

Benefits and Challenges Encountered By Business Taxpayers in Using the Bureau of Internal Revenue (BIR) Electronic Filing and Payment System (EFPS)

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ABSTRACT

This study determined the benefits and challenges encountered by business taxpayers in using the Bureau of Internal Revenue (BIR) Electronic Filing and Payment System (eFPS) during Taxable Year 2025. A descriptive-comparative research design was employed, involving 100 business taxpayers selected through quota and convenience sampling. Data were gathered using a researcher-made survey questionnaire that assessed the extent of benefits and level of challenges encountered in using the BIR eFPS. The findings revealed that business taxpayers experienced a very high extent of benefits and a low level of challenges in using the system. Furthermore, the results showed no significant difference in the extent of benefits and level of challenges encountered when taxpayers were grouped according to nature of business, years of operation, taxpayer classification, and frequency of eFPS usage. These findings indicate that the perceived benefits and challenges of using the BIR eFPS are generally consistent across different taxpayer profiles. The study highlights the effectiveness and accessibility of the eFPS in facilitating tax filing and payment and suggests the continued improvement of the system to enhance taxpayer compliance and user experience.

INTRODUCTION

This chapter presents an overview of the study by discussing its background, theoretical and conceptual frameworks, research problem, and hypotheses. It also explains the significance of the study, along with its scope and limitations, and provides clear definitions of the key terms used throughout the research.

Background of the study

The rapid advancement of information and communication technology has transformed the way governments deliver public services, including tax administration. Around the world, tax authorities have adopted electronic filing and payment systems to improve efficiency, reduce administrative costs, increase tax compliance, and provide taxpayers with more convenient access to government services. The Organisation for Economic Co-operation and Development (OECD, 2025) reported that digital tax administration has become a key priority among revenue agencies, with approximately 90 percent of tax payments in participating jurisdictions now being made electronically. This demonstrates the growing confidence of governments in digital platforms as an effective means of delivering taxpayer services while promoting transparency and voluntary tax compliance.

Electronic filing and payment systems offer several advantages to taxpayers. Unlike traditional manual filing, electronic systems allow tax returns to be submitted anytime and anywhere with internet access. They reduce paperwork, minimize mathematical and clerical errors through automated validation, shorten processing time, and provide immediate confirmation that tax returns and payments have been successfully received. During and after the COVID-19 pandemic, many countries accelerated the adoption of digital tax services to ensure the continuity of tax administration while minimizing physical interactions. Consequently, electronic tax compliance has become an integral component of modern tax administration rather than merely an optional service (OECD, 2025).

In the Philippines, the Bureau of Internal Revenue (BIR) has continuously pursued digital transformation through the implementation of the Electronic Filing and Payment System (eFPS). The system enables qualified taxpayers to electronically file tax returns and pay taxes through authorized agent banks using the internet. As part of the BIR's modernization initiatives, taxpayers are encouraged to comply electronically because it simplifies the filing process, improves processing efficiency, and reduces the need to visit Revenue District Offices. The BIR continues to strengthen its electronic services as part of the government's broader objective of providing more accessible, efficient, and transparent public services (Bureau of Internal Revenue, 2025).

Although the Electronic Filing and Payment System provides numerous benefits, many taxpayers continue to encounter practical challenges in using the system. During tax filing deadlines, some users experience system slowdowns, temporary unavailability of the website, internet connectivity problems, browser compatibility issues, and difficulties in navigating the system. Some taxpayers, particularly those with limited technological experience, may also find electronic filing procedures difficult to understand. These situations may result in delays in tax compliance, increased anxiety among taxpayers, and additional time and resources spent in completing filing and payment requirements. While improvements to the system continue to be implemented, taxpayers' actual experiences remain an important consideration in evaluating the effectiveness of electronic tax services.

Moreover, existing studies on taxation in the Philippines primarily focus on tax compliance, tax knowledge, tax morale, or taxpayers' willingness to comply with tax laws. Comparatively few studies examine taxpayers' actual experiences in using the BIR Electronic Filing and Payment System, particularly in terms of the benefits they receive and the challenges they encounter while using the platform. Even fewer studies have explored whether these experiences differ according to taxpayers' business characteristics, such as the nature of business, years of operation, taxpayer classification, and frequency of eFPS usage. This gap in the literature highlights the need for empirical evidence that specifically evaluates taxpayers' experiences with electronic filing and payment.

At the local level, business taxpayers under the jurisdiction of Revenue District Office (RDO) No. 078 regularly utilize the BIR Electronic Filing and Payment System to comply with their tax obligations. As a Revenue District Office serving a diverse group of business taxpayers from different industries and business sizes, RDO No. 078 provides an appropriate setting for assessing how taxpayers experience the eFPS. Despite the increasing reliance on electronic filing and payment within the district, there is limited local research that documents whether taxpayers perceive the system as beneficial, what specific challenges they encounter, and whether these experiences vary across different taxpayer profiles. Without such information, opportunities to improve taxpayer support services and electronic tax administration may remain unidentified.

The researcher was motivated to conduct this study because electronic filing and payment have become the primary mode of tax compliance for many business taxpayers. While the system is intended to make tax compliance faster, easier, and more efficient, taxpayers continue to share varying experiences regarding its usability, reliability, and accessibility. Understanding these experiences is important because the effectiveness of any electronic government service depends not only on its technical features but also on the satisfaction and experiences of its users. By identifying both the benefits and the challenges encountered by business taxpayers, this study can provide valuable insights into how the Electronic Filing and Payment System can be further improved.

Furthermore, the findings of this study may benefit the Bureau of Internal Revenue by providing evidence that may support future improvements to the Electronic Filing and Payment System, taxpayer assistance programs, and digital service delivery. Business taxpayers may also benefit through recommendations that contribute to a more convenient and efficient filing experience. Likewise, future researchers may use the findings as a reference for further studies on electronic tax administration and digital government services. Ultimately, this study contributes to the growing body of knowledge on electronic filing and payment by providing empirical evidence on the experiences of business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System during taxable year 2025.

Theoretical framework

This study is anchored on the Unified Theory of Acceptance and Use of Technology (UTAUT), which explains the factors that influence an individual's acceptance and use of information technology. Although the theory was introduced in 2003, it continues to serve as one of the most widely accepted frameworks for explaining technology adoption across various sectors, including electronic government services and digital taxation. Recent studies have confirmed that UTAUT remains highly relevant in understanding taxpayers' adoption and continued use of electronic tax systems (Dewi & Setiawan, 2020; Aguilar, 2023; Airawaty et al., 2026; Chairunissa & Setyowati, 2026).

According to the UTAUT, technology acceptance is determined by four major constructs: performance expectancy, effort expectancy, social influence, and facilitating conditions. Performance expectancy refers to the degree to which users believe that using a system improves their performance. In the context of the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS), it reflects taxpayers' perception that the system enables faster, more accurate, and more efficient tax filing and payment. Effort expectancy refers to the perceived ease of learning and operating the system. Social influence pertains to the extent to which taxpayers are encouraged by the Bureau of Internal Revenue, accountants, colleagues, or other stakeholders to use eFPS. Facilitating conditions refer to the availability of technical resources, internet connectivity, user knowledge, and organizational support necessary for the effective use of the electronic system. These four constructs collectively influence taxpayers' behavioral intention and actual utilization of eFPS.

The variables of the present study are consistent with the UTAUT framework. The independent variables are the respondents' nature of business, years of operation, taxpayer classification, and frequency of eFPS usage. These characteristics may influence how business taxpayers perceive the usefulness, ease of use, and accessibility of the electronic filing and payment system. The dependent variables are the benefits and challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS).

The UTAUT was selected as the theoretical foundation of this study because it provides a comprehensive explanation of the factors influencing technology acceptance and actual system use. Unlike theories that focus solely on perceived usefulness or ease of use, UTAUT integrates technological, social, and organizational factors that shape users' experiences with digital systems. This makes the theory particularly appropriate for examining the benefits and challenges encountered by business taxpayers in using the BIR's eFPS.

The applicability of UTAUT in electronic taxation has been supported by several recent studies. Dewi and Setiawan (2020) found that performance expectancy, effort expectancy, and facilitating conditions significantly influence taxpayers' intention to use electronic filing systems. In the Philippine context, Aguilar (2023) reported that UTAUT is an appropriate framework for explaining taxpayers' adoption of electronic tax payment channels and emphasized that users' perceptions of usefulness and convenience encourage the utilization of digital tax services. Similarly, Airawaty et al. (2026) concluded that performance expectancy, effort expectancy, facilitating conditions, and institutional trust significantly affect taxpayers' adoption of electronic tax filing systems, demonstrating the continuing relevance of UTAUT in digital taxation. Furthermore, Chairunissa and Setyowati (2026), through a systematic literature review of studies published between 2020 and 2025, identified UTAUT as one of the most frequently used and effective theories for explaining taxpayers' adoption of digital tax systems. Likewise, Soquiat et al. (2026) demonstrated the continued applicability of UTAUT in explaining technology adoption among Philippine small and medium enterprises, confirming that the theory remains relevant in understanding users' acceptance of digital financial technologies.

Considering these findings, the UTAUT provides a strong theoretical basis for this study because it explains how business taxpayers' characteristics and perceptions toward the BIR's Electronic Filing and Payment System influence the benefits they experience and the challenges they encounter. Consequently, the theory supports the analysis of taxpayers' experiences and provides a sound basis for developing recommendations that may further improve the implementation and delivery of the BIR's electronic filing and payment services.

