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Tax Compliance and E-Filing Systems for Individual Taxpayers: India vs Developed Economies

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Abstract

The study compares the use of tax compliance and e-filing systems among individual tax paying entities in India with those in the developed economies as a secondary data collection method. It discusses the technical, administrative, legal and equity aspects that affect the usefulness of e-filing done to increase voluntary compliance. By relying on the literature including Lannai (2024) [11], the study establishes that advanced economies have recorded high levels of compliance due to characteristics such as the interoperability of tax databases, electronic prefilled returns, mobile-compatible tax systems, streamlined routine tax filing, and robust security of data. Although the e-filing system of India has recorded significant improvement in terms of adoption, there has been a problem of accessibility and digital literacy, and the complexity of the process to specific segments of taxpayers. The trends highlighted in analysis reiterate that improving the situation by adapting examples of developed economies which include specific nudges, stepped increases in mandatory e-filing, and better education of taxpayers can be effective in increasing India compliance rates. On the other hand, innovations by India in the provision of low costs and scalable service to the wide and varied taxpayer population can be learned by other economies that have a developed economy. The policy implications of the findings are the relevancy of optimising e-filing systems as an attribute enhancing the tax compliance, administrative efficiency, and trust in the tax system. The paper finds that strategically calculated, all-inclusive and technologically receptive e-filing reforms can serve to lively the world in revenue collection and satisfaction of taxes.

Keywords: Tax Compliance, E-filing Systems, India, Developed Economies, Secondary Data, Digital Tax Administration, Voluntary Compliance

1. Introduction

Tax compliance is at the centre stage in ensuring public finance remains sustainable, allowing governments to finance critical services and infrastructure. In the case of individual taxpayers, the prompt and proper tax returns express a civil obligation and legal responsibility. Technology, with the proposal of an electronic filing (e-filing) system in the previous 20 years, has shifted taxation administration in most parts of the globe, promising speedier, more convenient, and transparent functions (Dewi, Kawisana and Yoga, 2022) [4]. In other countries, e-filing has not only been used to enhance the efficiency of administrative procedures but has also been taken to enhance compliance through simplifying the process and minimising mistakes by people (Qadri and Darmawan, 2021) [20].

India is a fast-growing economy. This implies that it has a big and heterogeneous population of taxpayers and its efforts to incorporate electronic filing facility, Permanent Account Number (PAN) systems and to increase taxpayer services have matured. But even with these developments, digital literacy disparities, unequal internet penetration, and interrelated unequal degrees of trust in technology are a software challenge (Hidayat *et al*., 2022) [6]. Developed economies, such as the United Kingdom, the United States, Australia, and Germany, on the other hand, have had longer histories of e-filing adoption, more developed digital infrastructure, and in many cases, pre-filled tax returns and integrated databases, which may lead to higher voluntary compliance rates.

Research problem and rationale

Although the role of e-filing in enhancing the individual tax-compliance behaviour continues to gain international recognition, evidence on cross-country comparative effectiveness of e-filing is still disjointed. There are not many studies directly contrasting the Indian development with that of the developed economy, so there is a gap in knowing how contextual factors that including regulatory design, the technological maturity of the economy, and the attitude of the taxpayers, influence the outcomes. Filling the gap may shape policy change in India and vice versa in other jurisdictions.

Aim

This study aims to compare tax compliance and e-filing systems for individual taxpayers in India and selected developed economies, identifying best practices and key barriers based on secondary data sources.

Specific objectives

- To review the evolution and current status of e-filing systems in India and selected developed economies.
- To analyse the relationship between e-filing adoption and individual taxpayer compliance rates.
- To identify institutional, technological, and behavioural factors influencing compliance.
- To highlight policy measures that can enhance e-filing effectiveness in India.

Research questions

Primary question: How do e-filing systems influence individual taxpayer compliance in India compared with selected developed economies?

Subsidiary questions:

- What differences exist in the design, accessibility, and integration of e-filing systems?
- How do taxpayer awareness, attitudes, and socio-demographic factors affect compliance in each context?
- Which best practices from developed economies are adaptable to India's environment?
- What limitations in current e-filing approaches hinder their effectiveness?

Data collection approach

In this research, only secondary data was used, comprising peer-reviewed articles or government reports and international tax statistics. This methodology will offer access to high-quality, longitudinal, and cross-national data, which would be resource-intensive to assemble when compared to collecting the same information on their own, thus being able to conduct comparative research within the framework of the current study and in the given timeframe.

