
E-FILING: A CHANGE LANDSCAPE FOR ACCOUNTING AND REPORTING

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Efficiency and fairness among the taxpayers is the objective of e-taxation. *Income tax* is levied on individuals or entities (taxpayers) who have *taxable income*. Taxation is like an endless oil well comes out of the society which primarily meant for the welfare, development and prosperity of the country. E-filing empowers the statutory responsibility all the taxpayers in filing income tax returns electronically at 'anytime' and 'anywhere' with perfection putting income and possession into tax-website electronically without their presence in taxation. It is a mechanized and integrated taxation system certainly contributes to the richness and economic prosperity the country. E-filing of tax return is an up-to-the-minute conception in India. To-day, e-filing of income tax is the basic foundation on account of technology advancement through internet. A systematic process of identifying, recording, measuring, classifying, verifying, summarizing and interpreting and communicating is known as accounting.

E-governance is convenience and useful concept of e-filing to the taxpayers in e-filing services. Effective collection of tax revenue is a priority of the Government for its efficient administration to be said sound and safe in achieving the economic progress. Revolution of internet has effected towards drastic change in the landscape of accounting reporting. Computer uses in preparation of Income tax and files it electronically through 'e-file' is called e-filing. Thus, internet is an important modern day invention with which one can file income tax return electronically; to the effect get an instant acknowledgement of receipt to the taxpayer. This paperless work documentation and storage space with access for '24 x 7 x 365' is certainly an add value service to the taxpayers. Simply stated, it is a handiness and easiness.

CHANGING LANDSCAPE IN E-FILING

E-filing of tax return is mandatory to the assesses in filing their return from the assessment year 2013-14 as the Central Board of Direct Tax (CBDT) vide notification. [1] The e-filing is of two types - the assessee has to down load the suitable ITR in his computer, fill it and upload to <https://incometaxindiaefiling.gov.in> portal and the assessee fill all the details into an online form

and submit. Download or upload does not involve in it.

E-taxation is a trans-organizational data process between the Information Technology system of the professionals and the tax authorities with the help of software. E-taxation aids in flow of work and management of electronic record on the one hand; and knowledge management and automated risk analysis to access the credibility of tax returns on the other to the authority of Income Tax to check the accounting data and hardliner against tax evasion illegally and security fraud socially. E-tax filing has a challenge of public perception in running smoothly and efficiently of e-filing.

DOCUMENTS FOR E-FILING

To e-file income tax return successfully, the taxpayer needs the documents of (i) Form 16 (all the salaried employees get Form 16 with the details of income including deduction U/S 80C and tax deducted at source from their employer annually, (ii) Form 16A (Given quarterly for tax deducted at source other than the salary income and (iii) Form 26AS (IT Department issue certificate incorporating details of Form 16 and Form 16A with taxes paid against a PAN). Majority of taxpayers are not technological savvy and had a fear of confidentiality and security of data presented.

Many taxpayers prefer e-filing as it is a simple and effective method of filing income tax return through online making e-payment of tax and also saves time, energy and cost. The e--government is an integrated model on G2C adoption of online tax. The norm of e-filing as a marketing strategy certainly reduces and resolves the related issues on accounting and reporting.

THE STUDY

Indian economy is at the developing stage and stills need more to come in every stage of its development. Given the tendency to online services for filing tax returns electronically tend to a leading progenitor on using information technology. As changing landscape, electronically analyzed data supplement taxpayers to pay tax amount through e-filing as a strategy. How and what progress achieved through e-filing in genre of direct tax system? Hence is the focus on e-filing of income tax return.

POSITION OF E-FILING

As per Income Tax Department (ITD), e-returns account for 15-20 per cent of total number of returns, but in tax collection it is accounted for 75-80 per cent of total tax. This leads in cost effective saving of ₹ 12-15 crore. Today, e-filing of taxes has been embraced in many developed and developing countries across the globe.

Economic growth, balanced development, financing social and public expenditures and realization of social justice are only a particle of the e-taxation goal plan. The Government attaches a great deal of significance to the cost of collecting taxes and minimizing such costs is another objective of the e-taxation implies fairness and minimum costs. Along with fairness, tax payers' trust is

gained; trust means institutionalizing the culture. Therefore, fairness and trust are key issues in e-tax.