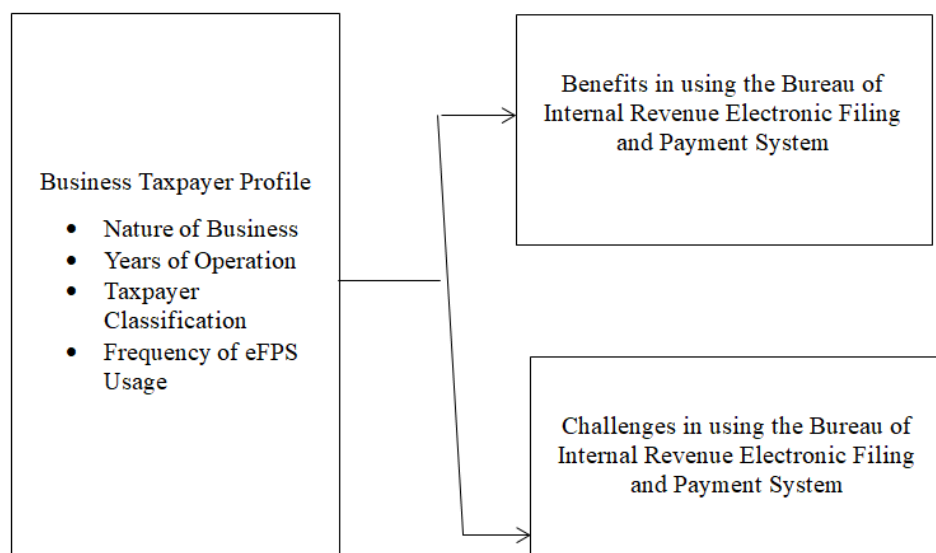
Conceptual framework

The concepts and theories that govern this study are anchored on the premise that the adoption and utilization of electronic tax systems influence taxpayer's experiences and perceptions regarding tax compliance. The framework illustrated the relationship between the independent variables and the dependent variables in determining the experiences of business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS). The independent variables consist of the respondents' nature of business, years of operation, taxpayer classification, and frequency of eFPS usage. These characteristics are expected to influence how business taxpayers perceive and utilize the eFPS. Businesses from different industries may have varying tax compliance requirements, while years of operation may reflect the taxpayers' level of experience in complying with tax regulations. Taxpayer classification (e.g., micro, small, medium, or large) may affect the complexity and volume of tax transactions, and the frequency of eFPS usage may influence users' familiarity and proficiency with the system. The dependent variables are the benefits and challenges encountered by business taxpayers in using the BIR eFPS.

As business taxpayers utilize the eFPS for filing tax returns and making tax payments electronically, they develop experiences that may reveal both the advantages and difficulties associated with the system. These experiences serve as the basis for identifying the benefits of eFPS, such as convenience, time efficiency, cost savings, accuracy of filing and improved tax compliance. Likewise, the study seeks to determine the challenges encountered by taxpayers, including technical issues, internet connectivity problems, system downtime, user difficulties in navigating the platform and security and privacy issues.

Ultimately, the framework demonstrated how the characteristics of business taxpayers and their use of eFPS contribute to a better understanding of the system's strengths and weaknesses, thereby providing a basis for improving electronic tax services and promoting greater taxpayer satisfaction and compliance.

Figure 1. Schematic Diagram of the Study



Statement of the problem

This study aimed to determine the benefits and challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System for taxable year 2025.

Specifically, it sought to answer the following questions:

1. What is the profile of the respondents in terms of:
 - a. type of business;

- b. years of operation;
 - c. taxpayer classification; and
 - d. frequency of eFPS usage?
2. What is the extent of benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System?
 3. What is the level of challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System?
 4. Is there a significant difference in the extent of benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System when they are grouped in terms of their profile?
 5. Is there a significant difference in the level of challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System when they are grouped in terms of their profile?

Hypotheses of the study

The study's research problem served as the basis for developing the following hypotheses:

1. There is no significant difference in the extent of benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System when they are grouped in terms of their profile.
2. There is no significant difference in the level of challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System when they are grouped in terms of their profile

Significance of the study

The result of this study would be beneficial to the following:

Bureau of Internal Revenue (BIR). The results of the study can provide the Bureau of Internal Revenue with insights into the experience of business taxpayers in using the eFPS. The identified benefits and challenges may serve as a basis for improving the system's functionality, accessibility, reliability and overall efficiency.

Business Taxpayers. The findings of this study can help business taxpayers better understand the advantages and limitations of using the eFPS. It may also increase their awareness of best practices in utilizing the system and encourage greater compliance with tax obligations.

Business Organizations and Tax Practitioners. The study may serve as a reference for business organizations, accountants, tax consultants and other tax practitioners in understanding the common issues encountered by taxpayers and in developing strategies to address such concerns.

Policy Makers and Government Agencies. The study may assist policymakers and government agencies in evaluating the effectiveness of electronic tax administration initiatives. The findings can contribute to the development of policies and programs aimed at strengthening digital transformation in tax administration and enhancing taxpayer services.

Researchers and Academicians. The study will add to the existing body of knowledge on electronic tax systems and taxpayer compliance. It may also serve as a useful reference for future researchers who intend to conduct similar studies on tax administration, electronic government services and information technology adoption.

Future Researchers. The findings and recommendations of this study may provide a foundation for further research on electronic filing and payment systems, taxpayer behavior and other factors affecting the adoption and effectiveness of digital tax services.

Scope and limitations of the study

This study focuses on the benefits and challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) for taxable year 2025. Specifically, it covers registered business taxpayers under Revenue District Office (RDO) No. 078 – South Negros Occidental, which has jurisdiction from Bago City down to Hinoba-an. The study is limited exclusively to business taxpayers who are enrolled in and actively using the BIR eFPS during taxable year 2025.

The respondents consist of 100 registered business taxpayers under RDO No. 078 who have actively used the eFPS for filing and paying their taxes. A researcher-made survey questionnaire is used as the primary instrument for data collection. The data gathered are analyzed using appropriate statistical tools, to describe the respondents' profile, determine the extent of the benefits and challenges encountered, and examine whether significant differences exist in the benefits experienced when respondents are grouped according to their profile variables.

The findings of this study are limited to the responses of the selected business taxpayers within the jurisdiction of RDO No. 078 during the specified period. Consequently, the results may not be generalized to individual taxpayers, business taxpayers in other revenue districts, or taxpayers who do not use the BIR Electronic Filing and Payment System. Furthermore, the study relies on the respondents' self-reported perceptions and experiences, which may be influenced by their personal knowledge, level of system usage, and individual circumstances at the time of the survey.

Definition of terms

The study includes both conceptual and operational definitions of key terms to clarify their meanings and ensure a common understanding throughout the research:

Benefits. Refer to the positive outcomes and advantages experienced by taxpayers when filing and paying taxes through the BIR's eFPS platform (Salgado, P., et al 2024).

Operationally, it refers to the perceived advantages experienced by business taxpayers in using the BIR's eFPS platform.

Bureau of Internal Revenue (BIR). The government agency that is responsible for assessing, collecting, and administering national internal revenue taxes (Bureau of Internal Revenue, 2025).

Operationally, it refers to the government agency that administers the Electronic Filing and Payment System.

Challenges. Refer to the difficulties, obstacles, or barriers encountered by taxpayers when using the BIR's eFPS platform for filing tax returns and paying taxes electronically (Salgado, P., et al 2024).

Operationally, it refers to the problems encountered by business taxpayers in using the BIR eFPS.

Electronic Filing and Payment System (eFPS). Is the Bureau of Internal Revenue's internet-based platform that enables qualified taxpayers to electronically prepare, file, and pay tax returns through authorized electronic channels (Department of Budget and Management, 2024).

Operationally, it refers to the online tax filing and payment system used by registered business taxpayers to submit returns and pay taxes electronically.

Frequency of eFPS Usage. Refers to how often business taxpayers utilize the Electronic Filing and Payment System (eFPS) for filing tax returns and paying taxes. (Alajmi, M. A., &Alotaibi, J. H. 2020).

Operationally, it refers to the number of times respondents use eFPS within a given period.

Nature of Business. Refers to the primary economic activity or line of business in which an enterprise is engaged to generate income through the production of goods or provision of services (Philippines Statistics Authority, 2022)

Operationally, it is classified according to the taxpayer's registered business type in BIR records.

Taxpayer Classification. It refers to the grouping of business taxpayers registered with the BIR according to their tax obligations and registration profile. This generally include: Micro Taxpayers, Small Taxpayers, Medium Taxpayers and Large Taxpayers (Ease of Paying Taxes EOPT; Republic Act No. 11976).

Operationally, it refers to the category assigned to business taxpayers based on BIR's classification of taxpayers.

Years of Operation. Refers to the length of time a business has been operating since its official registration with the BIR or other government agencies. (Organisation for economic Co-operation and Development, 2021).

Operationally, it is measured in terms of the number of years the business has been continuously operating.

REVIEW OF RELATED LITERATURE AND STUDIES

This chapter reviews related studies and scholarly literature that are closely connected to the present research. It provides a solid background for the study and deepens the understanding of the key concepts, variables, and issues being explored.

Benefits in using the bureau of internal revenue electronic filing and payment system (eFPS)

The Bureau of Internal Revenue Electronic Filing and Payment System (eFPS) has significantly improved tax compliance by providing business taxpayers with a faster, more convenient, and secure method of filing tax returns and paying taxes electronically. Through eFPS, taxpayers can submit returns and settle tax liabilities online without personally visiting Revenue District Offices (RDOs) or Authorized Agent Banks, thereby reducing compliance costs, processing time and paperwork. The system is available 27/7, incorporates automated validation to minimize filing errors, and generates immediate confirmation of successful transactions, making tax compliance more efficient and reliable (Bureau of Internal Revenue, 2024).

The continued digitalization of tax administration under Ease of Paying Taxes (EOPT) Act further highlights the importance of electronic filing systems such as eFPS. The EOPT reforms aim to simplify tax procedures, strengthen taxpayer rights, and promote voluntary compliance by encouraging the use of electronic filing and payment channels. These initiatives enhance taxpayer experience while supporting the government's objective to improving the efficiency and accessibility of tax administration (Philippine Information Agency, 2024).

Moreover, the BIR's Digital Transformation Program continues to expand electronic services to improve public service delivery and increase taxpayer convenience. Digital tax platforms such as eFPS contribute to greater operational efficiency by streamlining tax processes, reducing manual transactions, and providing accessible online services for business taxpayers. These developments demonstrate the government's commitment to modernizing tax administration and enhancing voluntary tax compliance through digital innovation (Department of Finance, 2024).

Benefits of using the BIR eFPS in terms of nature of business

The benefits derived from the BIR's eFPS may vary depending on the nature of business. Businesses that process a high volume of transactions such as retail, wholesale, manufacturing, and service enterprises, generally benefit more from eFPS because the system enables faster tax filing, online payment, automated validation, and efficient record management. These features reduce administrative workload and improve the accuracy and timelines of tax compliance.

Small and medium enterprises (SMEs) also benefit from eFPS through simplified tax compliance and reduced compliance costs. Studies have shown that high-quality digital tax services contribute to improved taxpayer satisfaction and voluntary compliance among SMEs (Garcia, A B., & Lalaguna, K. J. P., 2026).

The nature of business also influences taxpayers' perceptions of the usefulness of eFPS. A study on construction companies found that businesses with greater awareness and utilization of eFPS perceived the system as effective in improving tax compliance and operational efficiency. This suggests that industries with regular tax filing requirements and adequate technological capability are more likely to realize the benefits of electronic systems (Ulep, Cortez, Dela Cruz, et al., 2026)

Overall, the literature indicates that while eFPS provides convenience, accuracy, and efficiency to all business taxpayers, the extent of these benefits differs according to the nature of the business. Enterprises with frequent tax transactions and greater digital readiness are generally able to maximize the advantages offered by the system, highlighting the importance of considering business characteristics when evaluating the effectiveness of eFPS.

