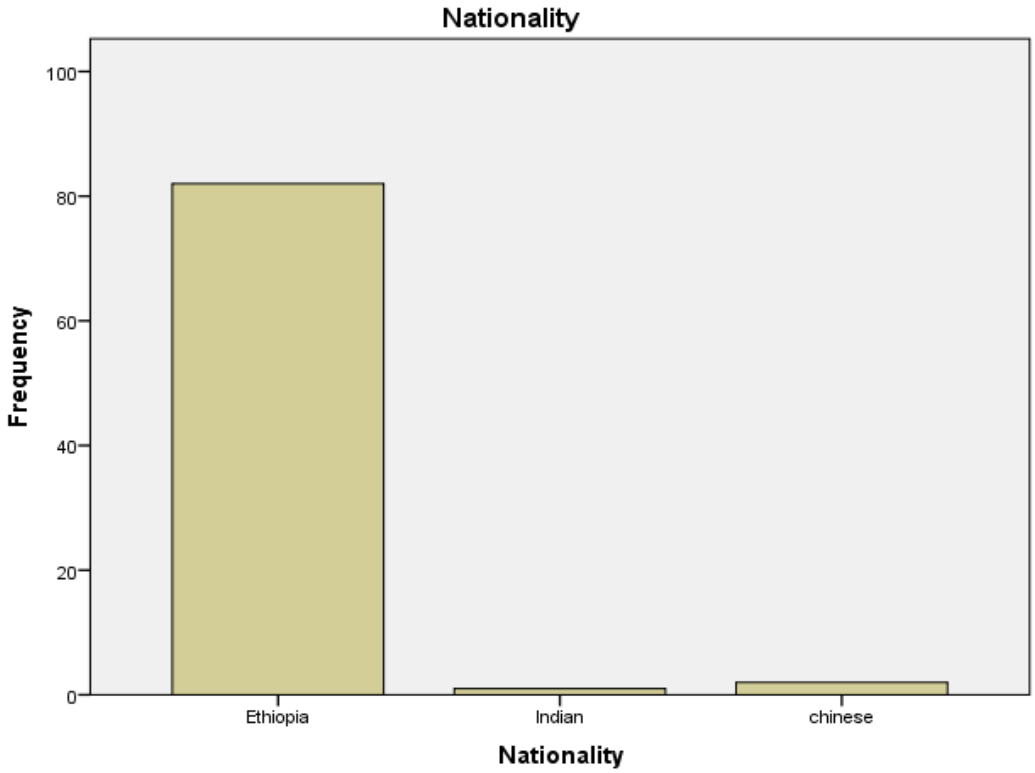

Figure 4.3 Nationality of e-filers

As shown in Table 3, Majority of respondents are Ethiopian Nationality, representing 96.5% (n=82), followed by the only minority of them are in the group respondents in Chinese nationality with 2.4% (n=2) and Indian Nationality with 1.2 % (n=1).

Table 4.4 professional

profession		Frequency	Percent	Valid Percent
Valid	Accounting	75	88.2	89.3
	Management	3	3.5	3.6
	Business Administration	1	1.2	1.2
	others	5	5.9	6.0
	Total	84	98.8	100.0
Missig		1	1.2	
Total		85	100.0	