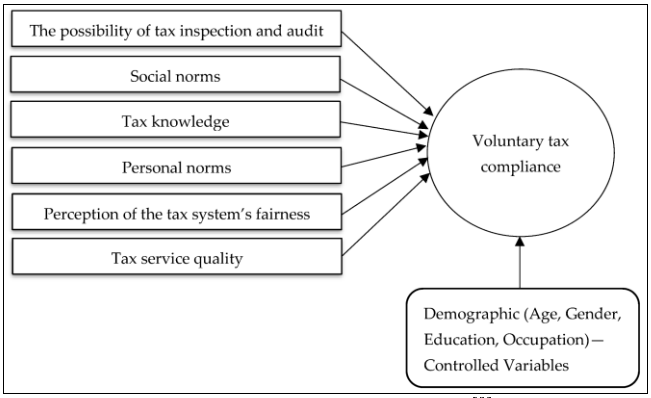
2. Literature review

2.1 Theoretical foundations

The tax compliance behaviour is largely discussed in various theoretical approaches. According to the Deterrence Theory, taxpayers are compliant in case they perceive high probabilities that they will be caught and face heavy penalties. This forms the basis of numerous enforcement-based policies, such as the provision of repercussions in case of late or wrongful reporting (Kushwah, Nathani and Vigg, 2021) [9]. Conversely, the Voluntary Compliance Model focuses on the trustworthiness of the tax regime, system fairness and compliance ease as the key motivators and therefore, administrative ease, using e-filing, is imperative (Kibona and Goyayi, 2025) [8]. Behavioural economics insights further operate to fine-tune these models to acknowledge that tax compliance, in addition to the usual cognitive biases, social norms and the legitimacy perceptions of the taxpayers of the government, impacts compliance. As an example, religiosity and own inclinations can intensify internal compliance motives, especially in the case of e-fili, simplifying the procedure (Utama *et al*., 2022) [25]. Digital integration into the work of tax departments complies with these theories because it minimises the expenses of compliance, improves the user experience, and makes the taxation operations more transparent (Airawaty and Widarjo, 2021) [1]. The theoretical underpinnings are reflected in the conceptualisation of secondary evidence within the context of the current research by helping to assess e-filing as an instrument that may not only represent a technological improvement but can have an impact on the pattern of deterrence and voluntary compliance.

2.2 Empirical evidence on tax compliance

Global patterns and determinants

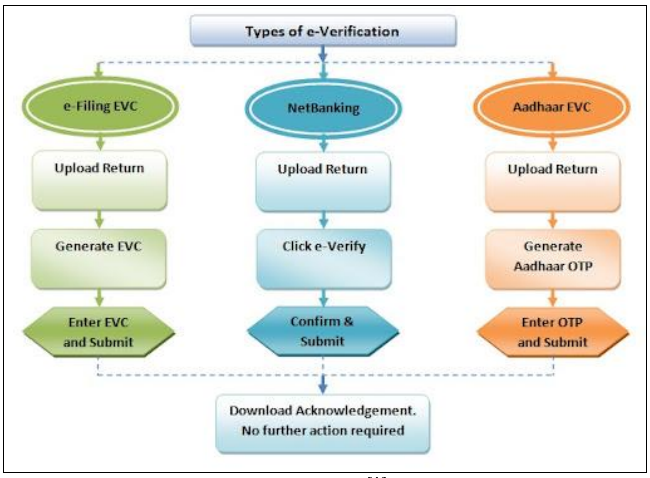


Source: Kushwah, Nathani and Vigg, 2021 [9]

Fig 1: The Impact of Non-Economic Factors on Tax Compliance

Empirical studies are always found to indicate that the burden of compliance in taxes may be influenced by tax awareness, ease of processes and the perceived risk of punishment. Kushwah, Nathani and Vigg (2021) [9] observe that tax knowledge and, availability of e-filing systems remarkably contributes to enhanced compliance in India, especially when there are penalties associated with them. Equally, the study of Kibona and Goyayi (2025) [8] of Tanzania indicates that the e-filing enhances voluntary compliance since the time required and costs of filing are lessened.

