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Behavioural Analysis of Indian Taxpayers towards Digital Income Tax Return Filing Platforms: Special Reference to Clear Tax

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Abstract

Digital advancements in India's financial landscape have introduced efficient platforms for income tax return (ITR) filing. The behavioural patterns, preferences, and obstacles encountered by taxpayers in adopting these platforms were investigated, with particular emphasis on ClearTax. Through a survey of 53 respondents encompassing students, salaried employees, and self-employed individuals from urban and semi-urban locales, primary data were gathered via structured questionnaires, complemented by secondary sources including scholarly articles and official reports. Results demonstrated substantial adoption, with 81.1% of participants filing annually online. Convenience was identified as the primary driver (75.5%), while satisfaction reached 88.7%. Nevertheless, barriers such as limited awareness (43.4%) and apprehension regarding errors (35.8%) were noted. Suggestions encompass the implementation of interactive guides, tailored tax optimization recommendations, and enhanced assistance mechanisms to foster greater confidence and participation. Insights derived contribute to comprehending taxpayer dynamics within an evolving digital economy and offer strategic guidance for Fin Tech entities to refine platform functionality and uptake.

Keywords: Digital ITR filing, Taxpayer behaviour, Fin Tech adoption, ClearTax, Adoption barriers, User satisfaction

Introduction

Significant digital transformations have been observed in India's financial sector over recent years. Platforms facilitating online IT R filing have been developed as alternatives to conventional approaches, offering improved efficiency, accuracy, and accessibility.

Reluctance among certain taxpayers persists, however, due to issues including trust deficiencies, concerns over data security, and inadequate digital competencies. The behavioural analysis of Indian taxpayers towards these platforms was undertaken, with specific attention to ClearTax, encompassing psychological, social, and economic influences on adoption.

The investigation's scope includes behavioural assessments across diverse taxpayer categories, comparisons between digital and traditional filing methods, barrier identification, and recommendation formulation. A combined methodology of primary surveys and secondary literature was applied to generate insights supportive of India's digital economic objectives.

Objectives

a) To analyse the behavioural patterns and preferences of Indian taxpayers in adopting digital ITR Filing platforms:

b) To evaluate the challenges and barriers faced by taxpayers in using digital ITR platforms

c) To provide practical recommendations for platforms like ClearTax to enhance adoption and user satisfaction:

Literature Review

Perceptions of electronic tax filing systems among taxpayers have been examined in multiple studies, providing foundational understanding of adoption factors.

A study on income tax payers' perceptions towards electronic filing was conducted, revealing that e-filing provides operational ease but encounters challenges such as system congestion during peak periods. Awareness was predominantly sourced from tax consultants, with recommendations for governmental enhancements in user interfaces (Kumar & Gupta, 2017).

The impact of quality antecedents on acceptance of internet tax-filing systems was empirically investigated using the Technology Acceptance Model (TAM). Findings indicated that perceived usefulness exerts greater influence than ease of use, affected by information system quality, information quality, and perceived credibility. Suggestions included training programs and interface simplifications for novice users (Chang et al., 2005).

Taxpayer satisfaction and adoption challenges in e-filing were evaluated, identifying lack of experience as a key barrier, although ease and accuracy were appreciated by most users. Guidelines and promotional efforts were proposed (Anees & Kumar, 2017). Awareness towards e-filing in India was studied, highlighting convenience and speed as benefits, with technical constraints as limitations. Upgrades in technology were recommended (Thakar et al., 2021).

Gender-based awareness and satisfaction levels in specific locales showed significant correlations, with overall high satisfaction supporting e-filing promotion (Saravanan & Muthu Lakshmi, 2017).

An empirical assessment of awareness and satisfaction in urban contexts confirmed elevated levels, with gender impacting perceptions. Initiatives to boost knowledge were advised (Malhanor, 2025).

Barriers to electronic filing, including form restrictions, were analysed, with proposals for accepting incomplete returns and implementing scanning technologies (Taxpayer Advocate Service, 2021).

Value creation via digital public infrastructure was suggested to improve taxpayer government interactions (Chandra et al., 2024).

The income tax return filing process was analytically reviewed, emphasizing technology's contribution to efficiency (Mathwale, 2024).

Perceptions of convenience for professionals and individuals were explored, noting procedural simplicity but software and payment challenges (Anees & Kumar, 2017).