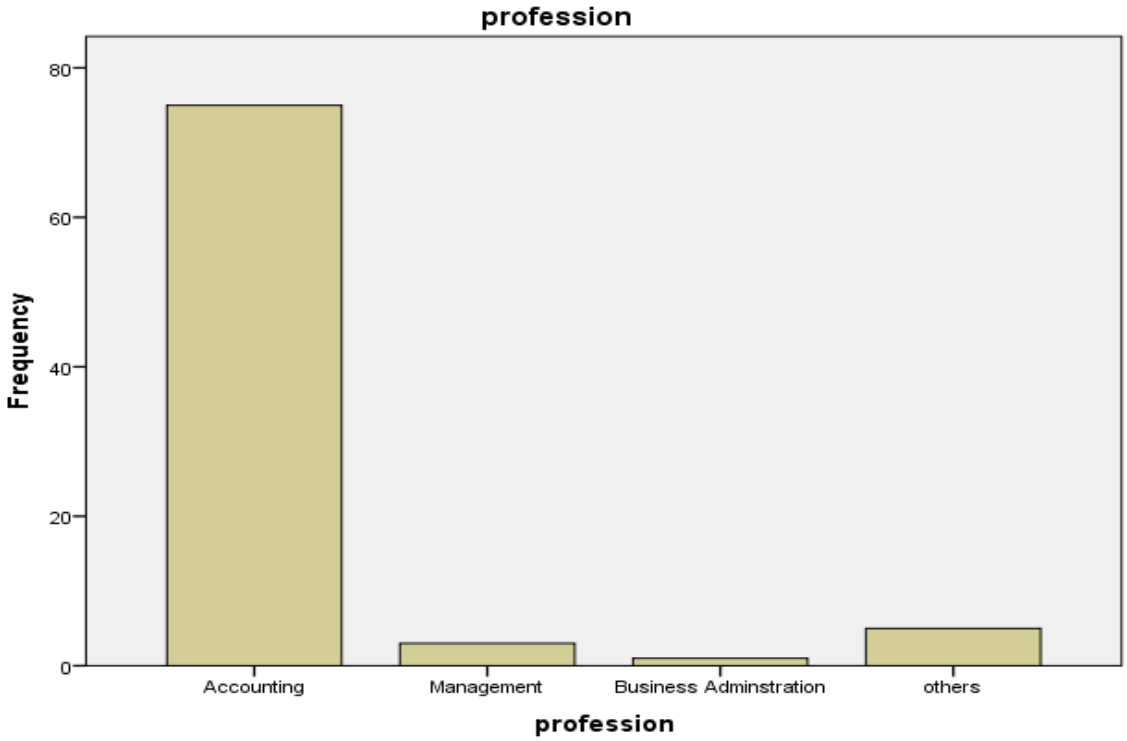

Figure 4.4 professions of e-filers tax

It is believed to be that the ability to read and write influences one's ability to understand and interpret the tax laws. With this regard the survey collected the educational background of the respondents and the survey result shows result in the Table 4 Majority of respondents are in Accounting Graduate, representing 88.2% (n=75), followed by the group of respondents in others profession level with 5.9% (n=5), management Graduate level with 3.5% (n=3), and only minority of them are in the group of business Administration, consisting of 1.2% (n=1).

For any taxpayer, information related to taxes is very important. When the documents related to taxes: laws, manuals, brochures, guidelines, circulars are clear and concise, many of the taxpayers do not require support from others, e.g. tax consultants, accountants, auditors and lawyers. Considering the importance of the availability of information and quality of documents, the respondents were asked about their knowledge of tax and technology, easily understanding the available tax documents, contents and coverage of those documents. Therefore, the implication to these findings indicates that the majority of e-filer tax were accounting graduates to know the need for taxation and they can understand and interpret the tax law as well (Figure 4.4).

Table 4.5 Tax & Technology Knowledge

Tax & Technology knowledge		I have good knowledge of taxation	I have a good knowledge of internet	I use the services of a tax consultant in order to file my tax return(s) due to lack Of tax knowledge.	I have basic computer skills and knowledge
N	Valid	82	83	75	74
	Missing	3	2	10	11
Mean		4.18	4.08	2.97	4.49
Std. Deviation		.722	.872	1.185	.815
	Strongly Disagree	0	1.2	10.7	1.4
	Disagree	1.2	4.8	29.3	2.7
	Neutral	14.6	12.0	21.3	4.1
	Agree	48.8	48.2	29.3	29.7
	Strongly Agree	35.4	33.7	9.3	62.2
	Total	100.0	100.0	100.0	100.0