Benefits of using the BIR eFPS in terms of years of operation

The benefits experienced by business taxpayers in using the BIR eFPS may vary according to the number of years a business has been operating. Businesses with longer years of operation are generally more familiar with tax regulations and electronic filing procedures, enabling them to maximize the convenience, accuracy, and efficiency offered by eFPS. Their accumulated experience in tax compliance allows them to adapt more easily to digital tax administration and efficiently utilize the system's features (Bureau of Internal Revenue, n.d.).

On the other hand, newly established businesses also benefit from eFPS by simplifying tax compliance from the beginning of their operations. The system's online filing, electronic payment, and automated validation features reduce the need for manual transactions, allowing new businesses to comply with tax obligations with less administrative burden. These features support the government's efforts to encourage voluntary compliance through digital tax services (Bureau of Internal Revenue, 2026).

Moreover, recent tax reforms promoting digitalization, particularly under the Ease of Paying Taxes (EOPT) Act, encourage businesses regardless of their years of operation to adopt electronic filing and payment system. The continuous enhancement of eFPS enables both newly established and long-operating businesses to experience improved efficiency, reduced compliance costs, and greater accessibility in fulfilling their tax obligations. Consequently, years of operation may influence the extent to which taxpayers perceive and maximize the benefits of eFPS, although the system is designed to provide efficient tax compliance for businesses at all stages of operation (Tax and Accounting Center, Inc. (2026).

Benefits encountered by business taxpayers in using the BIR eFPS in terms of taxpayer classification

The benefits of the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) may differ according to taxpayer classification, which under the Ease of Paying Taxes (EOPT) Act consists of micro, small, medium, and large taxpayers based on annual gross sales. This classification enables the BIR to provide tax administration and digital services that are responsive to the needs and capacities of different types of businesses.

Large and medium taxpayers generally derive greater benefits from eFPS because they handle higher transaction volumes and more complex tax obligations. The system facilitates faster filing, electronic payment, automated validation, and efficient record management, reducing administrative burden and improving compliance efficiency. These features are particularly valuable for businesses that file multiple tax returns regularly.

Micro and small taxpayers also benefit from eFPS through simplified filing procedures, reduced compliance costs, and improved accessibility to online tax services. The implementation of the EOPT Act emphasizes taxpayer convenience by streamlining tax processes and classifying taxpayers according to business size, allowing the BIR to provide more responsive services and encourage voluntary tax compliance.

Overall, the literature suggests that while eFPS provides benefits to all taxpayer classifications, the extent of these benefits varies according to the size and complexity of business operations. Larger businesses tend to maximize the system's efficiency because of their frequent tax transactions, whereas micro and small taxpayers benefit primarily from the convenience and reduced cost of electronic tax compliance.

Benefits of using the BIR eFPS in in terms of frequency of eFPS usage

The frequency of using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) influences the extent to which business taxpayers experience its benefits. Taxpayers who use eFPS regularly become more familiar with its features and procedures, enabling them to complete tax filing and payment more efficiently. Frequent use enhances user competence, minimizes filing errors, and shortens the time required to comply with tax obligations, resulting in greater satisfaction with the system. This aligns with the Technology Acceptance Model (TAM), which posits that continued system usage is influenced by users' perceptions of usefulness and ease of use (Gabinete et al., 2025).

Business taxpayers who frequently utilize eFPS also benefit from improved accuracy, faster transaction processing, and reduced administrative costs. Regular interaction with the system allows users to maximize features such as automated validation, electronic confirmation receipts, and online payment facilities, thereby promoting efficient tax compliance. The BIR likewise emphasizes that eFPS is designed to provide secure, convenient, and paperless filing and payment services for enrolled taxpayers. (Bureau of Internal Revenue)

Furthermore, recent studies indicate that taxpayers with greater experience and continuous use of electronic tax systems demonstrate higher levels of acceptance and satisfaction. Gabinete et al. (2025) found that perceived usefulness and ease of use significantly influence taxpayers' intention to continue using eFPS. Similarly, the BIR's digitalization initiatives encourage the regular utilization of electronic filing systems to improve taxpayer compliance, enhance service delivery, and support efficient tax administration (Department of Finance, 2021). Therefore, taxpayers who use eFPS more frequently are more likely to realize its full benefits compared to those who use the system only occasionally.

Challenges in using the bureau of internal revenue electronic filing and payment system

Despite the benefits of the Bureau of Internal Revenue (BIR) Electronic Filing and Payment System (eFPS), business taxpayers continue to encounter several challenges that may affect the efficiency of tax compliance. One of the most common issues is system downtime or temporary unavailability, particularly during filing deadlines. When eFPS becomes inaccessible due to technical issues or system maintenance, taxpayers may experience delays in filing and payment. To address this, the BIR allows affected taxpayers to use alternative electronic filing platforms, such as eBIRForms, when the unavailability of eFPS is officially covered by a BIR advisory (Department of Finance [DOF], 2024).

Another challenge is the dependence on stable internet connectivity and technological infrastructure. Since eFPS is entirely web-based, taxpayers with slow or unreliable internet access may encounter difficulties in completing electronic transactions. This challenge is more pronounced among businesses operating in areas with limited digital infrastructure, affecting the timely submission of tax returns and payments (Department of Finance [DOF], 2024).

Business taxpayers may also face technical and user-related issues, including enrollment delays, account activation concerns, password recovery, browser compatibility, and online payment validation errors. These issues may require coordination with the Revenue District Office (RDO) or Authorized Agent Banks (AABs), which can increase the time and effort needed to complete tax obligations. The BIR has established eLounges and taxpayer assistance services to help resolve these concerns and facilitate electronic filing.

Furthermore, adapting to electronic tax systems may require adequate digital skills and familiarity with online tax procedures. Businesses transitioning from manual to electronic filing may initially experience difficulties in navigating the system, understanding electronic requirements, and complying with updated BIR regulations.

Continuous taxpayer education and system enhancements are therefore essential to improve user experience and encourage voluntary tax compliance.

Benefits encountered by business taxpayers in using the bureau of internal revenue electronic filing and payment system (eFPS)

The Bureau of Internal Revenue (BIR) Electronic Filing and Payment System (eFPS) has significantly improved tax compliance by providing business taxpayers with a faster, more convenient, and secure method of filing tax returns and paying taxes electronically. Through eFPS, taxpayers can submit returns and settle tax liabilities online without personally visiting Revenue District Offices (RDOs) or Authorized Agent Banks, thereby reducing compliance costs, processing time, and paperwork. The system is available 24/7, incorporates automated validation to minimize filing errors, and generates immediate confirmation of successful transactions, making tax compliance more efficient and reliable (Department of Finance [DOF], 2024).

The continued digitalization of tax administration under the Ease of Paying Taxes (EOPT) Act further highlights the importance of electronic filing systems such as eFPS. The EOPT reforms aim to simplify tax procedures, strengthen taxpayer rights, and promote voluntary compliance by encouraging the use of electronic filing and payment channels. These initiatives enhance taxpayer experience while supporting the government's objective of improving the efficiency and accessibility of tax administration (Bureau of Internal Revenue, 2024).

Moreover, the BIR's Digital Transformation Program continues to expand electronic services to improve public service delivery and increase taxpayer convenience. Digital tax platforms such as eFPS contribute to greater operational efficiency by streamlining tax processes, reducing manual transactions, and providing accessible online services for business taxpayers. These developments demonstrate the government's commitment to modernizing tax administration and enhancing voluntary tax compliance through digital innovation (Bureau of Internal Revenue, 2024).

Challenges in using the BIR eFPS in terms of nature of business

The challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) may vary depending on the nature of their business operations. Businesses with high transaction volumes, such as retail, wholesale, and manufacturing, often experience greater challenges in managing multiple tax filings, system downtimes, and technical issues during peak filing periods. These challenges may affect the timely submission of tax returns and payments, particularly when electronic services become temporarily unavailable (Bureau of Internal Revenue, 2024).

In contrast, smaller businesses and service-oriented enterprises may encounter difficulties related to limited technological resources, inadequate internet connectivity, and insufficient knowledge of electronic tax filing procedures. These factors may hinder the effective use of eFPS and require additional assistance from the BIR or tax professionals. According to Gabinete et al. (2025), technological readiness and users' perceived ease of use significantly influence taxpayers' acceptance and continued use of eFPS, suggesting that businesses with limited digital capability may experience greater implementation challenges.

Furthermore, the BIR acknowledges that technical concerns such as system maintenance, browser compatibility, enrollment issues, and payment validation may affect taxpayers regardless of their industry. However, the impact of these challenges differs according to the complexity of business operations and the frequency of tax transactions. Consequently, the nature of business influences not only the benefits derived from eFPS but also the challenges encountered in utilizing the system effectively (Bureau of Internal Revenue, 2024; Department of Finance [DOF], 2021).

Challenges in using the BIR eFPS in terms of years of operation

The challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) may differ according to the number of years a business has been operating. Newly established businesses may experience greater difficulty in navigating the eFPS due to limited knowledge of tax

regulations, unfamiliarity with electronic filing procedures, and lack of experience in using digital tax systems. These factors may increase the likelihood of filing errors and the need for technical assistance during the initial stages of compliance (Bureau of Internal Revenue, 2024).

Conversely, businesses with longer years of operation generally possess greater experience in tax compliance and are more familiar with the features of eFPS. However, they may still encounter challenges related to system downtime, internet connectivity, browser compatibility, and changes in BIR policies and electronic filing requirements. Continuous updates to tax regulations and digital platforms require businesses to regularly adapt their compliance practices to ensure timely and accurate tax filing (Department of Finance [DOF], 2021).

Moreover, recent studies suggest that users' experience with electronic tax systems influences their acceptance and effective utilization of eFPS. Gabinete et al. (2025) found that perceived ease of use and perceived usefulness significantly affect taxpayers' intention to continue using eFPS. This implies that businesses with more experience in using the system are better able to overcome operational challenges than newly established businesses. Therefore, years of operation may influence the extent of challenges encountered by business taxpayers in utilizing eFPS.

Challenges in using the BIR eFPS in terms of taxpayer classification

The challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) may vary according to taxpayer classification. Under the Ease of Paying Taxes (EOPT) Act, taxpayers are classified as micro, small, medium, or large based on annual gross sales, with each category having different compliance requirements and operational capacities (Bureau of Internal Revenue [BIR], 2024).