Adoption challenges for individuals were examined, stressing ease of use and trust (Mora, 2025).

Motivational factors, challenges, and satisfaction were assessed, identifying trust and complexity as barriers (Choudhari, 2025).

Innovations in tax administration were discussed, noting variations in digital maturity (Barnay et al., 2018).

Satisfaction and reuse intentions were linked to system quality (Puthur et al., 2016).

Additional research on taxpayers' perceptions towards e-filing was reviewed, focusing on adoption factors (Arora, 2012).

The procedure of online filing in India was studied, highlighting improvements in e-taxation (Angamuthu, n.d.).

Factors influencing citizens' adoption of electronic tax-filing services were explored (various authors, as per search results).

These investigations collectively emphasize the necessity for user-oriented designs to surmount barriers and promote adoption.

Research Methodology

An applied research design was implemented to tackle practical challenges in digital ITR adoption. Convenience sampling, a non-probability method, was utilized owing to internship time limitations. Participants were drawn from accessible populations in urban and semi-urban areas, incorporating diversity in age, occupation, and income.

The sample consisted of 53 individuals, including students, salaried personnel, and self- employed persons. This size was deemed appropriate for obtaining varied insights within constraints.

Primary data were obtained through a structured questionnaire featuring option-based queries on preferences, barriers, and suggestions. Secondary data from journals, reports, and platform documents offered contextual reinforcement.

A survey technique was employed for quantitative analysis, enabling exploration of behavioural differences across demographics.

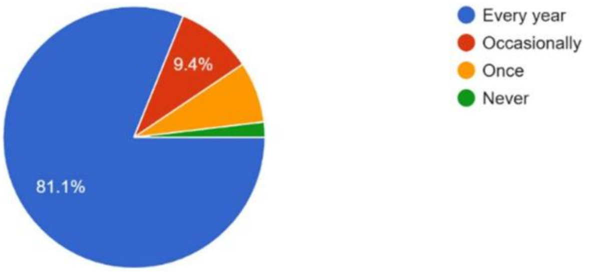
Data Analysis and Interpretation

Descriptive statistics were applied to data from 53 respondents, presented via percentages.

1. Behavioural Patterns and Preferences

1.1. Filing frequency using digital platforms:

53 responses



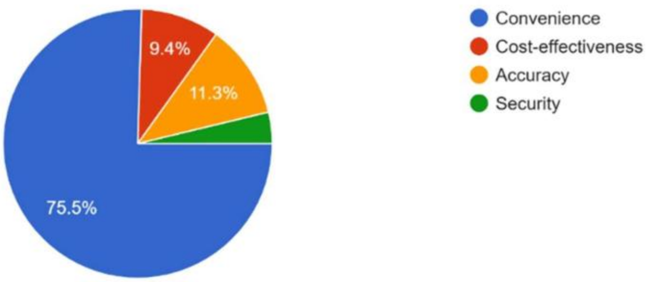
Graph No-1.1

81.1% annually, 9.4% occasionally, 7.5% once, 1.9% never.

Inference: High regular adoption is evident.

1.2. Motivations:

53 responses



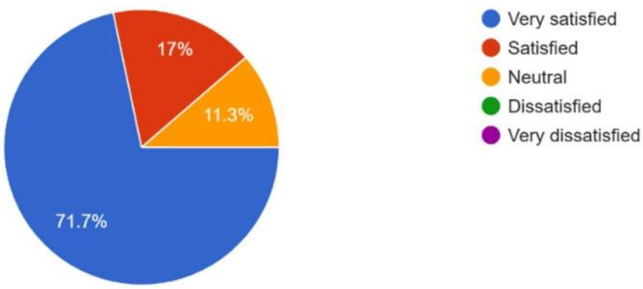
Graph No-1.2

convenience (75.5%), accuracy (11.3%), cost-effectiveness (9.4%), security (3.8%).

Inference: Convenience predominates.