In terms of the of tax knowledge, mean value 4.18 of the respondents agree that I have good knowledge of taxation and the SD .722 means the respondents response almost the same. In addition, the mean value 2.97 it says neither agree nor disagree to use the services of a tax consultant in order to file my tax return(s) due to lack Of tax knowledge Standard Deviation 1.185 the respondent response different. Respondent agree on they have a good knowledge of internet showed that mean 4.08, Standard deviation .872 of the respondents are almost the same response. Respondents they have agree that basic computer skills and knowledge the mean value is 4.49 and Standard deviation .815 of the respondents almost the same response.

This indicates that the majority of them have tax & technology knowledge but they did not need tax consultant to file their tax issue and it is important to note that information given to this study was given by well informed person and add value to the quality of the study (table 4.5).

4.2 Descriptive Data

Under this section, the respondent taxpayers' general perceived easy to use has been discussed. The respondents were asked to indicate their extent of agreement or disagreement with some statements relating to some of the factors that influence easy to use of e-filing tax system in Ethiopia. This was based on a Likert scale, where strongly Disagree to 1; Disagree to2; Uncertain to 3; Agree to 4, and Strongly Agree to 5. The effort was also made to calculate the mean and standard deviation of the result as well. the results are summarized here below in the table as follows**.**

Table 4.6 Perceived easy to use (PEOU)

	Perceived easy to use (PEOU)	***Mean***	***Std. Devi***
1	I know and understand how to use e-filing. (N=83)	3.98	.987
2	E-filing is simple, easy to understand and use without assistance (N=80)	3.74	.882
3	Using e-filing makes submission of my tax return(s) easy. (N=77)	3.57	1.069
4	The introduction of e-filing has encouraged me to want to take personal responsibility for my tax affairs. (N= 82)	3.89	.981
5	I trust the outcome/assessment of my tax submission from e-filing. (N=80)	3.93	.808
6	Since e-filing was introduced ERCA pays out refunds quicker than before. (N=78)	3.32	1.157
7	Lack of access personal computer and internet discourages my use of e-filing.(N= 81)	3.60	1.148
8	I prefer doing manual tax submission of queuing at ERCA office as opposed to e-filing. (N= 79)	3.13	1.334
9	The use of e-filing saves me the cost of complying with ERCA tax legislation. (e.g. penalty, interest, drive to ERCA office. (N= 80)	3.86	1.088
10	The introduction of e-filing was the best way to improve efficiency of ERCA systems and encourage Taxpayers to comply. (N= 82)	3.96	.987
	Perceived easy to use (PEOU)	3.70	1.04

As is seen in the table above, most of the respondents agreed, with mean value of approximately near to 4 that easy to use e-filing, simple to understand and use without assistance, Using e-filing makes submission of my tax return(s) easy, encouraged me to want to take personal responsibility for my tax affairs, trust the outcome/assessment of my tax submission from e-filing, Lack of access to personal computer and internet discourages my use of e-filing, The use of e-filing saves me the cost of complying with ERCA tax legislation and introduction of e-filing was the best way to improve efficiency of ERCA systems and encourage Taxpayers to comply. This means that although substantial effort has been made to modernize the e-filing system and make it easy for taxpayers, the taxpayers still neutral need more simplification with the mean value near to 3 on Since e-filing was introduced ERCA did not pays out refunds quicker than before and prefer doing manual tax submission of queuing at ERCA office as opposed to e-filing.

In addition to that the summated mean score of 3.70 with the standard deviation of 1.04 indicates an overall response agree to the question used in easy to use of e-filing but the standard deviation shows the respondents respond a highly deviated from the mean.