Micro and small taxpayers often encounter challenges related to limited financial resources, inadequate technological infrastructure, and insufficient knowledge of electronic tax filing procedures. These constraints may affect their ability to effectively use eFPS, particularly when dealing with system updates, technical issues, or unstable internet connectivity. As a result, these taxpayers may require additional assistance from the BIR or tax practitioners to ensure accurate and timely compliance (Department of Finance [DOF], 2021).

In contrast, medium and large taxpayers generally possess better technological resources and dedicated accounting personnel, enabling them to manage eFPS more efficiently. However, they may still experience challenges associated with high transaction volumes, complex tax obligations, and occasional system downtime during peak filing periods. Gabinete et al. (2025) emphasized that while perceived usefulness encourages the continued use of eFPS, technical concerns and system-related issues remain significant factors affecting taxpayers' acceptance of the electronic filing system.

Overall, the literature suggests that taxpayer classification influences the nature and extent of challenges encountered in using eFPS. Smaller taxpayers are more likely to experience resource- and capability-related challenges, whereas larger taxpayers primarily encounter operational and system-related concerns due to the complexity of their tax compliance activities.

Challenges in using the BIR eFPS in terms of frequency of eFPS usage

The frequency of using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) influences the challenges encountered by business taxpayers. Taxpayers who use eFPS infrequently may experience greater difficulty in navigating the system due to unfamiliarity with its features, filing procedures, and electronic payment processes. This limited experience may increase the likelihood of filing errors, delayed submissions, and dependence on technical assistance. According to Gabinete et al. (2025), users' perceived ease of use significantly affects their intention to adopt and continuously use eFPS, indicating that infrequent users are more likely to encounter operational challenges.

On the other hand, taxpayers who regularly use eFPS generally become more familiar with the system and are better able to manage electronic tax filing. However, they may still encounter technical issues such as system

downtime, slow response times during peak filing periods, internet connectivity problems, and payment validation concerns. The Bureau of Internal Revenue (BIR) recognizes these challenges and provides alternative electronic filing options and technical support when eFPS becomes temporarily unavailable (Bureau of Internal Revenue, 2026).

Moreover, continuous use of eFPS allows taxpayers to develop greater confidence and competence in electronic tax compliance, reducing user-related challenges over time. Nevertheless, regular users remain affected by system-related issues that are beyond their control. These findings suggest that while frequent use minimizes challenges associated with user familiarity, technical and infrastructure-related concerns continue to influence taxpayers' overall experience with eFPS (Department of Finance [DOF], 2021).

METHODOLOGY

This chapter presents the research design used in the study and describes the respondents, including the subjects and respondents. It also explains the population and sample size, the sampling techniques employed, and the instruments used for data collection, along with their validity and reliability. In addition, it outlines the procedures followed in gathering and analyzing the data.

Research design

This study employed a descriptive-comparative research design. The descriptive method was utilized to determine and describe the benefits and challenges encountered by business taxpayers in using the BIR Electronic Filing and Payment System (eFPS). It enabled the researcher to collect factual information regarding taxpayers' experiences, perceptions, and assessments of the system's effectiveness, convenience, accessibility, and operational issues.

The comparative method was used to determine whether significant differences exist in the respondents' perceptions of the benefits and challenges of eFPS when grouped according to selected profile variables such as nature of business, years of operation, taxpayer classification, and frequency of eFPS usage. This approach allowed the researcher to compare responses among different groups of business taxpayers and identify variations in their experiences with the system.

The descriptive-comparative design is appropriate for this study because it does not only describe the benefits and challenges encountered by business taxpayers but also examines differences in perceptions across various respondent classifications.

Subject and respondents of the study

The subject and respondents of this study consist of registered business taxpayers under Revenue District Office (RDO) No. 78 South Negros Occidental who are registered as of December 31, 2024 and are currently enrolled in and actively using the Bureau of Internal Revenue's (BIR) Electronic Filing and Payment System (eFPS).

Population and sample size

The population of this study consisted of registered business taxpayers enrolled in and actively using the Bureau of Internal Revenue's (BIR) Electronic Filing and Payment System (eFPS) within the jurisdiction of RDO No. 78 which covers Bago City up to Hinoba-an.

A sample size of 100 business taxpayers was selected to participate in the study. The respondents were determined using a combination of quota and convenience sampling.

Sampling technique

Quota sampling was employed to ensure adequate representation of business taxpayers based on the identified profile variables, while convenience sampling was used to select respondents who were readily accessible and

willing to participate during the data collection period. This sampling approach enabled the researcher to gather relevant data from qualified eFPS users and achieve the objectives of the study.

Data gathering instrument

The primary instrument used in this study was a researcher-made survey questionnaire. The questionnaire was specifically designed to gather the information necessary to answer the research objectives concerning the benefits and challenges encountered by business taxpayers in using the Bureau of Internal Revenue's (BIR) Electronic Filing and Payment System (eFPS).

The instrument is composed of three (3) parts that correspond directly to the specific problems of the study. The first part of the questionnaire determines the demographic profile of the business taxpayers. This section gathers information about the respondents in terms of nature of business, years of operation, taxpayer classification and frequency of eFPS usage. The purpose of this section is to describe the background characteristics of the respondents and to classify them according to their demographic variables (BIR eFPS Frequently Asked Questions).

The second part determines the extent of benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS). The respondents answered the statements using a five-point Likert scale to indicate the extent of benefits they experience in using the system (GMA News Online, 2022).

The third part determined the level of challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS). The respondents answered the statements using a five-point Likert scale to indicate the level of challenges they experience in using the system (Respicio & Co., 2026).

Validity and reliability of the instruments

Before administering the main survey, the researcher submitted the questionnaire along with a formal request letter to experts accredited by the Ethics Committee for validation. This process ensured that the instrument was reviewed for clarity, relevance, and appropriateness, thereby enhancing its validity and reliability for data collection.

Two of the experts are holders of a doctors' degree and the other three are holders of Masters' degree. They assessed that the instrument's content validity was established.

The content validity assessment yielded a Content Validity Ratio (CVR) of 1.00 for the benefits and challenges encountered in using the BIR eFPS. This indicates a strong level of content validity and suggests that the instrument's items are relevant, well-rounded, and effectively designed, as confirmed by the experts' review.

The pilot testing also reported a Cronbach's alpha value of 0.847 for the benefits encountered and 0.807 for the challenges encountered in using the BIR eFPS, indicating an acceptable level of reliability for the intended research concepts.

Data gathering procedures

To initiate the data collection process, the researcher prepared and submitted a formal letter to the Revenue District Officer of Revenue District No. 078- South Negros Occidental before distributing the questionnaire to respondents. With the assistance of the bureau administration, the questionnaires personally distributed by the researcher and retrieved immediately after the respondents have completed them. Before answering, the participants are informed about the purpose and significance of the study to ensure that they will provide honest and well-considered responses. All responses gathered are systematically organized, tabulated, and prepared for analysis.

Data analyses

The data collected were analyzed using the following statistical tools in accordance with the study's objectives. To answer the statement of the problem number 1, which states, what is the profile of the respondents in terms of type of business, years of operation, taxpayer classification, and frequency of eFPS usage, frequency and percentage were used, with the formula:

$$\% = \frac{f}{N} \times 100$$

Where:

f – number of respondents

N – total number of respondents

% – percentage

To answer the statement of the problem number 2, which states, what is the extent of benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS), the weighted mean and standard deviation were used.

Formula for the mean:

$$\bar{x} = \frac{\sum x}{n}$$

Where:

$\bar{x}$ – mean

Σ – summation notation

x – scores

n – number of scores or sample size

Formula for the standard deviation:

$$SD = \sqrt{\frac{\sum (x - \bar{x})^2}{n - 1}}$$

Where:

SD – standard deviation

$\bar{x}$ – mean

Σ – summation notation

x – scores

n – number of scores or sample size

To interpret the mean scores describing the extent of benefits, the table below was utilized.

Scale	Description	Mean Score Range	Interpretation	Verbal Description
5	Strongly Agree	4.21 – 5.00	Very High	Benefits were encountered to a very high extent.
4	Agree	3.41 – 4.20	High	Benefits were encountered to a high extent.
3	Neutral	2.61 – 3.40	Moderate	Benefits were encountered to a moderate extent.
2	Disagree	1.81 – 2.60	Low	Benefits were encountered to a low extent.
1	Strongly Disagree	1.00 – 1.80	Very Low	Benefits were encountered to a very low extent.

To interpret the standard deviation scores describing the extent of benefits, the table below was utilized.

Scale	Mean Score Range	Interpretation	Verbal Description
5	0.00 – 0.50	Very Low	Responses are very consistent of highly homogeneous.
4	0.51 – 1.00	Low	Responses are consistent with minimal variation.
3	1.01 – 1.50	Moderate	Responses show moderate variation among respondents.
2	1.51 – 2.00	High	Responses show high variation among respondents.
1	Above 2.00	Very High	Responses are highly varied or heterogeneous.

To answer the statement of the problem number 3, which states, what is the level of challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS), the weighted mean and standard deviation were used.

Formula for the mean:

$$\bar{x} = \frac{\sum x}{n}$$

Where:

$\bar{x}$ – mean

Σ – summation notation

x – scores

n – number of scores or sample size

Formula for the standard deviation:

$$SD = \sqrt{\frac{\sum (x - \bar{x})^2}{n - 1}}$$

Where:

SD – standard deviation

$\bar{x}$ – mean

Σ – summation notation

x – scores

n – number of scores or sample size

To interpret the mean scores describing the level of challenges, the table below was utilized.

Scale	Description	Mean Score Range	Interpretation	Verbal Description
5	Strongly Agree	4.21 – 5.00	Very High	Challenges were encountered to a very high level.
4	Agree	3.41 – 4.20	High	Challenges were encountered to a high level.
3	Neutral	2.61 – 3.40	Moderate	Challenges were encountered to a moderate level.
2	Disagree	1.81 – 2.60	Low	Challenges were encountered to a low level.
1	Strongly Disagree	1.00 – 1.80	Very Low	Challenges were encountered to a very low level.

To interpret the standard deviation scores describing the extent of benefits, the table below was utilized.

Scale	Mean Score Range	Interpretation	Verbal Description
5	0.00 – 0.50	Very Low	Responses are very consistent of highly homogeneous.
4	0.51 – 1.00	Low	Responses are consistent with minimal variation.
3	1.01 – 1.50	Moderate	Responses show moderate variation among respondents.
2	1.51 – 2.00	High	Responses show high variation among respondents.
1	Above 2.00	Very High	Responses are highly varied or heterogeneous.

