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PROGRESSIVE EVALUATION OF ELECTRONIC FILING FORM OF DIRECT TAXATION SYSTEM IN INDIA

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ABSTRACT
India economy is at a developing stage and there is still more to come in every stage of its development. Forming it as the base, the 'Income Tax Department of India' launched the Electronic tax filing system of Income Tax Returns. In that position it was necessary to know the progress done in this genre of tax system in India. So the present study focuses on measuring the progress of e-taxation (Direct) in India in the recent past, the present position and the future prospects. As per the requirement of the study an objective of the study is to measure the progress of e-taxation system in India by comparing its yearly progress on the basis of Income tax Returns. For achieving the objective, Secondary data of the A.Y. 2007-08 to A.Y. 2010-11 of Income Tax Returns were used. The collected data were processed through the 'ANOVA'.

Keywords – ANOVA, E-taxation, Income Tax Return, India, Internet, Progress.

INTRODUCTION
The efficiency and justice in collecting fiscal revenues are government priorities for any administration. In this Internet-driven age every sector and segment are partially or completely dependent on the world's most important invention of the modern times `Internet'. Forming it as the base, the 'Income Tax Department of India' launched the Electronic tax filing system of Income Tax Returns because the lion share of revenue (about 81% of total revenue) of a country is generated by direct taxes. E-taxation system was one of the "action lines" introduces in Indian tax machinery in the A.Y. 2006-07 for all assesses for improving the Return filing system. The tax administrative have traditional skills in conducting Value for Money and systems based taxation system will need to be reoriented as e-taxation is introduced. **The overall aim of e-taxation is to replace cumbersome manual, bureaucratic service systems with collaborative, efficient, process-driven and secure online delivery.**

LITERATURE REVIEW
Subhash Bhatnagar (2006), has discussed about the different perceptions and delivery models of e-government and also about the cases resulting in multiple benefits: improved service delivery; reduced corruption; increased transparency; increased revenue; cost reduction; and empowerment. Again, Sanjiv K Chaudary (2008) in his article discussed about the advantages of E-Taxation and to provide clarity and certainty on various tax related issues to assesses. By Saurabh Bagaria & A.K.Khan impact of E-Commerce and its impact on Taxation were discussed. Moreover, it also deals with the benefits of e-taxation in case of e-commerce.
Dr. Dimitris Gousco (2001), in his paper titled, "E-Government & E-Taxation Services: Rules of thumb, Benefits at hand" has discussed about the concept of e-government, strategic objectives for electronic services, business planning for electronic services, technologies for delivering electronic services and evaluating the performance of electronic services: penetration and performance. Reima Soumi (2005) has discussed about the meaning of e-taxation and also deals with the best practices in technology which would further help in the development of tax administration system. Wannida Soontreerutana (2006) has discussed about the e-Taxation context in – Terminology of online tax service, – Adoption of ideas in e-Taxation, – Some successful e-Taxation projects in Europe and Asia. It also gives the knowledge regarding the evaluation framework for e-Taxation services. Michael A. Livingston (2006) in this article titled "Progressive Taxation in Developing Economies: The Experience of China and India" has discussed about the progress of taxation in developing economies i.e. India and China. Most of them has discussed about the service of e-taxation, its advantages, process is compared and about the technology advancement.

MEANING AND CONCEPT OF E-TAXATION (DIRECT)
E-Taxation means trans-organizational processes with data transfer (upload and download) between the IT systems of the professionals and those of the tax authorities. This processes implies organizational, semantic and technical interoperability, service-oriented architecture etc. The pre-requisites for effective tax system are appropriate methods, software and training. Other major issues to overcome are access to computerized databases, digital documents and evidence, and the ability to understand e-taxation systems.

E-Taxation also has to support tax authority processes by workflow systems and electronic record management on the one hand, knowledge management and automated risk

analysis to assess the credibility of tax returns on the other hand. Tax inspectors need support for checking the accounting data of taxpayers, but also for fighting against illegal employment, tax evasion and social security fraud at construction sites.

NEED OF THE STUDY

Indian economy is at a developing stage and there is still more to come in every stage of its development and E-taxation system is up-to-the-minute conception in India.Therefore it is necessary to know the progress done in this genre of direct tax system in India. The present study focuses on measuring the progress of e-taxation (Direct) in India in the recent past, the present position and the future prospects.

OBJECTIVES OF THE STUDY

To study the present problem scientifically and systematically, the researchers have framed the following objectives:

To study the progress of e-taxation system in India by comparing its yearly progress on the basis of Income tax Returns.

RESEARCH METHODOLOGY

Being an **Exploratory nature** of research, the researchers have intended to use **Secondary data**. For the A.Y. 2007-08 to A.Y. 2010-11 of Income Tax Returns (from www.incometaxindia.com) were used. The collected data were processed through the **'ANOVA'** using SPSS. For the purpose of study following Hypothesis was framed:

Ho: $\mu_1 = \mu_2 = \mu_3 = \mu_4$

H_1: $\mu_1 \neq \mu_2 \neq \mu_3 \neq \mu_4$

RESULTS AND DISCUSSION

A. Descriptive Analysis

In the present study the yearly progress of e-Returns is compared. For the purpose of study of progress of yearly e-Return the researchers used, Secondary data of the A.Y. 2007-08 to A.Y. 2010-11 of Income Tax Returns* were used. For study purpose six ITR's (except ITR 7-8) are considered from every year. Table 1.1 Summaries the results of descriptive analysis and Fig: 1.1 shows the values in their frequency distribution and they are concentrated at the high end of the measuring scale on the horizontal axis.