Table 4.7 Perceived usefulness (PU)

	Perceived usefulness (PU)	Mean	Std. Deviation
1	ERCA E-filing tax application feels the same like the paper version. (N= 81)	3.56	1.084
2	E-filing tax convenient and easy to use. (N= 77)	3.70	1.077
3	E-filing system will improve my productivity. (N= 81)	3.58	1.035
4	E-filing system will enhance my effectiveness. (N= 81)	3.63	.993
5	E-filing system will improve my performance. (N= 81)	3.63	1.123
6	It is overall easy for me to e-file my tax. (N= 76)	3.57	1.247
	Perceived usefulness (PU)	**3.61**	**1.09**

The table, 4.7, above shows With regards to Perceived usefulness of e-filing tax system, responses were needed from the sampled taxpayers in order to find out whether they were

satisfied with the E-filing tax application feels the same like the paper version. From the finding, mean value 3.56 of the respondents were agreed with the e-filing tax application feels like paper version in the country and it was surprised that standard deviation 1.084 of the respondent's response vary each others. In connection with e-filing tax convenient and easy to use, those respondents who were mean value 3.70 they are agreed convenience and easy to use but Standard Deviation 1.077 that means the respondent response is varied. All response related with usefulness of e-filing the respondents agreed with it but highly deviated because the standard deviation is greater than one with the exception of e-filing enhance the effectiveness. Summated mean and standard deviation in the Feeling of e-filing system construct. For all the six questions the summated mean value 3.61 are to the nearest four which indicate that the respondents seem to agree with usefulness of the system with the standard deviation of 1.09 which also confirms that overall respondents highly deviated from the mean.

Table 4.8 Perceived Risks (PR)

	Perceived Risk (PR)	Mean	Std. Deviation
1	Using e-filing system, I will lose control over the privacy of my personal information. (N=80)	3.05	.967
2	E- Filing tax system doesn't have security strong enough to protect my account. (N= 80)	3.14	1.052
3	E-filing access code and the codes acquisition processes aren't easy to manage. (N= 83)	3.69	.780
4	E-filing application isn't available for use the time that is seven days a week and 24 hours a day (24/7). (N= 78)	2.94	1.109
5	I feel that e-filing system wasn't designed with the user's best interest. (N= 80)	3.39	1.049
6	The steps on E-filing application aren't clearly written.(N= 75)	3.81	.896
	Perceived Risk (PR)	**3.34**	**0.98**

Table 4.8 The respondent taxpayers were asked to indicate their views on perceived risk in using E-filing like lose control over the privacy of my personal information, tax system doesn't have security strong enough to protect my account, access code and the codes acquisition processes

aren't easy to manage, feel that e-filing system wasn't designed with the user's best interest and steps on E-filing application aren't clearly written. Starting from lose control over the privacy of my personal information, mean 3.05 of the respondents stated that between agree and disagree, where as the standard deviation .967 of the respondents felt that it is response almost the same. With regards to system doesn't have security strong enough to protect my account, mean value 3.14 of the respondents think that between agree and disagree where as the standard deviation 1.052 shows that taxpayer's response is highly deviated. The respondents felt that it was agree, while mean value 3.69 and standard deviation .780 of the respondents respectively mentioned that the E-filing access code and the codes acquisition processes aren't easy to manage. On the other hand, steps on E-filing application aren't clearly written to be agreeing, as mean value of the respondents 3.81 and Standard deviation .896 of the respondents were indicated that the response was almost the same. With regards to application isn't available for use the time that is seven days a week and 24 hours a day (24/7), the respondents mean 2.94 stated that respondents between agree and disagree, but standard deviation 1.109 respondents response is scattered, feel that e-filing system wasn't designed with the user's best interest the mean value 3.39 this is clearly indicates between agree and disagree while the standard deviation 1.049 which means response are scattered. In general, it is clear from the finding that agreed the respondents response risks in the overall access code and code acquisition of e-filing and steps of e-filing application was not clearly written..

