

Chapter 16

Towards Understanding the Intention to Use and Continuance Usage Intention of E-Filing System in Malaysia: The Moderating Role of Perceived Risk

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ABSTRACT

E-Government actually represents a higher quality, cost effective government services and a better relationship between citizens and governments. Research on e-government is taking a new phase nowadays, with research focusing more to evaluate the continued usage intention by the citizens rather than the initial intention. Continuance intention is defined as one's intention to continue using or long term usage intention of a technology. Previous researchers have found a mixed result on the influence of perceived risk towards intention to use and continuance usage intention. Therefore, this case study aims to examine the moderating role of perceived risk on continuance usage intention of e-filing system by taxpayers in Malaysia. The primary discussion in this case study concerns on the e-Filing system in Malaysia, followed by the challenges and barriers for e-government continuous adoption, impacts of e-government failures, and concluded with future research directions.

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INTRODUCTION

Since ancient times Information and Communication Technologies (ICT) have enabled and enhanced government in terms of both its management and its services. In fact, the term e-government or electronic government resembles the modern electronic ICT-enabled management and services in Public Administration (Scholl, 2003). The initiatives of government agencies and departments to use ICT tools and applications, Internet and mobile devices to support good governance, strengthen existing relationship and build new partnerships within civil society, are known as e-government initiatives (Ndou, 2004). E-government actually represents a higher quality, cost effective government services and a better relationship between citizens and governments (Fang, 2002).

In the last 10 years, an ICT investment, particularly by governments in developing countries, has witnessed a dramatic increase. Most developing countries are using ICT to modernize and increase internal efficiency as well as improve service delivery. As a result, many developing countries have embarked on e-government or are in the process of creating strategies (Bhatnagar, 2009).

Guided by the Vision 2020, Malaysia has embarked on an ambitious plan by launching Multimedia Super Corridor (MSC) in August 1996 as a platform to build a competitive market for the ICT companies and industries which will be executed in three phases from 1996 to 2020. Seven specific flagship applications were identified as the pioneering MSC projects which includes e-government flagship. The projects under the e-Government flagship have been started since ten years ago aimed at building a more effective and efficient way to communicate and transact with the citizens and industries. One of the projects under e-government flagship is Online Tax System or e-Filing (Hussein, Mohamed, Ahlan, Mahmud, & Aditiawarman, 2010).

As such, the objective of this chapter is to evaluate the progress of the e-filing system and to examine the intention to use and continuance usage intention of e-filing system by taxpayers in Malaysia, particularly on the moderating effect of perceived risk.

BACKGROUND

E-government applications are introduced in Malaysia with the intention to increase the efficiency in providing better services for the citizens, although government has increased their efforts to promote the e-services, however the citizens low uptake has deemed the services yet to be optimized (Alias, Idris, Ashaari, & Kasimin, 2011). Similarly, the acceptance rate of e-Bayaran system which provides alternative payment channel for tax payers to pay their income tax online is only 9.08% in 2007 which is much lowered compared to payment through Public Bank (70.97%) and CIMB (19.95%). This indicates that the e-Bayaran system is not accepted by the tax payers in Malaysia (Annuar & Othman, 2010). Statistics on e-filing adoption among corporate taxpayers also shows a poor acceptance rate. It was reported that less than 4% of Malaysian companies using the tax e-filing system to file their company's annual income tax returns (Aziz & Idris, 2012). This shows that the information system adoptions among citizens in Malaysia particularly on the e-government services are still low.

E-Filing System in Malaysia

The e-filing system in Malaysia was introduced in 2006 by the Malaysian Inland Revenue Board (IRB) to the Malaysian taxpayers. Under the e-filing system, taxpayers need to fill their tax returns through the internet. Throughout this process, the system provides some guidance to the taxpayers on the correct information to include

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