1.3. Satisfaction levels:

53 responses



Graph No-1.3

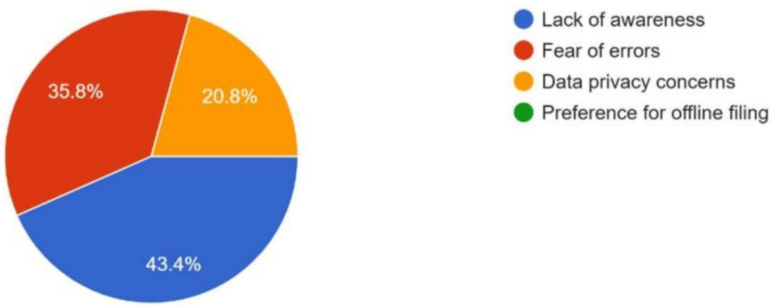
very satisfied (71.7%), satisfied (17%), neutral (11.3%), dissatisfied (0%), very dissatisfied (0%).

Inference: Elevated satisfaction is observed.

2. Challenges and Barriers

2.1. Preventive factors:

53 responses



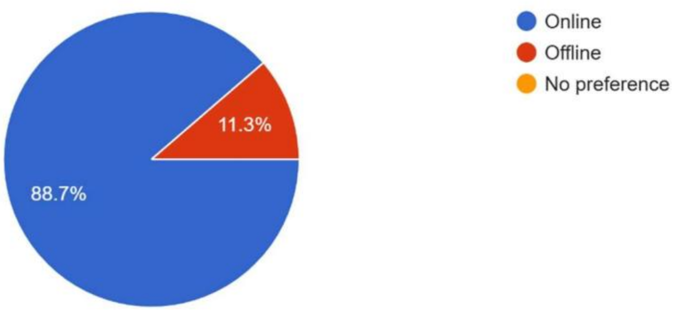
Graph No-2.1

lack of awareness (43.4%), fear of errors (35.8%), data privacy concerns (20.8%), preference for offline (0%).

Inference: Awareness constitutes the main impediment.

2.2. Preference with equal access:

53 responses

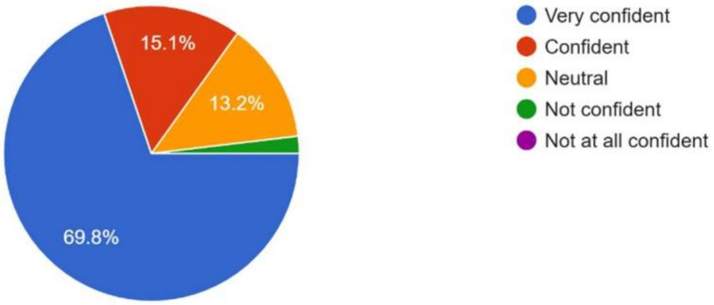


Graph No-2.2

online (88.7%), offline (11.3%), no preference (0%). Inference: Strong online inclination is noted.

2.3. Confidence in accurate filing:

53 responses



Graph No-2.3

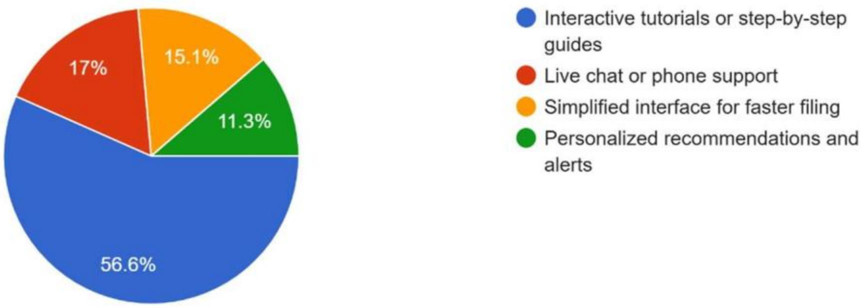
very confident (69.8%), confident (15.1%), neutral (13.2%), not confident (1.9%), not at all confident (0%).

Inference: Substantial confidence exists.