Table 4.9 Perceived facility /PF/

	Perceived facility /PF/	Mean	Std. Deviation
1	ERCA electronic tax filing has complete information. (N= 79)	3.52	.985
2	There factors that motivates for the use of e-filing.(N= 76)	3.71	.892
3	ERCA extension of e-filing deadline for e-filers.(N= 72)	3.31	1.002
4	It convenience able to use e-filing.(N= 76)	3.45	.885
5	E-filing hoping to get faster tax refund.(N= 76)	3.47	1.089
	Perceived facility /PF/	3.49	0.97

Above Table 4.9 indicated that Perceived facility was asked different questions to measure their awareness about facility of e-filing because the researcher believes that they can play an important role to use e-filing tax if they do have enough facility. Response agree on ERCA e-filing tax has complete information because mean value is 3.52 near to four. Taxpayers also agree on there is factors that motivates for the use of e-filing mean value 3.71 while standard deviation .892 the response is almost the same.

Considering the respondents agreed there is motivation factors for the use of e-filing tha mean value is 3.71 while Standard deviation is .892 it says the respondents respond almost the same. But taxpayers between agree and disagree regarding with extension of the deadline for e-filers, it is convincible to use e-filing, e-filing users hoping to get faster tax refund. The mean value is 3.31, 3.45 and 3.47 respectively. The mean values for the individual items that were used to measure user satisfaction, as well as summated mean value was well almost 3 thus most of the respondents seem between agree and disagree with statements. Besides this the summated mean value 3.49 with standard deviation of 0.97 also support the outcome that most of the respondents agreed to the items in user satisfaction construct.

Chapter Five
FINDINGS, CONCLUSSION AND RECOMMENDATION

5.1 FINDINGS

In general, findings of the research suggested that the perception towards e-Filing of the tax payers' influence by the way they identify the usefulness of the e-filing system which is perceive usefulness However, there are few aspects that should be of concern and to give particular attention by the respective parties. There are four objectives of this research. Firstly, to know whether the tax payers feel easy to use e-filling system. Secondly, to identify whether e-filling system is efficient to be use. Thirdly, to investigate whether the tax payers have problem in using the e-filing system. Finally, to know whether the tax payers have the facilities to use the e-filling system from the research findings, most of the tax payers' have the positive perception on e-filing system.

The findings indicated that majority of the tax payers which representing 65.13% (n=55) agree that the e-Filing system is easy to use. It means that, a system that is easier to use, will be perceived as more useful. Besides that, majority of the tax payers which representing 63.53% (n=54) agree that the e-Filing system introduced by Ethiopia Revenue and custom authority enhanced efficiency for tax filing system. It is mean that the perception of tax payers towards e-Filing is determined by perceive usefulness of the e-Filing system itself. A majority of the tax payers which representing 49.42% (n=42) agree that e-Filing system is difficult to be used. However, a small portion of the tax payers which representing 22.6% (n=19) find that e-Filing system isn't difficult to be use. The 28.1% of the respondent neither agree nor disagree on perceived risk e-Filing system. A majority of the tax payers which representing 55.76% (n=48) have own enough facility to use e-Filing system.

However, it is not surprise that most of the respondent's towards e-filing system is useful to them because of it can help the tax payers to declare their tax much easier way. The e-Filing system enhanced the tax filing form system whereby the tax payers can easily fill the form anywhere and anytime. The perceive usefulness of the e-filing system is most aspect that lead to the tax payer's perception to use e-Filing system. A majority of the tax payers neither agree nor disagree that the

e-filing system is difficult to be used. Respondents agree on E-filing access code and the codes acquisition processes aren't easy to manage and steps on E-filing application aren't clearly written however, there is a minority of the tax payers which have perception on perceive risk on e-Filing system.

Perceived ease of use, perceived usefulness, perceived risk and perceived facility were shown to be an important construct to influence taxpayer's to use electronic tax-filing system. Given the fact that adoption of the electronic tax-filing system is voluntary, the findings suggest that in order to attract more users to use the electronic tax-filing system, it is not enough just to develop a useful and easy to use system to interact with. It is also important to develop an electronic tax-filing system that is boundless from perceived risk.