Role of digitalisation and e-filing

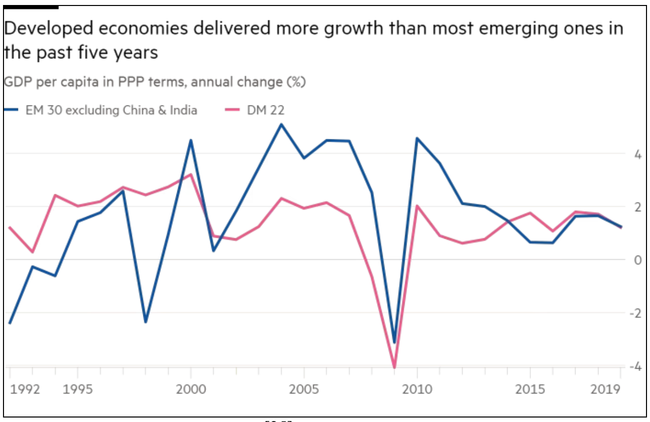


Source: Airawaty and Widarjo, 2021 [1]

Fig 2: Procedure for Filling E-Verification

In a more than one-decade-long review, Airawaty and Widarjo (2021) [1] note that one of the most noticeable changes to the tax administration sphere is the practice of e-filing, which makes the process of submission simpler and minimises the chances of inaccuracies or fraud are minimized. Yanto and Girindratama (2025) [28] elaborate that when e-filing is combined with both e-billing systems, an extensive digital environment is established that, in turn, leads to the development of taxpayer confidence and proper records-keeping, which enhances compliance behaviour. In Indonesia, Anwar and Simanjutak (2021) [3] demonstrate that internet literacy mediates the positive influence of e-filing and e-billing, which means that digital skills training is needed to provide equal access to technology adoption gains.

Comparative insights between emerging and developed economies



Source: Utama *et al*. 2022 [25]

Fig 3: Emerging-Market Growth Rate

Whereas developed economies are likely to record high rates of e-filing and a decreased tax gap because of the existence of integrated data systems and pre-filled returns, the emerging economies show mixed gains because of the infrastructural challenges, and diverse abilities of taxpayers are likely to have. Utama *et al*. (2022) [25] show that behavioural variables of religiosity and perceived risk are more influential in compliance choices in developing environments as opposed to increased automation and efficiency in administration in developed economies. Such findings indicate that the linkage between e-filing and the results in terms of compliance is mediated by institutional and cultural factors, depending on the context.

2.3 Gaps in the literature

Despite the considerable body of evidence of the association of e-filing systems with better compliance, there are relatively few direct, comparative analyses between India, on the one hand, and developed economies on the other. Very little research exists (mostly state-specific, e.g., Kushwah *et al*., 2021 [9] on India; Kibona and Goyayi, 2025 [8] on Tanzania) and most of these lack cross-national measures that can take into account variation across policy designs, technology base, and taxpayers. In addition, current studies tend to use primary data based on surveys in individual jurisdictions, with little to no synthesised secondary data accessing governmental reports, OECD statistics and peer-reviewed comparative work. The present study aims to fill these gaps by assembling and evaluating secondary evidence to arrive at fairly ordered comparisons between India and a few developed economies.

3. Comparative context: Tax systems and E-filing ecosystems

Indian-design The structure of personal income taxation is different in India and in developed economies, which determines e-filing regimes. The new regime has three tax brackets of 5 percent, 20 percent and 30 percent in India with an exemption of 2.5 lakh (seniors exempted more). The process of filing is made by the Income Tax Department portal via the use of PAN, Aadhaar, and e-verification. UK uses the following rates in a HMRC Self-Assessment system with allowance of 45%, 40% and 20%. The federal tax rates in the U.S. are between 10 to 37 percent with a deduction of 14 600 dollars (Single, 2024), or via the IRS Free File system. Progressive rates in Australia (0-45 %) have an AUD 18,200 threshold, and prefilled returns through use of myTax. In Germany, the reduction may be as high as 45 percent against an allowance of 11,604 euros, and ELSTER is used (submission is encrypted). E-filing history and versions differ: the Indian system was introduced to large taxpayers in the 2000s; in 2006, the authorities opened it to voluntary users; in 2013, an Aadhaar e-verification feature was introduced; in 2021, a redesigned system appeared (Pratiwi *et al*., 2025) [19]. The UK went a step further with the provision of Making Tax Digital and U.S with pilot e-filing in 1986. Australia transferred to myTax in 2014 and ELSTER in Germany has been developed since the 1990s. Central roles are played by institutional actors: CBDT in India, the HMRC in the U.K., the IRS in the U.S., the ATO in Australia and BZSt in Germany. Platform capacity is not the only factor that affects adoption, as integration is also important (Kusumawardhani, Laurianto & Santoso, 2023) [10].