To answer the statement of the problem 4, which states, is there a significant difference in the extent of benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System when they are grouped according to profile, the Kruskal-Wallis H-test was used, with the formula:

$$H = \frac{12}{n(n+1)} \sum \frac{R_i^2}{n_i} - 3(n+1)$$

Where:

n = Total number of participants

R_i^2 = Total rank for each group

n_i = No. of participants in each group

To answer the statement of the problem 5, which states, is there a significant difference in the level of challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System when they are grouped according to profile, the Kruskal-Wallis H-test was used.

Presentation, Analysis, And Interpretation of Data

This chapter provides, examines, and interprets the collected data, and is organized systematically to address the statement of the problem using suitable statistical tools.

Demographic profile of the business taxpayer

The table below shows the profile of the business taxpayers in Revenue District Office No. 78- South Negros Occidental. The profile shown in this table pertains only to the respondents who participated in the survey and does not represent the entire population of business taxpayers registered with the district office.

Table 1. Frequency and Percent Distribution of the Demographic Profile of Business Taxpayers.

Profile	Category	F	%
Nature of Business			
	Manufacturing	2	2.00
	Trading/Merchandising	12	12.00
	Retail	28	28.00
	Wholesale	11	11.00
	Construction	13	13.00
	Professional Services	4	4.00
	Transportation	0	0.00
	Hospitality (Hotel, Restaurant, Resort)	13	13.00
	Agriculture/Fisheries	17	17.00
	Other	0	0.00
	Total	100	100
Years of Operation			
	Less than 1 year	4	4.00
	1 -5 years	24	24.00
	6 -10 years	33	33.00
	11 -15 years	13	13.00
	16 -20 years	18	18.00
	More than 20 years	8	8.00
	Total	100	100
Taxpayer Classification			

	Micro Taxpayer	55	55.00
	Small Taxpayer	43	43.00
	Medium Taxpayer	0	0.00
	Large Taxpayer	2	2.00
	Total	100	100
Frequency of eFPS Usage			
	Monthly	21	21.00
	Quarterly	34	34.00
	Annually	0	0.00
	As needed only	45	45.00
	More than once per month	0	0.00
	Total	100	100

Table above presents the demographic characteristics of the 100 respondents in terms of nature of business, years of operation, taxpayer classification, and frequency of eFPS usage.

In terms of the nature of business, the largest group comprised those engaged in retail, with 28 respondents (28.0%). This was followed by agriculture/fisheries with 17 respondents (17.0%). Both construction and hospitality accounted for 13 respondents each (13.0%), while trading/merchandising represented 12 respondents (12.0%). Wholesale businesses comprised 11 respondents (11.0%), professional services accounted for 4 respondents (4.0%), and manufacturing had the smallest representation with only 2 respondents (2.0%).

The findings indicate that retail businesses constituted the largest proportion of the respondents, suggesting that they were more represented in the survey than other business sectors. Agriculture/fisheries, construction, hospitality, trading/merchandising, and wholesale businesses also had notable participation, while professional services and manufacturing were represented by relatively few respondents.

It should be noted, however, that these results describe only the characteristics of the respondents who participated in the survey and should not be interpreted as representing the actual distribution of all business taxpayers registered under Revenue District Office (RDO) No. 78.

With regard to years of operation, table 1 presents the distribution of the respondents according to the number of years they have been in business operation. Of the 100 business taxpayers who participated in the survey, the largest proportion had been operating their businesses for 6 to 10 years, comprising 33 respondents (33.0%). This was followed by those operating for 1 to 5 years with 24 respondents (24.0%). Respondents who had been in business for 16 to 20 years accounted for 18 respondents (18.0%), while those operating for 11 to 15 years comprised 13 respondents (13.0%). Businesses that had been operating for more than 20 years represented 8 respondents (8.0%), whereas only 4 respondents (4.0%) had been in operation for less than one year.

The findings suggest that the majority of the respondents were established businesses with at least six years of operating experience. This indicates that most respondents had sufficient exposure to business operations and tax compliance practices, including the use of the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS). Businesses that have operated for several years are more likely to have gained familiarity with

electronic tax filing procedures and compliance requirements through continued interaction with the tax system (Gabinete, V. F. et al., 2025).

The result is consistent with the findings of a study on taxpayers' compliance and satisfaction among small and medium enterprises, in which the majority of participating businesses had been operating for 11 to 20 years, indicating that more established enterprises are commonly represented in studies involving tax compliance and government digital services. Although many respondents using the BIR's electronic filing system had been operating for 1 to 3 years, the number of years in business operation did not significantly influence their perception of the effectiveness of the electronic filing system.

These studies suggest that businesses across different stages of operation recognize the importance of adopting electronic tax filing systems for regulatory compliance (Rañeses, J.T., et al. 2025).

In terms of taxpayer classification, the majority were micro taxpayers, comprising 55 respondents (55.0%). This was followed by small taxpayers, with 43 respondents (43.0%). Only 2 respondents (2.0%) were classified as large taxpayers, while no respondents were classified as medium taxpayers.

The findings indicate that the respondents were predominantly composed of micro and small taxpayers. This distribution suggests that the study largely reflects the experiences and perceptions of smaller business establishments in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS). Since micro and small enterprises constitute a substantial portion of business establishments in the Philippines, they are more likely to be represented in studies involving tax compliance and the adoption of electronic government services. Moreover, these enterprises increasingly rely on digital tax systems to facilitate compliance, improve efficiency, and reduce the administrative burden associated with tax filing (Moreno et al., 2025).

The findings are consistent with the study of Gabinete et al. (2025), which focused on the adoption of the BIR's Electronic Filing and Payment System (eFPS) among small and medium enterprise taxpayers. The study emphasized that SMEs play a significant role in the adoption of electronic tax filing because they regularly interact with government digital services and seek more efficient methods of tax compliance. Likewise, Moreno et al. (2025) found that micro and small enterprises are more inclined to adopt electronic tax filing systems when they possess adequate technological readiness, resulting in improved voluntary tax compliance.

In terms of frequency of usage of the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS), the largest proportion, 45 respondents (45.0%), indicated that they use the system only as needed. This was followed by 34 respondents (34.0%) who use eFPS quarterly, while 21 respondents (21.0%) reported using the system monthly. None of the respondents reported using eFPS annually or more than once per month.

The findings indicate that the frequency of eFPS usage among the respondents is largely determined by their tax compliance obligations rather than by routine or continuous system use. The high percentage of respondents who use eFPS only as needed suggests that taxpayer primarily access the system when filing returns or making tax payments required by the Bureau of Internal Revenue (BIR). Similarly, the substantial proportion of quarterly users reflects the filing schedules for taxes such as quarterly income tax, value-added tax and percentage tax, while monthly users are likely complying with monthly tax obligations, including withholding taxes, depending on the nature of their business and tax registration.

These findings are consistent with the study of Gabinete et al. (2025), which found that taxpayers' intention to use the BIR's Electronic Filing and Payment System is primarily influenced by compliance requirements, perceived usefulness, and ease of use rather than by the frequency of system access. The study emphasized that taxpayers generally utilize eFPS when necessary to fulfil their statutory tax obligations, indicating that system usage is event-driven rather than continuous.

The absence of respondents who reported annual or more-than-monthly use may be attributed to the nature of Philippine tax compliance, where most tax returns required from business taxpayers are filed either monthly or quarterly. Consequently, taxpayers generally access eFPS only when a tax filing or payment is due rather than on a regular basis beyond these requirements.

Overall, the findings indicate that the study primarily represents established micro and small business taxpayers from various industries under Revenue District Office (RDO) No. 78 who use the Bureau of Internal Revenue's (BIR) Electronic Filing and Payment System (eFPS) as part of their tax compliance activities. Most respondents were engaged in retail businesses, had been operating for six (6) to ten (10) years, were classified as micro taxpayers, and reported using eFPS only when required by their tax filing obligations.

Extent of benefits encountered by business taxpayers in using the bureau of internal revenue's electronic filing and payment system (eFPS)

The table below shows the extent of benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS).

Table 2. Extent of benefits encountered by business taxpayers in using the bureau of internal revenue's electronic filing and payment system (eFPS).

Statements	Mean	SD	Interpretation
1. The BIR electronic filing and payment system allows our business to file tax returns more conveniently.	4.92	0.27	Very High
2. The system helps reduce the time required for tax filing and payment transactions.	5.00	0.00	Very High
3. Electronic filing minimizes the need to visit BIR offices personally.	5.00	0.00	Very High
4. The system provides faster confirmation of submitted tax returns.	3.96	1.19	High
5. The electronic payment facility makes tax payments more efficient.	4.96	0.20	Very High
6. The system enables our business to comply with tax obligations on time.	4.72	0.45	Very High
7. The online platform is accessible whenever tax-related transactions are needed.	4.88	0.41	Very High
8. The system reduces paper usage and supports paperless transactions.	4.76	0.65	Very High
9. The electronic filing system helps minimize errors in tax return preparation.	4.91	0.29	Very High
10. The system improves the accuracy of tax filing and payment records.	4.91	0.29	Very High
11. The availability of electronic services increases our business productivity.	4.91	0.29	Very High
12. The system allows easy monitoring and retrieval of filed tax returns.	4.91	0.29	Very High
13. The security features of the system protect our tax information.	4.91	0.29	Very High
14. The electronic filing and payment system reduces administrative costs.	4.91	0.29	Very High
15. The availability of electronic services increases our business productivity.	4.91	0.29	Very High
Benefits encountered (overall mean)	4.84	0.16	Very High

Legend: Mean (4.21-5.00)-Very High; (3.41-4.20)-High; (2.61-3.40)-Moderate; (1.81-2.60)-Low;(1.00-1.80)-Very Low

Table above shows the mean of extent of the benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS), ($M = 4.84$ $SD = 0.16$) reflects a very high extent of benefits. This indicates that business taxpayers generally perceive the eFPS as highly beneficial in facilitating tax compliance.

Among the fifteen (15) indicators, two (2) statements obtained the highest mean score of 5.00 with a standard deviation of 0.00, namely: "The system helps reduce the time required for tax filing and payment transactions" and "Electronic filing minimizes the need to visit BIR offices personally." These findings indicate unanimous agreement among the respondents that eFPS greatly improves the efficiency and convenience of tax compliance. The zero standard deviation further signifies that all respondents shared the same perception regarding these benefits.