Tax as collection to the Government is the major source of funds with which it meets various developmental and social-overheads work in the society for the progressive acceleration of economy. It is also meaningful to compare the total tax amount to Gross Development (GDP). Equally being important how the Government is efficient in collection of tax amount by spending how much expenditure. Data on the classification and composition of taxes amount collected during the period of sixteen years from 2000-01 to 2015-16 with growth rate, share of direct taxes to total taxes, GDP ratio, cost of tax collection and disposal cases is presented in Table 1.

TABLE 1
DIRECT TAX AMOUNT COLLECTION

(₹ In crore)

Year (1)	Corporate Tax (2)	Personal Tax* (3)	Other Direct Tax (4)	Total (5)	Tax Growth Rate (%) (6)	% of DT to total taxes (7)	DT GDP Ratio (%) (8)	Expe.fo r Collection (9)	Disposal Cases (10)
2000-01	35696 (52.26)	31764 (46.50)	845 (1.24)	68305 (100)	17.85	36.31	3.25	929 (1.36)	19381487 (59.22)
2001-02	36609 (52.9)	32004 (46.25)	585 (0.85)	69198 (100)	1.31	37.20	3.03	933 (1.35)	20665323 (57.70)
2002-03	46172 (55.57)	36866 (44.37)	50 (0.06)	83088 (100)	20.07	38.52	3.38	984 (1.180)	35151111 (89.72)
2004-05	63562 (60.49)	41386 (39.38)	140 (0.13)	105088 (100)	26.48	41.42	3.81	1050 (1.00)	21886738 (79.06)
2004-05	82680 (62.27)	49268 (37.11)	823 (0.62)	132771 (100)	26.34	43.72	4.10	1138 (0.86)	23448806 (76.26)
2005-06	101277 (61.30)	63689 (38.55)	250 (0.15)	165216 (100)	24.44	45.32	4.47	1194 (0.72)	24058871 (70.90)
2006-07	144318 (62.70)	85623 (37.20)	240 (0.10)	230181 (100)	39.32	48.80	5.36	1349 (0.59)	26139210 (68.55)
2007-08	193561 (61.58)	120429 (38.31)	340 (0.11)	314330 (100)	35.56	52.97	6.30	1687 (0.640)	21848016 (54.36)
2008-09	213395 (63.92)	120034 (35.96)	389 (0.12)	333818 (100)	6.20	55.34	5.93	2248 (0.67)	24339003 (50.41)
2009-10	244725 (64.73)	132833 (35.14)	505 (0.13)	378063 (1000)	13.25	60.78	5.85	2726 (0.72)	28246000 (54.15)

2010-11	298688 (66.97)	146258 (32.80)	1049 (0.23)	445995 (100)	17.97	56.48	5.81	2698 (0.60)	29625794 (58.48)
2011-12	322816 (65.35)	170181 (34.45)	990 (0.20)	493987 (100)	10.76	55.82	5.48	2976 (0.60)	28318427 (71.39)
2012-13	356326 (63.74)	201840 (36.11)	823 (0.15)	558989 (100)	13.16	54.27	5.53	3283 (0.59)	16530537 (66.42)
2013-14	394678 (61.80)	242888 (38.043)	1030 (0.16)	638596 (100)	14.24	56.32	5.62	3641 (0.57)	19924496 (65.42)
2014-15	428925 (61.64)	265772 (38.20)	1095 (0.16)	695793 (100)	8.96	56.16	5.55	4101 (0.59)	21677399 (68.20)
2015-16*	454419 (61.22)	286801 (38.64)	1075 (0.14)	742295 (100)	6.68	51.05	5.47	4593 (0.62)	

Source: Reports of C & AG.