4. Methodology

To guide the present research, a comparative descriptive-analytical research design is used to facilitate the research. Such design is suitable because the objective of the research would be to establish the extent of adherence to the taxation systems as well as effectiveness of the e-filing systems by individual taxpayers in India and other advanced economies. The research will use only secondary sources as the study is not based on primary data collection and the researcher is able to cover a wide spread of information, opinions, and evidence that has already been established in scholarly, institutional, and professional realms. A cross-sectional and multidimensional discussion will be possible with the focus on the qualitative and quantitative indicators of the compliance and adoption of e-filing.

The second source will be acquired through several repositories of quality that would be wide reaching. Government agencies, including the government departments and the tax authority like Income Tax Department of India, Internal Revenue Service (IRS) of the United States, HM Revenue and Customs (HMRC) of United Kingdom, and the Australian Taxation Service (ATO) will be used to provide core official data. These agencies supply authoritative and trustworthy materials on the rate of compliance, adoption of the system of e-filing, reform of procedures and taxpayer services. Also, comparative data, benchmarks, and global best practices will be cited on tax administration and compliance at the international organisations level with the reference to the Organisation for Economic Co-operation and Development (OECD), the World Bank, and the International monetary Fund (IMF).

The research will be based on the literature sources that will consist of the peer-reviewed journals that will give theoretical, empirical, and practical knowledge in regard to the e-filing adoption and tax compliance. Very prominent is the study by Nomlala and Oluka (2021) [16] on the part of assessing the adoption of e-filing among small businesses and the consequent identification of behavioural and structural issues. In the same manner, Rizki *et al*. (2024) [23] draw valuable insight on how efficient e-tax services are, in addition to the overall influence they have on administrative and taxpayer behaviour. The research conducted by Hendayana *et al*. (2021) [5] will also take the center stage because the research examined the immediate impact of the e-filing technology on the level of compliance by taxpayers. The given scholarly contributions will contribute in forming an academic background, in addition to the cross-national aspect of the study, offering similar evidence.

The research will in addition to the academic journals use official statistical publications, national statistics office data, and administrative reports to pick up macro-level patterns and indicators. Examples include the usage statistics, adoption rates and traffic records that are collected on official e-filing portals that may then be analysed to determine current and past trends in the behaviour of taxpayers. Legal and regulatory publications will also form part of the focal point of the study, specifically those providing amendments within the tax laws, introduction of mandatory e-filing demands and changes in compliance enforcement. These documents will hence contain important evidence of institutional changes that determine the compliance of the taxpayers.

Industry and consultancy reports will also be used as well as press releases, issued by tax authorities in order to make sure that a balanced and practice-oriented perspective is gained. The latter tends to report on common-sense problems, implementation experience, and stakeholder opinions that can otherwise not be documented in scholarly contributions. The recent trends in tax administration reforms, policy discussions and mobile-enabled digital innovations in e-filing systems will also be placed further in context using quality news articles by more authoritative publishers. Lastly wherever the data exist, the study will combine survey data that has already been published, e.g., national tax compliance polls or household surveys where the compliance attitudes and behaviours towards e-filing and tax systems are very informative.

The required data attributes will be outlined meticulously so as to be rigorous and convincing. Only the materials published in English will be taken into consideration and the temporal part usually will be within the past 10-15 years. Nevertheless, older writings can as well be included where they will constitute milestones in the policy or turning points in historical progress of e-filing systems. In addition, all the sources will have to be reliable, authentication, and applicable to the study objectives. This will make sure that the scholarly and practice-based learnings represent quality evidence.

A systematic search strategy will be used in the study to obtain relevant information out of this body of literature and data that has been so diverse. It will include employing scholarly databases, governmental portals and professional libraries. When they are identified, certain pieces of relevant information will be plotted on the grid through the extraction technique of grid with the assistance of pre-designed specifications. This will aid in the homogeneity in the data collection and categorization and it will make the cross-country comparison more homogeneous and trustworthy.

The study will be implemented by both qualitative and quantitative analysis. At the qualitative level, the research will utilize the narrative synthesis to create a comparative and contrast study between the policy patterns, institutional design and administrative changes in India and the developed economies. This approach will help identify the major themes so that the research will be able to bring out similarities, differences, and peculiar institutional relationships. The researchers will include the adoption rates of e-filing, the compliance rates, and average delays in the research, with references to the published statistics and official information, on the quantitative side. Such signs will assist in anchoring the comparative debate to quantifiable results.

In further reinforcements of the comparative aspect of the study, it will generate cross country tabulations and trend charts representing significant disparities and patterns in adoption and compliance. The visual tools will be useful in conveying the findings in a clear and accessible form so that stakeholders can comprehend the comparative dynamics involved much better.