B. Results of Analysis of Variance (ANOVA)

In the continuation of the results of descriptive analysis an attempt is made to compare the means of more than two populations. In this researcher is measuring the progress of e-taxation system by comparing the number of assesses increased in last four years under different ITR's. Table: 1.2 Summaries the results of **one way analysis of variance.**

DISCUSSION AND ANALYSIS

Analysing the results in detail of the variables shown in Table: 1.1 according to that the calculated co-variance is 111% which shows very high degree of variance which means there is significant of difference between the minimum & maximum level of sample of e-Returns yearly. Fig 1.1 presents the values of frequency distribution and curve shown is skewed curve because values in their frequency are not equally distributed. And curve skewed to the right which means it is positively skewed because it tails off towards the high end of the scale. It is a positive sign for E-filing of Tax Return, it means number of assesses are increasing on yearly bases and because of that variance arises among the number of assesses.

As mentioned earlier in this paper that for the purpose of comparison of means hypothesis was farmed, for which "test of Analysis of Variance" is applied. Table: 1.2 gives the results of the analysis for hypothesis. The results are given in three rows. The first row named Between Groups gives the variability in e-filing of tax return due to the year, the second row named Within Groups gives variability in e-filing of tax return due to the random error within the group, and the third row gives the total variability. In the given Table: 1.2, F-value is 1.459 and the corresponding p-value is given as $0.256 > 0.05$ as a result null hypothesis is accepted and it is concluded that there is equal progress in all assessment years and there is no significant change in the level progress.

According to the above analysis it is concluded that, there is almost same level of progress has been seen in last four years. The Researchers also observed that from the A.Y. 2007-08 to A.Y. 2010-11 there is almost 418% increase in number of assesses who file tax return electronically which is a positive sign, It means at constant level, there is a sign of improvement. Same as graph 1.1 suggest the positive flow of curve, it is concentrated at the high end of the measuring scale which means values in their frequency distribution is moving towards higher end it also show the increasing number of e-filer assesses.

CONCLUSION

To conclude the study it can be genuinely said that E-taxation is like a dark horse in all its respect which has definitely shown some progressive outcome and it's surely going to make its full time place in the Indian Tax System. Moreover, it was also found that there was no where a sign of decline. Whatever is the percentage of progress but there is an improvement year-by-year which convincingly shows the positive sign in the development of e-taxation system in India. India is at a developing stage and there is still more to come. Moreover, India's population is still residing in villages but the serious action taken at the grass-root level in terms of e-taxation system ensures the fact that phenomenon called as E-Taxation is definitely going a way ahead for its progress.

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Tables

Table: 1.1

Statistic Measures	Observation (N)	Mean	Standard Deviation	Skewness	Kurtosis	Minimum	Maximum
Results (in lakhs)	24	8.9279	9.99382	2.623	7.944	1.02	46.11

*Source: www.incometaxindia.com

Table: 1.2

Source	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	412.324	3	137.441	1.458	.256
Within Groups	1884.793	20	94.240		
Total	2297.117	23			

Figure

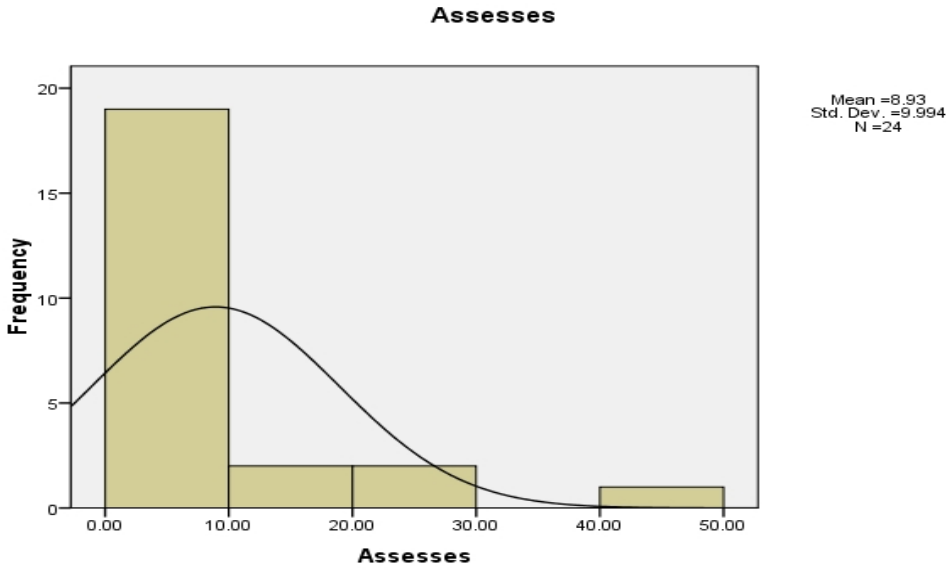

Fig: 1.1