The findings also suggest taxpayers' perceived the electronic tax-filing system as not useful then there to adopt the system will also decrease. This means, in order to attract taxpayers to adopt electronic tax-filing system, ERCA has to give the assurance and confidence to taxpayers that the system's is safe and risk free. ERCA should also focus on improving the system usefulness and promote to taxpayers' that by using the electronic tax-filing system will improve their performance, productivity and effectiveness in preparing income tax filing.

5.2 CONCLUSION

Results conclusion that generally, the prospect of LTO taxpayers towards e-Filing system is at acceptance level. Majority of the respondents agree that their perception to use e-filing through identified by perceive usefulness of the system. Perceive usefulness of the e-Filing system will bring positive perception to use the system. The usefulness of the e-Filing system can be seen by enhancement of the efficiency of tax filing work. Through e-Filing, tax payer will get to know how to fulfill the form, sending the form, how to pay the tax and also to get help and information. Majority of the respondents are agreed with this determination.

Findings also indicated that Majority of this tax payer perceive e-filing system is useful and perceive ease to be use of the system. E-Filing is to make it easier for the taxpayer in settling

matters of income tax. The advantage of e-Filing is to make it easier for the tax payer to fulfill tax form rather than to fulfill the form manually by which fulfilling tax form is the annually routine for the tax payer. It is also easy because the tax payer can send the form through internet although wherever they are and no time constraint Besides, half portion of the tax payer have different view of e-Filing system whereby they are more perceive the system will give risk to them by which they tend to determine that e-Filings system is difficult and hardly to be trusted and feel doubt about it.

5.3 Recommendation

There is recommendation from the researcher based on the findings in order ERCA to be transparent in e-filing practiced in Large taxpayer office. Thus, to increase many tax payers to use e-filing through internet can be done by giving them more exposure on how to use the system itself. The tax payers need to know in depth how to use the e-Filing system. Moreover, the government should give more time for the tax payers that do not know how to use computer and internet because e-Filing systems can be more convenience to the taxpayers that know how to use computer and internet but not for those who does not know about. The government of Ethiopia should build fully trust of the tax payers to use e-Filing system to create positive perception towards it. The e-Filing system must be proven to be the best method for the tax payers to use it. By building trust of the tax payers, it can lead to the higher level confidence of the tax payer to use e-Filing system through internet. Moreover, more clear define guidelines should be taught, so that the tax payers do not face difficulties to use the system itself. The Ethiopia Revenue and custom authority (ERCA) should have specific approach to increase more tax payers to use e-Filing system in future.

First recommendation for future research is to study the background of manual taxpayers' and electronic taxpayers'. Background study of the taxpayers' can be in the area of their education level, age, years of computer and Internet experience and availability of information system resources, be it at home or at work. Study conducted by Fu, et al., 2006 on taxpayer intentions to accept electronic tax filing in Taiwan context, the finding indicated that taxpayers who choose

manual filing method are from the background of lower education, older, had less computer and Internet experience and had less information system resources.

Electronic tax-filing system encompasses the use of Internet technology and the Worldwide Web. In order to evolve from paper based operations to computer based operations, ERCA should pay attention to taxpayers' technology acceptance and search for ways to encourage taxpayers' adoption of e-government services. In order to study taxpayers' intention to adopt electronic tax-filing system, taxpayers' technology readiness could be one of the possible factors that will influence adoption. Therefore Second recommendation for future research is to study the level of technology readiness of Ethiopia taxpayers'. Previous study (Lai et al., 2004) found that there is a relationship between technology readiness and tax practitioners' usage intention towards the electronic tax-filing system in Malaysia. The findings also identify that technology readiness is a force behind the motivation to adopt the electronic tax-filing system. Electronic tax-filing can be done in a number of methods. It can be done through the Internet, through their tax agent and through the tax centers.