Coding of results will be also done in a systematic manner. These results will be categorised based on policy design, tax behaviour and adoption of technology. The thematic coding methodology will not only help to identify some fixed patterns but also give form to the variable presentation of evidence.

As the last point, triangulation will be used by the study to apply a strong quality assurance process. Data points and facts will be validated by referring to several sources to reduce the chances of bias or incorrect interpretation. The credibility of every source will also be factored in so that when it comes to the conclusions stronger evidences will get a relative higher consideration. The process depicts the effort that the research is adapting to provide not only lucrative findings, but findings that are also reliable and acceptable, despite the sole use of secondary evidence.

5. Data sources and search strategy

The literature search on this research project will be systematised and focused, accessing both scholarly and institutional databases to cover the relevant works to the fullest extent on e-filing systems and tax compliance. The main databases, where it will be possible to search, include Scopus, Web of Science, JSTOR, and Google Scholar that will contain peer-reviewed articles such as Saptono *et al.* (2023) [24] who address the mediating role of user satisfaction in the connection between quality of an e-tax system and tax compliance intentions, and Widyari *et al.* (2021) [27] who, by applying the DeLone and McLean model, evaluate the influences of e-filing performance on compliance. Also, regional academic sources, such as the digital library of the Institute of Accountancy Arusha, will be searched in terms of grey literature, similar to Mkirima (2023) [15], which tests the effectiveness of e-filing among wholesalers in Tanzania. Empirical studies will be directly accessed through open-source access portals of the MDPI journal portal and Garuda Kemdikbud database; the broader search of policy reports, adoption rates, and compliance rates on a global level and specific to jurisdictions such as India will also be conducted through government portals, OECD iLibrary, and World Bank Data.

A refinement will be used using Boolean search strings as follows: “tax compliance” AND “e-filing” AND India; “individual taxpayer” AND “electronic filing” AND “compliance;” and “tax administration digitalisation” AND “adoption rates.” To ensure that early implementation studies are encompassed together with those in the current times, it will be restricted to those that have been published in the last 15 years (2005-2025) and are in the English language. In order to incorporate regulatory opinions, institutional publications which explore such topics as tax sanctions as modifying variables in implementing and complying with e-filing will also be considered, such as Wafa, Kusmayasari and Darmayanti (2025) [26]. The screening will be conducted using a PRISMA-style procedure: first searches will generate about 350-500 results that will be screened by title and abstract, and followed by eligibility assessment of full texts and verification of relevance, so that only 40-60 high-quality studies will be included in the review.

6. Findings / Results

6.1 Comparative Descriptive Findings

The e-filing adoption in India compared with some of the developed economies shows that there is a dissimilar trend in adoption and compliance. The rates of e-filing by individual taxpayers in India have been slowly rising since a certain part of income groups was made mandatory in the late 2000s. The progressive policy requirements, PAN system integration and government awareness programs by 2024 ensured that the penetration of e-filing topped 90% among eligible taxpayers. This is in line with Milamo and Magobe (2024) [14], who also note that streamlined e-filing platforms and organised digital outreach greatly alleviate the impact of compliance, thus making them more desirable to adopt. By comparison, advanced economies like Australia, the United States and the United Kingdom achieved similar adoption rates earlier on, and as in the early 2010s, with well-established digital facilities, automated return stations, and less digitally illiterate populations reached well over 95%.

There are mixed compliance indicators. The rate at which India files its timely filings has risen during the last decade, although it lags slightly behind countries in the developed economy where automation reminder systems, fluid payment gateway, and user-friendly websites have ensured rising on-time submission rates. Estimates of tax gaps also vary: although India has registered progressive narrowing of its individual income tax gap, developing economies tend to report lower tax gaps, in part due to both effective audit regimes and strong data-matching tools. In line with Nurjayanti (2025) [17], the consciousness level of the taxpayers, the knowledge relating to self-assessment, and the experience with e-filing products are significant catalysts of these variations.

A comparison table between nations is provided with major indicators that include the percentage of e-filing adoption, time of average processing returns, and indicators of taxpayers' satisfaction. Trend line graphs depict that the steep growing curve of India in adoption is leaning to high plateau denoted in developed economies, which was seen earlier. It can be concluded that the data indicate that, though India is rapidly catching up, the timing and nature of adoption are heterogeneous because of diverse institutional preparedness and socio-economic contexts, as indicated by Kemuning *et al.* (2022) [7] and Pradilatri *et al.* (2021) [18].