3. Practical Recommendations

3.1. User-friendly features:

53 responses

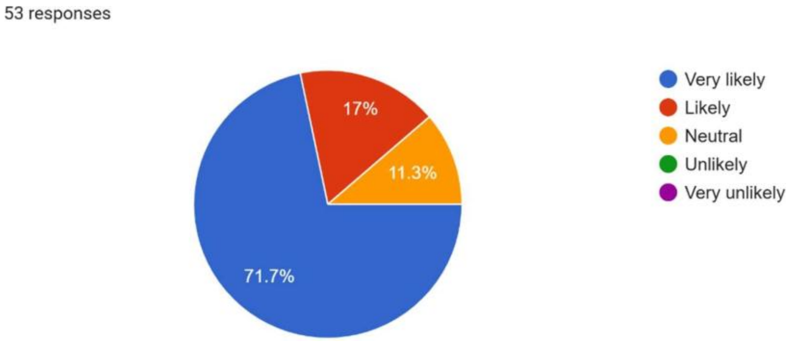


Graph No-3.1

interactive tutorials/step-by-step guides (56.6%), live chat/phone support (17%), simplified interface (15.1%), personalized recommendations/alerts (11.3%).

Inference: Guidance is prioritized.

3.2. Recommendation likelihood to friends/colleagues:

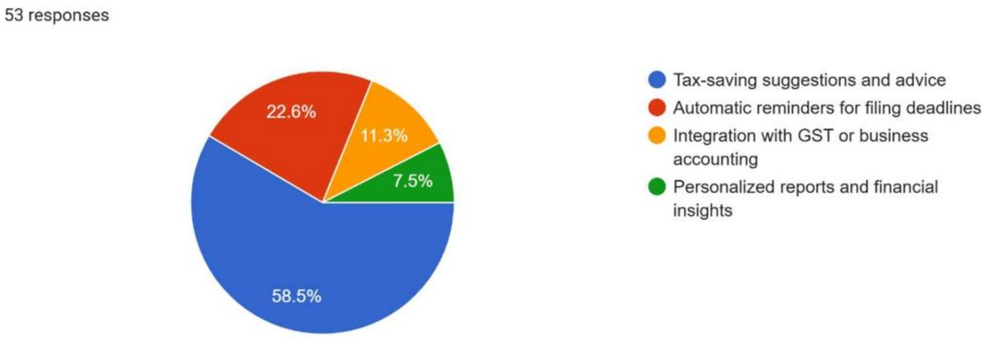


Graph No-3.2

very likely (71.7%), likely (17%), neutral

(11.3%), unlikely (0%), very unlikely (0%). Inference: High advocacy is apparent.

3.3. Additional services for increased frequency:

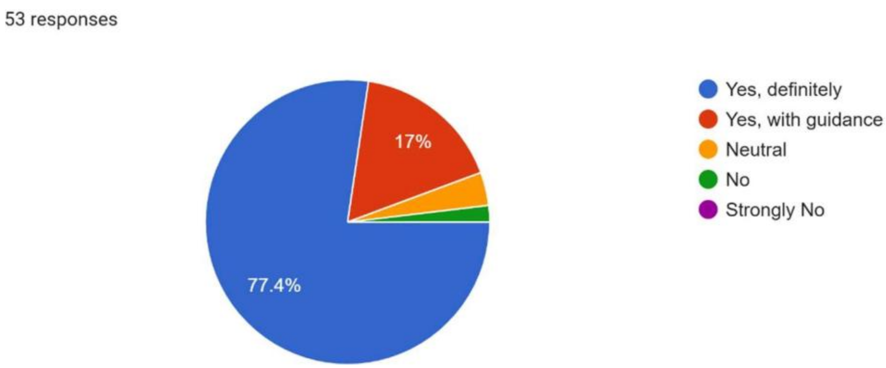


Graph No-3.3

tax-saving suggestions/advice (58.5%), automatic reminders (22.6%), integration with GST/business accounting (11.3%), personalized reports/financial insights (7.5%).

Inference: Optimization guidance is most desired.

