

Perception and Decision Making on Electronic Tax Software for the Younger Population

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The ubiquitous nature of personal computers and the internet has familiarized people with using various electronic and online services. One such example of this is electronic tax filing software (eTax software). These types of software packages have become one of the most popular ways for filing relatively simple income tax returns, especially among the younger population. Filing tax returns online is more convenient than traditional paper methods for both the taxpayers and the government because the processing time, manpower, cost, and potential for errors are reduced dramatically. They are also a more environmental friendly option by eliminating the need for paper in the process. However, the promotion of switching to eTax software will not be effective without an in depth study on the factors which attract and discourage people from using eTax software.

In this paper, we present a qualitative study on how people perceive and choose their method of filing tax returns. The choices being investigated include eTax software, paper tax return forms, and accountants. We also investigate how the general population and accountants differ in their perceptions and the helpfulness of eTax software. Our study focuses primarily on the young adult population, such as students and recent university graduates, who have relatively simple tax returns. We conducted three phases of data collection, which includes an informal poll, an interview, and a survey. The informal poll was conducted to get a general idea about students' opinion on eTax software. In the second phase, we conducted 11 semi-structured interviews with 2 junior accountants and 9 non-accounting participants to gain an in depth understanding of their perceptions and decision making processes. These participants are all undergraduate, graduate, or recently graduated students. In the last phase, we

designed an online survey to get more opinions from an accounting perspective. In total, 21 participants filled out the survey, and all of them are accounting students in their second or third year except one who is a junior accountant.

Our results show that most of our participants view eTax software as cheap and convenient, and the potential privacy and security issues like identity theft did not dissuade their preferences. The main factors that motivate people to choose or switch to eTax software include recommendation from others and convenience benefits mentioned above. In terms of continual usage, the general public is willing to pay some money to continue using the eTax software because of the positive experience. The results also show that the accountants are less willing to pay for eTax software, value the importance of security more, have greater ability to articulate the functionality of eTax software, and are concerned with correctly filing tax return more. In terms of the helpfulness of eTax software, we observe that eTax software need to take popular corner cases into consideration to provide more tailored services. Our study is essential for improving the design of eTax software and promoting filing tax returns online in the younger population who have relatively simple tax returns.