The progress that India has made is encouraging but there are still issues of institutions and behaviour. According to Kemuning *et al.* (2022) [7], patterns of adoptions in developing economies are extremely fragile to the factors of digital literacy, infrastructural trustworthiness, and the sense of compliance facility. This connects well with India whose Digital growth is rapidly expanding but access gaps between the urban and rural residents remain an impediment to the uniform use. By comparison, other countries e.g. the United Kingdom and Australia earlier employed taxpayer education programs and the more intuitive interface designs which also minimized the psychological impediments to e-filing and increased the level of voluntary compliance.

The findings of Pradilatri *et al.* (2021) [8] state the high importance of socio-economic context in studying the heterogeneity of adoption. In another example, less complicated systems of reporting and simplified e-filing opportunities attain by an employee in India on his/her salary are the issues of increased adoption and compliance by a salaried employee than by the self-employed who report in more statutorily complex ways. In developed economies, the strong third-party data integration decreases this burden of compliance so that it is more equitably adopted across the various classes of taxpayers.

Moreover, Milamo and Magobe (2024) [14], state that efficient platforms, with auto-feedback mechanisms, strengthens trust in the levying of taxes by taxpayers on the administration. The implementation of PAN Aadhaar linkage, pre filled e-return, and faceless assessment are some of the measures of India in this direction, but effectiveness is still in its growing stages. Comparative evidence indicates that automated audit and reminder systems were introduced early in the United States and Australia and propelled filing rates, as well as the timeliness of submission in those countries.

Nurjayanti (2025) [17] emphasises that there is more to technological infrastructure as the knowledge and experience of taxpayers using self-assessment are determining factors. Indian policymakers should thus supplement efforts of improving platforms by conducting rigorous taxpayer capacity building activities especially to the small businesses and those in the informal sector. In general, the comparative analysis reveals that the digital tax environment of India is developing at a high rate, but the bridging of the behavioural gaps coupled with equitable access is a focus in the development of the sustained results of compliance.

6.2 Institutional and Policy Findings

Institutional analysis shows that there are gulf-like differences in e-filing governance bands, regulatory demands and incentive systems. In India, e-filing was also gradually required, in stages (first, the higher-income brackets and then the majority of taxpayer types), joined with tax socialisation campaigns, which is also in line with the mitigating effect of taxpayer education as observed by Kemuning *et al*. (2022) [7]. Advanced economies, however, did this much earlier with mandatory universal e-filing and, in many cases, with pre-filled returns using payroll data, banking, and withholding information. The pre-populated method also greatly lowers the taxpayers' burden, improving user experience and the degree of regime compliance, as it was stated in the findings of Milamo and Magobe (2024) [14] on burden reduction.

Penalty structures are also not the same. India imposes financial fines on untimely filing, although their degree of enforcement is often rated as moderate. Developed countries have ensured financial and procedural penalties, as in the case of non-issuing of refunds until a given party complies. The developed contexts favour incentive-type measures, which include accelerated refunds to those who e-file early. Moreover, developed economies have evolved robust data connections, where their real-time data can be cross-verified with third-party information, which, in the case of India, is yet to be established, where multiple databases will be connected to ensure ease of compliance monitoring.

Users and accessibility are vital. The developed economies are preoccupied with mobile-friendly interfaces and multiple language support; in India, there are certain issues in terms of a low level of digital literacy among the rural taxpayers. This supports the claim made by Nurjayanti (2025) [17] that, in making compliance rates high, awareness and understanding play an important role. However, India has been quick in implementing user support infrastructure, e.g., AI-based helpdesks, which signals this convergence with best practices internationally.

Other than governance and enforcement, a second area of divergence is the maturity of institutions of the digital infrastructure. Milamo and Magobe (2024) [14] underline the fact that compliance friendly systems are not just technological but are part of the greater administrative capacity. Developed economies come with tight cross-agency connections in ways that financial flows, payrolls, and bank transactions are potentially reconciled in a seamless way under the tax administrations. The integrated architecture allows what they refer to as compliance by design, where the discretion of the taxpayers is reduced since a large part of the reporting required can be done automatically. In comparison, the Income Tax Department in India has achieved admirable advancements especially in the Annual Information Statement (AIS) and prefilled ITR forms, although it has not covered all of it. Manual reconciliation remains outside the reaches of many taxpayers, especially the self-employed and small business owners and thus introduces the risk of accidental failure and non-compliance.