As a third recommendation for future research, it is very important to examine which methods are adopted by taxpayers' for future research. If the filing is done through their tax agent, then tax agent will have a role in terms of educating their clients because tax agents are an important intermediary between the ERCA and the taxpayers'. Therefore, tax agents must be provided with the facility for filing the tax returns of their clients in a seamless and efficient manner.

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Στ. Μαρψ Υνιωερσιτψ
Σχηοολ οφ ποστ γραδυατε
Δεπαρτμεντ οφ Αχχουντινγ ανδ Φινανχε

Δεαρ Ρεσπονδεντσ,

The purpose of this questionnaire is to collect data for the thesis work in requirement for partial fulfillment of MBA degree in Accounting and Finance in St.Mary University. The study aimed at identifying the challenge and prospect of E-filing . I would like to emphasis that your response are extremely valuable for the successful completion of this paper and I would immensely appreciate your response for all questions genuinely. I can assure you that the information you provide will be completely anonymous and will not be used for any other purpose it will be used only for academic purpose.

I thank you very much in advance for your cooperation and for sacrificing your invaluable time.
Put tick (__√_) mark in the appropriate answer box.

SECTION ONE: Demograhic profile

1. What is Your Gender?

□ Male □ Female

2. What is your age group?

□Less than 20 years □20-29 years □30-39years □ 40-49 years , □ 50 years & above

3. What is your nationality?

□Ethiopian □ Indian □ Chinese □ Turkish □Others Specified……

4. What is your profession?

□ Accounting □Management □Business Administration □ IT, MIS, computer science or □others

SECTION TWO: Tax and technology

Tax & Technology Knowledge		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
5.	I have a good knowledge Taxation					
6	I have a good knowledge of internet.					
7	I use the services of a tax consultant in order to file my tax return(s) due to lack Of tax knowledge.					
8	I have basic computer skills and knowledge					

SECTION THREE: **Factors Affecting E-Filing Adoption**

Perceived easy to use (PEOU)		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
9	I know and understand how to use e-filing.					
10	E-filing is simple, easy to understand and use without assistance					
11	Using e-filing makes submission of my tax return(s) easy					
12	The introduction of e-filing has encouraged me to want to take personal responsibility for my tax affairs.					
13	I trust the outcome/assessment of my tax submission from e-filing.					
14	Since e-filing was introduced ERCA pays out refunds quicker than before.					
15	Lack of access to personal computer and internet discourages my use of e-filing.					
16	I prefer doing manual tax submission of queuing at ERCA office as opposed to e-filing.					
17	The use of e-filing saves me the cost of complying with ERCA tax legislation. (e.g. penalty, interest, drive to ERCA office.					
18	The introduction of e-filing was the best way to improve efficiency of ERCA systems and encourage Taxpayers to comply.					

Perecived usefulness (PU)		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
19	ERCA E-filing tax application feels the same like the paper version?					
20	E-filing tax convenient and easy to use					
21	E-filing system will improve my productivity.					
22	E-filing system will enhance my effectiveness					
23	E-filing system will improve my performance.					
24	It is overall easy for me to e-file my tax**.**					
Perceived Risk (PR)		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
25	Using e-filing system, I will lose control over the privacy of my personal information					
26	E- Filing tax system doesn't have security strong enough to protect my account.					
27	E-filing access code and the codes acquisition processes are easy to manage?					
28	E-filing application isn't available for use the time that is seven days a week and 24 hours a day (24/7)					
29	I feels that e-filing system wasn't designed with the user's best interest.					
30	The steps on E-filing application aren't clearly written.					
Perceived facility /PF/		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
31	ERCA electronic tax filing has complete information.					
32	There factors that motivates for the use of e-filing.					
33	ERCA extension of filing deadline for e-filers.					
34	It convenience able to use e-filing.					
35	E-filing hoping to get faster tax refund.					