Similarly, the statements "The electronic payment facility makes tax payments more efficient" ($M = 4.96$, $SD = 0.20$), "The BIR electronic filing and payment system allows our business to file tax returns more conveniently" ($M = 4.92$, $SD = 0.27$), and the six indicators with a mean of 4.91—including minimizing errors in tax return preparation, improving the accuracy of tax filing and payment records, increasing business productivity, allowing easy monitoring and retrieval of filed tax returns, protecting tax information through security features, and reducing administrative costs—all received a very high interpretation with very low standard deviations. These results demonstrate that respondents consistently recognized eFPS as an effective tool for improving the accuracy, efficiency, accessibility, and security of tax compliance.

The statement "The online platform is accessible whenever tax-related transactions are needed" also received a very high rating ($M = 4.88$, $SD = 0.41$), indicating that respondents generally found the system accessible and reliable. Likewise, "The system reduces paper usage and supports paperless transactions" obtained a very high mean ($M = 4.76$) with a low standard deviation ($SD = 0.65$), suggesting that while respondents strongly acknowledged its environmental and administrative benefits, there was slightly greater variation in their responses.

Among all indicators, "The system provides faster confirmation of submitted tax returns" recorded the lowest mean of 3.96, interpreted as high, with a moderate standard deviation ($SD = 1.18$). Although, respondents generally agreed that eFPS provides faster confirmation of submitted returns, the higher variability indicates differing experiences among taxpayers. This variation may be attributed to factors such as internet connectivity, system traffic during filing deadlines, processing delays, or occasional technical issues encountered while using the platform.

Overall, the findings demonstrate that business taxpayers perceive the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) as highly beneficial. The consistently high mean scores and predominantly very low standard deviations indicate a strong consensus among respondents that eFPS enhances convenience, reduces compliance time, minimizes errors, improves record management, strengthens data security, promotes paperless transactions, and enables businesses to comply with tax obligations more efficiently.

The findings support those of Gabinete et al. (2025), who concluded that the BIR's Electronic Filing and Payment System is widely accepted because it enables taxpayers to comply with their tax obligations more conveniently while reducing the time and effort required for filing and payment.

Level of challenges encountered by business taxpayers in using the bureau of internal revenue's electronic filing and payment system (eFPS)

The table below shows the level of challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS).

Table 3. Level of challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS).

Statements	Mean	SD	Interpretation
1. Slow internet connectivity affects our use of the BIR electronic system.	4.97	0.17	Very High
2. System downtime occasionally prevents timely filing and payment of taxes.	4.96	0.20	Very High
3. Technical errors in the platform create difficulties in completing transactions.	4.12	0.33	High
4. The electronic filing system is sometimes difficult to navigate.	4.70	0.46	Very High
5. Understanding the procedures for electronic filing requires significant effort.	4.63	0.49	Very High
6. Password and account management issues affect system accessibility.	4.07	0.26	High
7. System maintenance schedules disrupt tax filing activities.	4.07	0.26	High
8. The platform occasionally experiences delay in processing transactions.	4.84	0.61	Very High
9. Limited technical support makes it difficult to resolve system issues promptly.	3.71	0.73	High
10. The electronic system may not be fully compatible with some devices or browsers.	3.71	0.73	High
11. Electronic payment transactions sometimes encounter validation or confirmation delays.	3.29	0.98	Moderate
12. Changes in system requirements create confusion among users.	4.01	0.10	High
13. Concerns about data privacy and cybersecurity affect confidence in using the system.	3.90	0.44	High
14. Employees require additional training to effectively use the electronic filing system.	4.07	0.26	High
15. Overall, technical and operational issues hinder the effective use of the BIR electronic filing and payment system.	4.24	0.43	Very High
Challenges encountered (overall mean)	4.22	0.12	Very High

Legend: Mean (4.21-5.00)-Very High; (3.41-4.20)-High; (2.61-3.40)-Moderate; (1.81-2.60)-Low; (1.00-1.80)-Very Low

Table above shows the mean of the level of challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS), ($M = 4.22$ $SD = 0.12$) reflects a very high level of challenges. The results indicate that respondents generally experienced a high to very high level of challenges, suggesting that technical and operational issues remain significant barriers to the effective use of the system.

Among the fifteen indicators, slow internet connectivity affects our use of the BIR electronic system obtained the highest mean score ($M = 4.97$, $SD = 0.17$), interpreted as Very High, indicating that internet connectivity is the most significant challenge experienced by business taxpayers. This was closely followed by system downtime occasionally prevents timely filing and payment of taxes ($M = 4.96$, $SD = 0.20$) and the platform occasionally experiences delays in processing transactions ($M = 4.84$, $SD = 0.61$), both interpreted as Very High. These findings imply that system availability and performance directly affect taxpayers' ability to comply with filing and payment deadlines.

Likewise, respondents strongly agreed that the electronic filing system is sometimes difficult to navigate ($M = 4.70$, $SD = 0.46$) and that understanding the procedures for electronic filing requires significant effort ($M = 4.63$, $SD = 0.49$). These findings suggest that the complexity of the system and its procedures may discourage efficient use, particularly among taxpayers with limited technical knowledge.

Other indicators were rated High, including technical errors in the platform ($M = 4.12$), password and account management issues ($M = 4.07$), system maintenance schedules disrupting filing activities ($M = 4.07$), changes in system requirements creating confusion among users ($M = 4.01$), concerns about data privacy and cybersecurity ($M = 3.90$), limited technical support ($M = 3.71$), and compatibility issues with devices or browsers ($M = 3.71$). These results indicate that taxpayers consistently encounter operational and technical difficulties while using the eFPS.

The only indicator interpreted as Moderate was electronic payment transactions sometimes encounter validation or confirmation delays ($M = 3.29$, $SD = 0.98$), indicating that while respondents experience this concern, it is less prevalent than the other identified challenges.

Moreover, respondents agreed that employees require additional training to effectively use the electronic filing system ($M = 4.07$, $SD = 0.26$), highlighting the importance of continuous taxpayer education and training. Finally, the overall statement that technical and operational issues hinder the effective use of the eFPS received a Very High rating ($M = 4.24$, $SD = 0.43$), confirming that these challenges substantially affect taxpayers' experiences with the system.

The findings of the present study are consistent with the Unified Theory of Acceptance and Use of Technology (UTAUT), which posits that facilitating conditions—such as reliable infrastructure, technical support, and adequate resources—play a significant role in users' acceptance and effective use of information systems. The high ratings for internet connectivity problems, system downtime, and insufficient technical support suggest that these facilitating conditions are not always adequate, thereby affecting taxpayers' use of the eFPS.

Furthermore, the results also align with the Organisation for Economic Co-operation and Development (OECD, 2023), which reported that while digital tax administration enhances efficiency and taxpayer compliance, its success depends on reliable digital infrastructure, system availability, cybersecurity, and user support. Frequent technical interruptions and connectivity issues may diminish taxpayers' confidence in electronic tax systems and affect voluntary compliance.

Overall, the results suggest that although the BIR's Electronic Filing and Payment System has modernized tax administration, addressing persistent technical, operational, and usability issues is essential to improve taxpayers' experience, increase system reliability, and encourage wider acceptance and continued use of the electronic filing and payment system.

Difference in the benefits encountered by business taxpayers in using the bureau of internal revenue's electronic filing and payment system (eFPS) according to nature of business

The table below shows the difference in the benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) when they are grouped according to Nature of Business.

Table 4a. Difference in the benefits encountered by business taxpayers in using the bureau of internal revenue's electronic filing and payment system (eFPS) when they are grouped according to nature of business.

Nature of Business	F	Mean Rank	Test Statistics (H)	p-value	Decision for H ₀	Interpretation
Manufacturing	2	30.00	29.791	<.001	Reject H ₀	Significant
Trading/Merchandising	12	66.75				
Retail	28	54.41				
Wholesale	11	63.64				
Construction	13	23.31				
Professional Services	4	50.13				
Transportation	0	-				
Hospitality (Hotel, Restaurant, Resort)	13	69.04				
Agriculture/Fisheries	17	38.15				
Other	0	-				

Table above presents the results of the Kruskal–Wallis test used to examine whether there is a significant difference in the extent of benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) when grouped according to the nature of business. Since the p-value is less than the 0.05 level of significance, the null hypothesis was rejected. This indicates that there is a significant difference in the extent of benefits encountered by business taxpayers based on their nature of business.

The findings suggest that the perceived benefits of using the eFPS are not uniform across all business sectors. Businesses engaged in manufacturing, trading, retail, wholesale, construction, professional services, transportation, hospitality, agriculture, and other industries may have different experiences and levels of satisfaction with the system. These differences may be attributed to variations in transaction volume, tax compliance requirements, frequency of electronic filing, availability of technological resources, and the level of familiarity with digital tax systems.

The rejection of the null hypothesis implies that the nature of business significantly influences how taxpayers perceive and experience the benefits of the BIR's Electronic Filing and Payment System.

Similarly, Night and Bananuka (2020) reported that organizational characteristics, including the nature of business and technological capability, significantly affect taxpayer's adoption and utilization of electronic tax systems.

Table 4b. Pairwise comparison of business taxpayers according to nature of business.

Nature of Business		Test Statistic	p-value	Interpretation
Construction	Manufacturing	0.320	0.749	Not Significant
	Trading/Merchandising	3.939	<0.001	Significant

	Retail	3.040	0.002	Significant
	Wholesale	3.574	<0.001	Significant
	Professional Services	-1.703	0.089	Not Significant
	Hospitality (Hotel, Restaurant, Resort)	-4.233	<0.001	Significant
	Agriculture/Fisheries	-1.462	0.144	Not Significant
Manufacturing	Trading/Merchandising	-1.747	0.081	Not Significant
	Retail	-1.062	0.288	Not Significant
	Wholesale	-1.588	0.112	Not Significant
	Professional Services	-0.844	0.399	Not Significant
	Hospitality (Hotel, Restaurant, Resort)	-1.866	0.062	Not Significant
	Agriculture/Fisheries	-0.396	0.692	Not Significant
Agriculture/ Fisheries	Trading/Merchandising	2.754	0.006	Significant
	Retail	1.566	0.117	Not Significant
	Wholesale	2.391	0.017	Significant
	Professional Services	0.782	0.434	Not Significant
	Hospitality (Hotel, Restaurant, Resort)	3.044	0.002	Not Significant
Professional Services	Trading/Merchandising	1.045	0.296	Not Significant
	Retail	0.087	0.930	Not Significant
	Wholesale	0.840	0.401	Not Significant
	Hospitality (Hotel, Restaurant, Resort)	-1.201	0.230	Not Significant
Retail	Trading/Merchandising	1.614	0.107	Not Significant
	Wholesale	-1.247	0.212	Not Significant
	Hospitality (Hotel, Restaurant, Resort)	-1.907	0.057	Not Significant
Wholesale	Trading/Merchandising	0.271	0.787	Not Significant
	Hospitality (Hotel, Restaurant, Resort)	-0.479	0.632	Not Significant
Trading/Merchandising	Hospitality (Hotel, Restaurant, Resort)	-0.208	0.836	Not Significant

Table above presents that only selected business sectors significantly differed in their perceived benefits from the eFPS.