Moreover, incentive schemes disclose systemic differences as well. According to Nurjayanti (2025) [17], behavioural measures, including reminders and streamlined processes, can go as far as achieving compliance just like the coercive measures. Established economies have invested heavily in the concept of the nudge, with personalised digital prompts, simplified mobile systems and timely filing that has become the easy route to go. SMS/email reminders and real-time error checks on the portal are other recent efforts by India in using similar nudges. The degree of digital literacy, or rather the low level of digital literacy, in some segments (mostly in rural ones), alas, limits the effects of these measures. This is in line with what Kemuning *et al*. (2022) [7] point out, in which the authors underline the mediating nature of taxpayer education to fortify the connection between the availability of e-filing and relative compliance behaviour rate.

Lastly, a convergence point can be seen in the development of the design of taxpayer service. Global best practices such as AI-based virtual assistance, inbuilt grievance redressal and multilingual service are also reflected in India. However, the equity gap remains: there is an easier compliance experience available to urban, salaried taxpayers and a much more challenging one facing rural and informal-sector taxpayers. Such a duality helps to note that such transformation of e-filing in India will finally succeed when the priority of technological novelty is matched with both inclusive education of taxpayers as well as effective institutional liaison.

7. Discussion

The analysis of findings shows that the e-filing systems tend to promote tax compliance due to easier procedures of making submissions, decreasing the number of human-made mistakes, and augmented transparency, which is consistent with earlier research (Luh and Ratna, 2024) [12]. Other economies like the UK, USA and Australia have been registered to have a high degree of compliance owing to their better institutional strength, law enforcement system and effective use of pre-filled returns. Such systems pool the information about taxpayers provided by employers, banks, and so on, so taxpayers can more easily file correctly, and there are fewer chances of evasion. Conversely, India has also made dramatic advances in terms of the adoption of e-filing with the assistance of governmental programs and compulsory e-filing in some classes, yet it has structural strengths. These are: the digital divide, or the impediments faced by taxpayers, who are rural/less technologically literate citizens, and in enforcement capacity, or pursuing remedies to non-compliance may not be uniformly applied. Other secondary evidence implies that more effective policy action in enhancing compliance in developed economies, such as prepopulated returns, integrated financial databases, and withholding at source contributed to positive relative results, although the latter may achieve close results through increased taxpayer education and digital literacy and simplistic and online solutions. There are, however, inconsistencies, as there are some studies that indicate that despite e-filing, the intention to comply might still have the tendency to be affected by attitudes, trust in institutions, or social-cultural norms and therefore, technology in itself is not adequate. Also, the lack of comparability is constrained by limitations in the available secondary data, which include: different measurements in various countries, reporting biases and the lack of insights at the level of individual taxpayers. In this way, the evidence shows that there is a positive association between e-filing and compliance, but it depends on the context-specific factors in relating its overall effectiveness.

Also, the comparative evidence points out that developed economies have used the system of e-filing to deliver high near-universal compliance, but the situation in India is much different. As an illustration, tax collectors such as the United States Internal Revenue Service (IRS) and the Australian Taxation Office (ATO) have highly automated systems where data sharing among institutions takes place thus pre-integrating information of taxpayers into the forms of returns. This not only saves compliance costs, but also creates trust on the system since there is less probability of error and audit. Conversely, the Income Tax Department of India has slowly progressed to a more automated system with Annual Information Statements (AIS) and pre-filled ITR forms being examples of such measures. Systemic impediments, however, such as databases that are fragmented, inconsistent internet penetration, and taxpayer unevenness in terms of their digital readiness, make these mechanisms difficult to scale.

Also, though e-filing has been tested and found to enhance procedural compliance, it does not, alone, ensure substantive compliance. Research indicates that the willingness of the taxpayers to comply also depends on feelings of fairness as well as deterrence with the enforcement actions, and the general perception of governmental institutions. Role of rule of law, institution credibility and well-established grievance redressal systems in developed economies have helped achieving greater degree of voluntary compliance. Conversely, there is a tendency of Indian taxpayers, especially the informal as they encounter challenges with compliance in terms of forcing them to negotiate various reporting obligations, obstruct minute pathways of redress and concerns over secrecy of financial information.

Additional consequences of the findings are the importance of considering behavioral insights in policy reforms. Digital adoption can be enhanced with simplifying tax procedures and providing multilingual and mobile-based services, as well as with the improvement of taxpayer assistance. The evidence also ultimately suggests that it is not only needed but also insufficient to transform technology-caused reforms like e-filing; they should be strengthened by the more comprehensive institution-altering efforts, capacity building, and trust-building efforts. Therefore, the e-filing system owes its success in enhancing compliance to electronic technology supported by realities that govern the socio-economic background of the targeted taxpayers in a particular jurisdiction.