Figures in parentheses are percentage to total in Col. 5

Figures in parentheses are percentage to total cost of expenditure and total cases in Col. 9 and Col. 10

* includes collections of Securities Transaction Tax

Table 1 unfailingly discloses that the corporate tax in relative terms has increased from 52.26 per cent of ₹ 68305 crore in 2000-01 to 61.22 per cent of ₹ 742295 crore in 2015-16 registering an increase of 8.96 per cent while in personal tax the corresponding figures are 46.50 per cent to 38.64 per cent implying a decrease of 7.86 per cent respectively. Throughout the study period, the position of both the corporate and personal taxes is the same trend. Though an increase and a decrease are observed in the formal and latter respectively; but found a good elasticity relation between them. The growth rate in tax collection throughout the study period is accounted for 17.85 per cent in 2000-01 which increased to 39.32 in 2006-07 and wherefrom fluctuated reaching to 6.68 per cent.

A significant feature of data presented in Table 1 clearly shows that the direct taxes to total taxes and direct taxes to Gross Domestic Product (GDP) ratio is a smoothing up with an increasing trend during the study period. The number of cases disposed is accounted for 19381487 or 59.22 per cent total cases in 2000-01 and the figure in 2014-15 is 21677399 or 68.20 per cent of total cases. Further, the amount incurred in the form cost of collection of taxes is accounted for ₹ 929 crore or 1.36 per cent of total cost of expenditure in 2000-01 while it is 0.62 per cent of total cost expenditure in 2015-16 discerning a declining trend position. It is understood that (a) A positive relation between the corporate and personal taxes and the GDP, (b) A favourable trend in cost of collection of taxes and (c) Generic service in disposal cases with an increasing trend. The reasons for slow growth are:

- Lack of awareness towards use of internet
- A reliable and accessible internet services
- Adequate financing to set up appropriate infrastructure in the tax offices
- Insecurity towards e-payments security among the taxpayers

Data on income tax collection State-wise during the period from 2008-09 to 2014-15 is presented in Table 2.

TABLE 2
BREAK UP OF INCOME TAX COLLECTION

(₹ In crore)

States/UT	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Andhra Pradesh	17494.9 [5]	18716.7 [5]	23133.4 [5]	25180.0 [5]	29947.7 [5]	32296.1 [5]	30208.57 [6]
Arunachal Pradesh	28.0	57.2	70.1	87.6	84.0	111.8	17.2
Assam	1447.1	2565.6	2937.8	3742.8	4564.0	4486.8	3658.7
Bihar	1719.3	1997.8	2581.1	3058.4	3806.7	4491.6	4425.8
Jharkhand	1060.0	1388.6	1691.4	1977.7	2497.9	3482.7	1344.7
Goa	3029.8	3624.1	4886.3	4583.9	2600.4	2100.3	2820.0
Gujarat	12577.3 [6]	15001.2 [6]	17017.0 [6]	20961.7 [6]	25196.1 [6]	28783.9 [6]	35912.5 [5]
Haryana	5360.0	6365.6	9212.6	11168.0	13788.0	16778.6	12638.8
Himachal Pradesh	796.7	795.3	894.1	942.5	1267.6	1622.4	2042.4
Jammu & Kashmir	574.0	671.4	711.6	869.9	1160.7	1459.1	1284.2
Karnataka	27311.2 [3]	29220.9 [3]	35824.8 [3]	40956.0 [3]	49047.8 [3]	59769.8 [3]	60595.2 [3]
Kerala	3791.8	4618.7	5493.2	6810.0	8524.4	10155.6	11909.7
Madhya Pradesh	4589.9	5380.2	6756.4	8729.9	11226.3	13486.6	14262.6
Chhattisgarh	1286.7	1608.4	1882.3	1987.1	2281.9	3067.9	1286.9
Maharashtra	131168.5 [1]	145507.6 [1]	174968.6 [1]	177363.3 [1]	202128.9 [1]	229494.9 [1]	277720.1 [1]
Manipur	21.2	27.7	44.1	38.4	55.4	79.2	53.3
Meghalaya	219.4	281.3	367.0	406.3	474.0	577.3	292.8
Mizoram	6.5	9.0	6.9	9.2	12.6	17.8	39.8
Nagaland	9.9	15.8	19.3	20.7	30.4	35.1	30.4