Specifically, construction businesses significantly differed from trading/merchandising ($p < .001$), retail ($p = .002$), wholesale ($p < .001$), and hospitality (hotel, restaurant, resort) ($p < .001$). However, no significant differences were found between construction and manufacturing ($p = .749$), professional services ($p = .089$), and agriculture/fisheries ($p = .144$).

Similarly, agriculture/fisheries significantly differed from trading/merchandising ($p = .006$), wholesale ($p = .017$), and hospitality ($p = .002$), while its comparisons with retail and professional services were not significant.

On the other hand, all pairwise comparisons involving manufacturing, professional services, retail, wholesale, and trading/merchandising showed no statistically significant differences (all $p > .05$), indicating that respondents from these sectors generally shared similar perceptions regarding the benefits of using the eFPS.

Overall, the findings suggest that the perceived benefits of the BIR eFPS vary only among certain types of businesses. Differences may be attributed to variations in business operations, transaction volume, filing frequency, and technological requirements across industries. Businesses with more frequent and complex tax compliance activities are likely to perceive greater benefits from electronic filing and payment systems than those with relatively simpler tax obligations.

These findings support the Unified Theory of Acceptance and Use of Technology (UTAUT), which explains that users' perceptions of a technology's usefulness and performance vary depending on their work environment and organizational context. Furthermore, BIR Revenue Regulations No. 9-2001, which established the eFPS, recognizes that electronic tax filing enhances efficiency and compliance while accommodating the varying operational requirements of different categories of taxpayers.

Difference in the benefits encountered by business taxpayers in using the bureau of internal revenue's electronic filing and payment system (eFPS) when they are grouped according to years of operation

The table below shows the difference in the benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) when they are grouped according to Years of Operation.

Table 4c. Difference in the benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) when they are grouped according to years of operation.

Years of Operation	F	Mean Rank	Test Statistics (H)	p-value	Decision for H_0	Interpretation
Less than 1 year	4	30.00	45.448	<.001	Reject H_0	Significant
1 -5 years	24	28.46				
6 -10 years	33	47.73				
11 -15 years	13	87.38				
16 -20 years	18	63.78				
More than 20 years	8	48.50				

Table above presents a statistically significant difference among the groups ($H = 45.448$, $p < .001$). Therefore, the null hypothesis was rejected, indicating that the perceived benefits of using the BIR eFPS vary according to the length of time a business has been operating.

Among the groups, businesses operating for 11–15 years obtained the highest mean rank (87.38), followed by those operating for 16–20 years (63.78). In contrast, businesses operating for 1–5 years (28.46) and less than one

year (30.00) recorded the lowest mean ranks, suggesting that newer businesses perceived fewer benefits from the eFPS than more established businesses.

Table 4d. Pairwise Comparison of the Difference in the Benefits Encountered by Business Taxpayers when they are grouped according to Years of Operation.

Years of Operation		Test Statistic	p-value	Interpretation
1 -5 years	Less than 1 year	0.104	0.917	Not Significant
	6 -10 years	-2.607	0.009	Significant
	11 -15 years	-6.212	<0.001	Significant
	16 -20 years	-4.112	<0.001	Significant
	More than 20 years	-1.782	0.075	Not Significant
Less than 1 year	6 -10 years	-1.216	0.224	Not Significant
	11 -15 years	-3.643	<0.001	Significant
	16 -20 years	-2.218	0.027	Significant
	More than 20 years	-1.097	0.273	Not Significant
6 -10 years	11 -15 years	-4.397	<0.001	Significant
	16 -20 years	-1.989	0.047	Significant
	More than 20 years	-0.071	0.943	Not Significant
More than 20 years	11 -15 years	3.141	0.002	Significant
	16 -20 years	1.305	0.192	Not Significant
16 -20 years	11 -15 years	2.355	0.019	Significant

Table above shows that businesses operating for 11–15 years significantly differed from all other groups except none, indicating that this group consistently perceived greater benefits from the eFPS. Significant differences were also observed between 1–5 years and 6–10 years, 16–20 years, and 11–15 years, as well as between less than one year and the 11–15 years and 16–20 years groups. However, no significant differences were found between less than one year and 1–5 years, 6–10 years and more than 20 years, and 16–20 years and more than 20 years.

These findings suggest that businesses with longer operational experience tend to recognize greater benefits from the BIR eFPS because they have had more opportunities to integrate electronic tax filing into their compliance processes, resulting in improved efficiency and familiarity with the system. Conversely, newly established businesses may still be adjusting to digital tax compliance, which may limit their perception of the system’s benefits.

The findings are consistent with the Organization for Economic Co-operation and Development (OECD) view that digital tax administration becomes more valuable as taxpayers gain experience and integrate electronic services into their routine compliance activities. Tax administrations that promote digital services improve efficiency, reduce compliance costs, and encourage voluntary compliance among experienced taxpayers. They also support the OECD’s Tax Administration 3.0 framework, which emphasizes that successful digital tax

systems depend not only on technology but also on taxpayers' readiness, familiarity, and continuous use of digital platforms (OECD 2022; 2024).

Difference in the benefits encountered by business taxpayers in using the bureau of internal revenue's electronic filing and payment system (eFPS) according to taxpayer classification

The table below shows the difference in the benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) when they are grouped according to Taxpayer Classification.

Table 4e. Difference in the benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) when they are grouped according to Taxpayer Classification.

Taxpayer Classification	F	Mean Rank	Test Statistics (H)	p-value	Decision for H_0	Interpretation
Micro Taxpayer	55	54.19	2.899	0.235	Fail to Reject H_0	Not Significant
Small Taxpayer	43	46.73				
Medium Taxpayer	0	-				
Large Taxpayer	2	30.00				

Table above presents the results of the Kruskal–Wallis H test to determine whether the benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) differ according to taxpayer classification. The test yielded $H = 2.899$ with a p-value of 0.235, which is greater than the 0.05 level of significance. Therefore, the null hypothesis failed to be rejected, indicating that there is no statistically significant difference in the perceived benefits of using the BIR eFPS among micro, small, and large taxpayers.

Although micro taxpayers obtained the highest mean rank (54.19), followed by small taxpayers (46.73) and large taxpayers (30.00), these differences were not statistically significant. This suggests that regardless of taxpayer classification, business taxpayers generally experienced comparable benefits from using the eFPS. The findings imply that the system provides relatively uniform advantages, such as convenient electronic filing, reduced processing time, and improved compliance, across different categories of taxpayers.

The absence of significant differences may be attributed to the standardized features of the BIR eFPS, which are designed to provide the same electronic filing and payment services to all enrolled taxpayers regardless of business size. This indicates that taxpayer classification does not substantially influence the extent to which businesses perceive the benefits of the system.

These findings are consistent with the OECD's digital tax administration framework, which emphasizes that modern electronic tax systems aim to deliver accessible, standardized, and efficient online services to all taxpayers, thereby reducing compliance burdens regardless of taxpayer size. Recent OECD reports likewise note that digital tax services improve convenience, automation, and taxpayer experience across different taxpayer segments through uniform online filing and payment processes (OECD 2024; 2026).

Difference in the benefits encountered by business taxpayers in using the bureau of internal revenue's electronic filing and payment system (eFPS) according to frequency of eFPS usage

The table below shows the difference in the benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) when they are grouped according to Frequency of eFPS Usage.

Table 4f. Difference in the benefits encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) when they are grouped according to Frequency of eFPS usage.

Frequency of eFPS Usage	F	Mean Rank	Test Statistics (H)	p-value	Decision for H_0	Interpretation
Monthly	21	58.05				
Quarterly	34	53.99	4.368	0.113	Fail to Reject H_0	Not Significant
Annually	0	-				
As needed only	45	44.34				
More than once per month	0	-				

Table above presents the results of the Kruskal–Wallis H test which yielded $H = 4.368$ with a p-value of 0.113, which is greater than the 0.05 level of significance. Therefore, the null hypothesis failed to be rejected, indicating that there is no statistically significant difference in the perceived benefits of using the BIR eFPS based on how frequently taxpayers use the system.

Although monthly users obtained the highest mean rank (58.05), followed by quarterly users (53.99) and those who use the system as needed only (44.34), these differences were not statistically significant. This suggests that regardless of whether taxpayers access the eFPS monthly, quarterly, or only when necessary, they generally perceive similar benefits from the system. The findings imply that the advantages of eFPS—such as convenience, faster tax filing, reduced paperwork, and improved accessibility—are consistently experienced by users irrespective of their filing frequency.

The results support the view that digital tax systems are designed to provide standardized and accessible online services to all taxpayers. The OECD reported that digital tax administrations aim to ensure efficient, user-friendly, and consistent online filing and payment services that enhance taxpayer compliance regardless of how often taxpayers interact with the system. Likewise, increasing automation and digital service delivery enable taxpayers to experience similar levels of efficiency whenever they use electronic tax services (OECD 2024; 2026).

Difference in the challenges encountered by business taxpayers in using the bureau of internal revenue's electronic filing and payment system (eFPS) according to nature of business

The table below shows the difference in the challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) when they are grouped according to Nature of Business.

Table 5a. Difference in the challenges encountered by business taxpayers in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) when they are grouped according to nature of business.

Nature of Business	f	Mean Rank	Test Statistics (H)	p-value	Decision for H_0	Interpretation
Manufacturing	2	15.50	9.635	0.210	Fail to Reject H_0	Not Significant
Trading/Merchandising	12	43.75				
Retail	28	45.64				

Wholesale	11	54.27				
Construction	13	64.35				
Professional Services	4	67.25				
Transportation	0	-				
Hospitality (Hotel, Restaurant, Resort)	13	47.31				
Agriculture/Fisheries	17	52.85				
Other	0	-				

Table above presents the results of the Kruskal–Wallis H test to determine whether the challenges encountered by business taxpayers in using the Bureau of Internal Revenue’s Electronic Filing and Payment System (eFPS) differ according to nature of business. The test yielded $H = 9.635$ with a p-value of 0.210, which is greater than the 0.05 level of significance. Therefore, the null hypothesis failed to be rejected, indicating that there is no statistically significant difference in the challenges encountered by business taxpayers across different natures of business.

Although Professional Services obtained the highest mean rank (67.25), followed by Construction (64.35) and Wholesale (54.27), while Manufacturing recorded the lowest mean rank (15.50), these differences were not statistically significant. This indicates that taxpayers, regardless of the nature of their business, generally experience similar challenges in using the BIR eFPS.