8. Policy implications and recommendations

The comparative study between India and the developed economies featured in this report also points to a variety of workable plans that can be implemented in order to make e-filing systems more effective and widely accessible. Referring to what Lannai (2024) [11] found, which describes that e-Filing systems that are efficient increase the taxpayer compliance due to ease of access, reliability and the decrease in procedural complexity, India can implement various specific measures. On the technical front, the adoption of interoperability within tax databases, the introduction of pre-filled returns using the employers' and bank information, and simple-to-use platforms which could be mobile-friendly will help in reducing compliance, especially among salaried people and small business owners. On an administrative level, paperwork could be made easier, focused nudges regarding reminders could be implemented, and campaigns concerning taxpayer education could cover knowledge gaps, persistent problems and decrease the number of mistakes made during the filing process. Legally and regulatory-wise, India has a chance to gradually expand mandatory e-filing with e-readiness sectors first and, at the same time, implement comprehensive data privacy support to ensure that taxpayers will retain their confidence. It is also important to address equity issues; centres offering help to file their taxes can be established in rural regions, and assisted e-filing systems should be promoted among the low-digital-literacy communities to address the digital divide. Although developed economies have already attained high e-filing penetration, they can learn mutual lessons with countries like India that have adopted the new model of large-scale, low-cost e-filing through innovation, especially in using partnerships between the public and the private sector and using digital payment methods to make tax settlements. Adapted contextually, these measures shall be able to maintain this compliance growth, accompanied by fairness, effectiveness, and trust of the users across the various taxpayer segments.

9. Limitations, reliability of secondary data and future research

Study limitations are associated with the sole use of secondary data in the research, which has to be considered. To begin with, timeliness might be one of the issues since not all of the available literature and official statistics might reflect the recent technological advances or policy changes in the context of the e-filing systems. As an example, although reports like the Aling *et al*. (2023) [2] report on the use of e-filing to enhance compliance among taxpayers are useful in informing about how this practice can be made useful in other contexts, the experience of the Manado top tax service centres might lack transferability to the Indian context of diversified taxpayer lives. Equally, Lukman *et al*. (2023) [13] point to the factors leading to compliance in the aftermath of the introduction of e-filing, yet the measurement heterogeneity in the body of research lacks the property of allowing direct comparisons between studies. In addition, a lack of raw microdata minimises the possibility of carrying out granular analyses, like sub-grouping taxpayers into classificatory variables like income, occupation, or digital literacy.

The government and industry reports expose a possible bias because these reports may present all the successes without highlighting inefficiency in the system or dissatisfaction on the part of taxpayers. Not all of the aspects of behaviour can be identified by using secondary sources: say, the psychological forces that make people comply with the obligations or the experiences of the ones who are digitally marginalised as taxpayers. Future research ought to consider primary data collection (i.e. survey of taxpayers, behavioural experiments and interviews). Furthermore, mixed-methods studies have the potential to combine qualitative accounts with quantitative measuring of usage and adherence to determine how integrated e-tax technology, such as e-registration, e-SPT, e-filing, and e-billing, affect compliance in diverse socio-economic settings because the study proposed by Ramadhan *et al*. (2023) [21] may either imply the incorporation of a qualitative account or the quantitative measure of usage and adherence to form a better assessment of how integrated e-tax technology impacts compliance in diverse socio-economy This type of research would give more actionable, nuanced implications on system and policy formulation.

10. Conclusion

The research aimed to investigate how e-filing systems improve taxpayer compliance, and also, the research endeavoured to capture the comparative conclusions between India and developed economies. In the analysis, it was pointed out that an administrative change on the form design and sensitive nudges, and a technical change on interoperability, prefilling, and mobile-friendly platforms have played a pivotal role in enhancing compliance. It was also equally important to have legal interventions, such as incremental mandatory e-filing and protection of the privacy of data. In the case of India, the equity-based solutions, especially for those with low digital literacy levels, such as through the assistance centres and guided e-filing, are also found to be the key to inclusive adoption. It was also found that the advanced economies have interpretations that India could be learning from in terms of its scalable, low-cost innovations in terms of taxpayer's coverage, the large and diversified taxpayers. On balance, there is just enough evidence to show that well-designed e-filing systems can be highly effective in supporting tax compliance where it is accompanied by logical technical, administrative, legal and equity frameworks. These findings have a large policy applicability, reducing efficiency of the e-filing process not only raises compliance levels but also creates a sense of reliability between the parties. With digital governance playing an increasingly central role in fiscal policy, the ongoing development of e-filing services is opening the way to leaner, transparent, citizen-friendly tax administration, advantageous both to the collection of revenue and long-term economic balance.

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