3.4. Recommendation to first-time online filers:

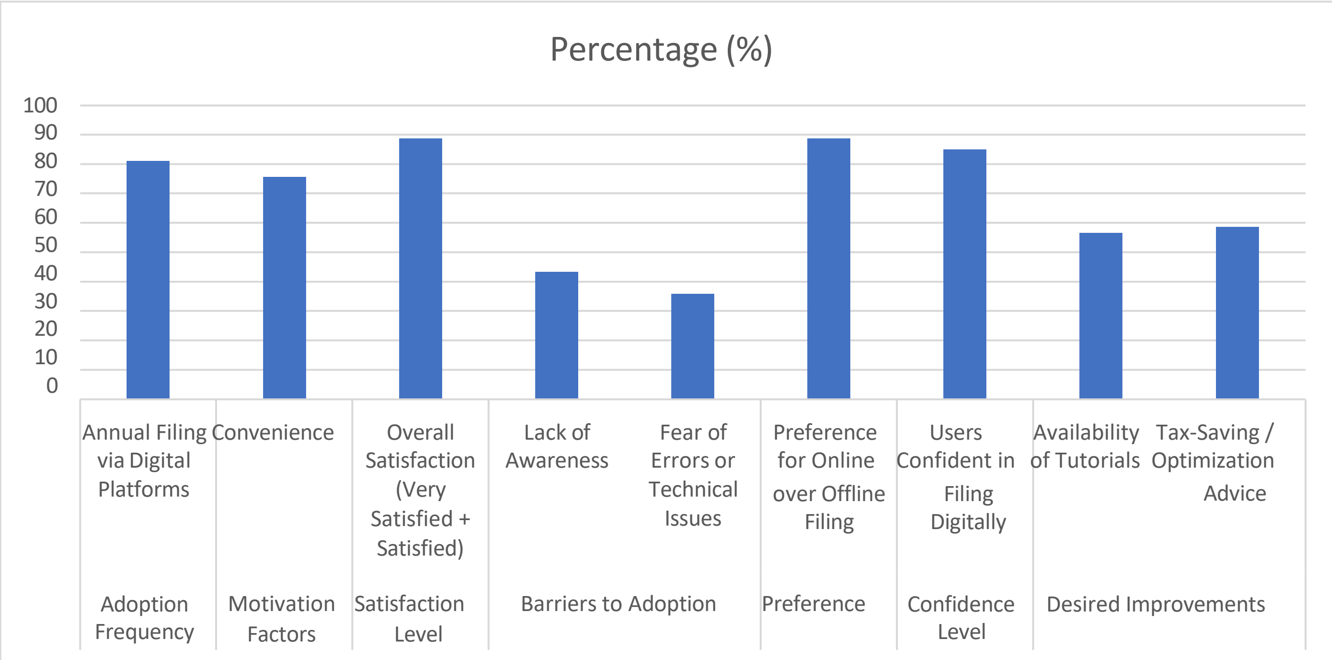


Graph No-3.4

yes definitely (77.4%), yes with guidance (17%), neutral (5.6%), no (0%), strongly no (0%).

Inference: Strong endorsement, with some requiring support, is indicated.

Findings and Discussion



- High Annual Adoption:

About 81.1% of respondents file their ITR digitally every year, indicating strong trust and habitual reliance on online platforms.

- Primary Motivation – Convenience:

75.5% of users cited convenience as the main reason for choosing digital filing, showing that ease of use is the strongest driver of adoption.

- High Satisfaction Level:

Overall satisfaction stands at 88.7%, reflecting a positive experience with digital tax filing platforms like ClearTax.

- Barriers to Adoption:

Major challenges include lack of awareness (43.4%) and fear of errors (35.8%), which limit participation among less tech-savvy users.

- Strong Online Preference:

88.7% of respondents prefer online methods over traditional ones, showing a major shift toward digital compliance.

- Confidence in Digital Filing:

84.9% of taxpayers expressed confidence in using digital platforms, suggesting growing familiarity and comfort with the process.

- Desired Improvements:

Respondents seek additional support through tutorials (56.6%) and tax optimization guidance (58.5%), highlighting demand for educational and advisory features.

- Positive Advocacy:

88.7% of users said they would recommend online filing to others, indicating strong word-of-mouth potential for platforms like ClearTax.

- Alignment with Previous Research:

The findings align with studies by Chang et al. (2005) and Kumar & Gupta (2017) emphasizing perceived usefulness and ease of use, while barriers reflect the awareness gaps identified by Anees & Kumar (2017) and Thakar et al. (2021).

Conclusion and Recommendations

Digital IT R platforms exhibit notable adoption driven by convenience and satisfaction. Persistent barriers like awareness gaps exist, yet confidence and advocacy remain strong.

It is recommended that awareness campaigns be initiated; interactive tutorials integrated; tax optimization advice provided; live support offered; services personalized.

Such measures can augment adoption, consistent with India's digital ambitions.

Declaration of Conflicting Interests

The authors declare no potential conflicts of interest with respect to the research, authorship and publication of this article.

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