	Perceived easy to use (PEOU)	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)
1	I know and understand how to use e-filing. (N=83)	30.1	51.8	6	9.6	2.4
2	E-filing is simple, easy to understand and use without assistance (N=80)	17.5	48.8	25	7.5	1.3
3	Using e-filing makes submission of my tax return(s) easy. (N=77)	20.8	35.1	28.6	11.7	3.9
4	The introduction of e-filing has encouraged me to want to take personal responsibility for my tax affairs. (N= 82)	26.8	48.8	13.4	8.5	2.4
5	I trust the outcome/assessment of my tax submission from e-filing. (N=80)	23.8	50	21.3	5	0
6	Since e-filing was introduced ERCApays out refunds quicker than before. (N=78)	17.9	28.2	26.9	21.8	5.1
7	Lack of access to personal computer and internet discourages my use of e-filing. (N= 81)	24.7	34.6	22.2	13.6	4.9
8	I prefer doing manual tax submission of queuing at ERCA office as opposed to e-filing. (N= 79)	16.5	29.1	21.5	16.5	16.5
9	The use of e-filing saves me the cost of complying with ERCA tax legislation. (e.g. penalty, interest, drive to ERCA office. (N= 80)	32.5	37.5	17.5	8.8	3.8
10	The introduction of e-filing was the best way to improve efficiency of ERCA systems and encourage Taxpayers to comply. (N= 82)	31.7	45.1	13.4	7.3	2.4
	Perceived easy to use (PEOU)	24.23	40.90	19.58	11.03	4.27

	Perceived usefulness (PU)	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)
1	ERCA E-filing tax application feels the same like the paper version. (N= 81)	18.5	42	19.8	16	3.7
2	E-filing tax convenient and easy to use. (N= 77)	22.1	45.5	18.2	9.1	5.2
3	E-filing system will improve my productivity. (N= 81)	16	45.7	23.5	9.9	4.9
4	E-filing system will enhance my effectiveness. (N= 81)	14.8	50.6	22.2	7.4	4.9
5	E-filing system will improve my performance. (N= 81)	22.2	42	17.3	13.6	4.9
6	It is overall easy for me to e-file my tax. (N= 76)	25	36.8	17.1	11.8	9.2
	Perceived usefulness (PU)	19.77	43.77	19.68	11.30	5.47

	Perceived Risk (PR)	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)
1	Using e-filing system, I will lose control over the privacy of my personal information. (N=80)	3.8	32.5	33.8	25	5
2	E- Filing tax system doesn't have security strong enough to protect my account. (N= 80)	8.8	31.3	30	25.5	5
3	E-filing access code and the codes acquisition processes are easy to manage. (N= 83)	10.8	54.2	28.9	4.8	1.2
4	E-filing application is available for use the time that is seven days a week and 24 hours a day (24/7). (N= 78)	7.7	25.6	28.2	29.5	9
5	I feels that e-filing system was designed with the user's best interest. (N= 80)	12.5	40	25	18.8	3.8
6	The steps on E-filing application are clearly written.(N= 75)	21.3	48	22.7	6.7	1.3

	Perceived Risk (PR)	10.82	38.60	28.10	18.38	4.22
	Proper enough facility to use e-filing	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)
1	**ERCA electronic tax filing has complete information. (N= 79)**	12.7	46.8	22.8	15.2	2.5
2	**There factors that motivates for the use of e-filing.(N= 76)**	14.5	55.3	18.4	10.5	1.3
3	**ERCA extension of filing deadline for e-filers.(N= 72)**	12.5	27.8	41.7	13.9	4.2
4	**It convenience able to use e-filing.(N= 76)**	6.6	48.7	30.3	11.8	2.6
5	**E-filing hoping to get faster tax refund.(N= 76)**	18.4	35.5	23.7	19.7	2.6
	Proper enough facility to use e-filing	12.94	42.82	27.38	14.22	2.64