Delhi	54705.0 [2]	59621.7 [2]	64208.1 [2]	68410.5 [2]	79137.1 [2]	88140.4 [2]	91247.9 [2]
Odisha	4639.9	5126.9	6172.7	7014.4	8630.5	9394.2	9871.2
Punjab	3350.1	3769.0	5019.2	6181.6	6977.0	7783.6	7072.9
Rajasthan	4666.2	5516.2	5813.3	7689.2	9951.9	11246.5	13146.1
Sikkim	29.2	50.7	48.2	64.4	199.5	205.4	323.9
Tamil Nadu	20651.1 [4]	24265.1 [4]	28409.5 [4]	28327.5 [4]	33051.3 [4]	42681.3 [4]	44732.6 [4]
Tripura	58.5	87.2	100.5	142.2	166.3	218.7	138.9
Uttar Pradesh	14453.0	15905.0	19850.5	20130.3	25745.6	25886.5	27159.9
Uttarakhand	731.1	1086.6	1080.0	1255.7	1591.9	1941.9	1750.6
West Bengal	13557.5	15862.3	19458.0	20592.0	24462.9	26900.7	27793.5
Andaman Nicobar	24.9	32.3	36.8	44.2	50.1	52.8	93.4
Chandigarh	812.1	948.4	1201.2	1373.1	1776.2	1874.8	1922.6
Daman & Diu	97.8	92.3	97.2	120.0	146.7	158.2	188.6
Dadar N. Haveli	71.6	79.5	84.7	91.6	110.5	245.6	290.2
Puducherry	158.3	215.8	222.1	260.4	356.8	425.0	385.9
Lakshadweep	0.9	0.9	1.8	5.8	6.9	10.3	2.9
CTDS (SYS-II)	3390.9	7350.2	6632.0	4832.0	7929.3	9125.7	9124.3
Total	333890.3	377863.2	446933.8	475428.3	558985.3	638589.1	695789.1

Source: CCA, CBDT

*includes Telangana Rs439.46 crore

Figures in square brackets are rank position to all India

Table 2 clearly discloses the income tax collection for seven years. Total income tax collection is accounted for ₹ 333890.3 crore, ₹377863.2 crore, ₹ 446933.8 crore, ₹ 475428.3 crore, ₹ 558985.3 crore, ₹ 638589.1 and ₹ 695789.1 for seven years ended by 2014-15 respectively. Of the total amount of income tax collected, six States secured tax collection in order rank are Maharashtra, Delhi, Karnataka, Tamil Nadu, Andhra Pradesh and Gujarat during study period from 2008-09 to 2014-15. In 2008-09 the share of these States 39.28 per cent, Delhi 16.38 per cent, 8.18 per cent, 6.18 per cent, 5.24 per cent and 3.77 per cent respectively while in 2014-15, the figures are 39.91 per cent, 13.11 per cent, 8.70 per cent, 6.43 per cent, 4.34 per cent and 5.16 per cent, except the last States changed their share position as fifth and sixth position in 2014-15. The rise in share position in 2014-15 over 2008-09 is (+) 0.63 per cent, (-) 3.27 per cent, (+) 0.52 per cent, (-) 1.02 per cent, (-) 0.08 per cent and (+) 0.57 per cent respectively.

CONCLUSION

Lack of (a) awareness towards use of internet, insecurity towards e-payments security among taxpayers, (b) adequate financing to set up the appropriate infrastructure in the income tax offices and (c) a reliable accessible internet service are the probable reasons for slow growth in picking up e-filing; of which security and mass awareness are major challenges. The network technology has developed as aid for changing landscape in accounting and reporting income tax returns. The foreseen logical conclusion is that the taxpayers have no adequate knowledge of e-filing of tax return particularly in semi-urban and rural areas of the country.

E-filing of income tax returns with motto of fairness and safe, the Government would awareness of social responsibility and get more tax revenue within the time schedule since it has been made massive invested over a period. Further it should be linked with tax payers who receive the services/support/concession/subsidy concerning the business from Government by the taxpayers. The Government should issue 'Business Unique Number' (BUN) to the businesses at the time incorporation including petty businesses and should monitor this number by the Income Tax Department time and again.

To conclude e-filing of income tax return is like a dark house in all its respects which has definitely shown some progressive outcome and surely make its full time place in the Indian Tax System as changing accounting and reporting landscape.