The findings suggest that the challenges associated with the eFPS—such as internet connectivity issues, system downtime, technical errors, and occasional difficulties in system navigation—are common across business sectors. Since all users access the same electronic platform and follow the same filing procedures, the challenges encountered are likely to be shared regardless of industry classification.

These findings are consistent with the OECD (2024), which reported that while digital tax administrations have significantly expanded online services to improve taxpayer compliance and efficiency, tax administrations continue to face common challenges related to digital service delivery, system accessibility, and user experience across different taxpayer groups. Similarly, the OECD (2025) emphasized that tax administrations implementing digital transformation encounter common operational challenges regardless of the industries served, highlighting the need for continuous system enhancement and improved taxpayer support (OECD 2024; 2025).

Difference in the challenges encountered by business taxpayers in using the bureau of internal revenue’s electronic filing and payment system (eFPD) according to years of operation

The table below shows the difference in the challenges encountered by business taxpayers in using the Bureau of Internal Revenue’s Electronic Filing and Payment System (eFPS) when they are grouped according to Years of Operation.

Table 5b. Difference in the challenges encountered by business taxpayers in using the Bureau of Internal Revenue’s Electronic Filing and Payment System (eFPS) when they are grouped according to years of operation.

Years of Operation	f	Mean Rank	Test Statistics (H)	p-value	Decision for H_0	Interpretation
Less than 1 year	4	89.00	37.953	<.001	Reject H_0	Significant

1 -5 years	24	74.27				
6 -10 years	33	44.24				
11 -15 years	13	43.38				
16 -20 years	18	28.67				
More than 20 years	8	46.44				

Table above presents the results of the Kruskal–Wallis H test examining whether the challenges encountered by business taxpayers in using the Bureau of Internal Revenue’s Electronic Filing and Payment System (eFPS) differ according to their years of operation. The test yielded a Kruskal–Wallis statistic of $H = 37.953$ with a p-value of $< .001$, indicating a statistically significant difference among the groups. Thus, the null hypothesis was rejected, signifying that the challenges experienced in using the eFPS vary according to the number of years a business has been operating.

In terms of mean ranks, businesses operating for less than one year obtained the highest mean rank (89.00), followed by those operating for 1–5 years (74.27), indicating that newer businesses encountered greater challenges in using the eFPS. Conversely, businesses operating for 16–20 years recorded the lowest mean rank (28.67), suggesting that more established businesses experienced fewer challenges with the system.

The findings imply that businesses with fewer years of operation may still be developing their knowledge of electronic tax compliance and adapting to the technical requirements of the eFPS. In contrast, businesses with longer operational experience are likely to have established tax compliance procedures and greater familiarity with digital filing systems, enabling them to navigate the eFPS more efficiently and encounter fewer difficulties.

These findings are consistent with the OECD (2024), which notes that taxpayers’ digital capability and experience influence their ability to effectively use electronic tax administration systems. Tax administrations continue to enhance digital services while recognizing that new and less experienced taxpayers often require additional guidance and support during the transition to electronic compliance. Likewise, the OECD emphasizes that digital transformation should be accompanied by taxpayer education and capacity-building to reduce compliance difficulties and improve user experience (OECD 2024; 2025).

Table 5c. Pairwise comparison of the difference in the benefits encountered by business taxpayers when they are grouped according to years of operation.

Years of Operation		Test Statistic	p-value	Interpretation
16 -20 years	Less than 1 year	3.872	<0.001	Significant
	1 - 5 years	5.189	<0.001	Significant
	6 -10 years	1.886	0.059	Not Significant
	11 -15 years	1.435	0.151	Not Significant
	More than 20 years	-1.484	0.138	Not Significant
11 -15 years	Less than 1 year	2.830	0.005	Significant
	1 - 5 years	3.182	0.001	Significant
	6 -10 years	0.093	0.926	Not Significant
	More than 20 years	-0.241	0.810	Not Significant

6 -10 years	Less than 1 year	2.999	0.003	Significant
	1 - 5 years	3.971	<.001	Significant
	More than 20 years	-0.198	0.843	Not Significant
More than 20 years	Less than 1 year	2.466	0.014	Significant
	1 - 5 years	2.419	0.016	Significant
1 - 5 years	Less than 1 year	0.968	0.333	Not Significant

Table above results indicate that businesses operating for less than one year experienced significantly greater challenges than those operating for 6–10 years ($p = .003$), 11–15 years ($p = .005$), 16–20 years ($p < .001$), and more than 20 years ($p = .014$). Likewise, businesses operating for 1–5 years encountered significantly more challenges than those operating for 6–10 years ($p < .001$), 11–15 years ($p = .001$), 16–20 years ($p < .001$), and more than 20 years ($p = .016$). However, no significant difference was found between businesses operating for less than one year and 1–5 years ($p = .333$), indicating that newly established businesses experience similar levels of difficulty.

Moreover, no significant differences were observed among businesses operating for 6–10 years, 11–15 years, 16–20 years, and more than 20 years (all $p > .05$). This suggests that once businesses gain several years of operational experience, the challenges associated with using the eFPS become relatively comparable.

Overall, the findings indicate that newly established businesses encounter greater challenges in using the BIR eFPS than more experienced businesses. This may be attributed to limited familiarity with electronic tax filing procedures, lack of experience with tax compliance requirements, and insufficient exposure to digital tax systems. In contrast, businesses with longer years of operation have likely developed established tax compliance practices and acquired the necessary knowledge and skills to use the eFPS more efficiently.

These findings are consistent with the OECD (2024), which emphasizes that taxpayer experience and digital capability influence the effective use of electronic tax administration systems. The OECD further notes that tax administrations should provide targeted guidance and user support, particularly for new taxpayers, to improve digital compliance and reduce implementation challenges. Additionally, the OECD’s Tax Administration Digitalization and Digital Transformation Initiatives (2025) highlights that successful digital transformation depends not only on technological infrastructure but also on taxpayers’ digital readiness, continuous learning, and access to support services (OECD 2024; 2025).

Difference in the challenges encountered by business taxpayers in using the bureau of internal revenue’s electronic filing and payment system (eFPS) according to taxpayer classification

The table below shows the difference in the challenges encountered by business taxpayers in using the Bureau of Internal Revenue’s Electronic Filing and Payment System (eFPS) when they are grouped according to Taxpayer Classification.

Table 5d. Difference in the challenges encountered by business taxpayers in using the Bureau of Internal Revenue’s Electronic Filing and Payment System (eFPS) when they are grouped according to Taxpayer Classification.

Taxpayer Classification	f	Mean Rank	Test Statistics (H)	p-value	Decision for H_0	Interpretation
Micro Taxpayer	55	52.30	3.333	0.189	Fail to Reject H_0	Not Significant
Small Taxpayer	43	49.83				

Medium Taxpayer	0	-				
Large Taxpayer	2	15.50				

Table above presents the results of the Kruskal–Wallis H test to determine whether the challenges encountered by business taxpayers in using the Bureau of Internal Revenue’s Electronic Filing and Payment System (eFPS) differ according to taxpayer classification. The test yielded $H = 3.333$ with a p-value of 0.189, which is greater than the 0.05 level of significance. Therefore, the null hypothesis failed to be rejected, indicating that there is no statistically significant difference in the challenges encountered by business taxpayers when grouped according to taxpayer classification.

Although micro taxpayers obtained the highest mean rank (52.30), followed by small taxpayers (49.83) and large taxpayers (15.50), these differences were not statistically significant. This indicates that taxpayers generally experienced similar challenges in using the BIR eFPS regardless of whether they were classified as micro, small, or large taxpayers.

The findings suggest that the challenges associated with the eFPS—such as system accessibility, internet connectivity, technical issues, and filing procedures—are common to all taxpayer classifications because they use the same electronic platform and comply with the same digital filing requirements. Consequently, taxpayer classification does not appear to influence the extent of challenges experienced in using the system.

These findings are consistent with the OECD (2024), which emphasizes that digital tax administrations are designed to provide standardized online services for all taxpayers while recognizing that common operational challenges may be experienced across different taxpayer groups. The OECD further reports that tax administrations continue to improve digital platforms by enhancing system reliability, accessibility, and user support to ensure a consistent taxpayer experience regardless of taxpayer size. (OECD 2024; 2025).

Difference in the challenges encountered by business taxpayers in using the bureau of internal revenue’s electronic filing and payment system (eFPS) according to frequency of eFPS usage

The table below shows the difference in the challenges encountered by business taxpayers in using the Bureau of Internal Revenue’s Electronic Filing and Payment System (eFPS) when they are grouped according to Frequency of eFPS Usage.

Table 5e. Difference in the challenges encountered by business taxpayers in using the bureau of internal revenue’s electronic filing and payment system (eFPS) when they are grouped according to frequency of eFPS usage.

Frequency of eFPS Usage	f	Mean Rank	Test Statistics (H)	p-value	Decision for H_0	Interpretation
Monthly	21	60.83	3.964	0.138	Fail to Reject H_0	Not Significant
Quarterly	34	45.47				
Annually	0	-				
As needed only	45	49.48				
More than once per month	0	-				

Table above presents the results of the Kruskal–Wallis H test to determine whether the challenges encountered by business taxpayers in using the Bureau of Internal Revenue’s Electronic Filing and Payment System (eFPS) differ according to their frequency of eFPS usage. The test yielded $H = 3.964$ with a p-value of 0.138, which is

greater than the 0.05 level of significance. Therefore, the null hypothesis failed to be rejected, indicating that there is no statistically significant difference in the challenges encountered by business taxpayers based on how frequently they use the eFPS.

Although monthly users obtained the highest mean rank (60.83), followed by taxpayers who use the system as needed only (49.48) and quarterly users (45.47), these differences were not statistically significant. This suggests that taxpayers generally experience similar challenges regardless of whether they use the eFPS monthly, quarterly, or only when necessary.

The findings imply that the challenges associated with the BIR eFPS, such as system availability, internet connectivity, technical issues, and navigation concerns, are experienced consistently across users regardless of filing frequency. Since all taxpayers utilize the same electronic platform and comply with the same filing procedures, the frequency of system use does not significantly influence the level of challenges encountered.

These findings are consistent with the OECD (2025), which reported that digital tax administrations strive to provide standardized and user-friendly online services for all taxpayers while continuously improving system reliability, accessibility, and taxpayer support. The OECD further emphasized that many tax administrations regularly assess taxpayer experiences to identify common issues and enhance the quality of digital services, recognizing that user experience is influenced more by the overall design and performance of the system than by how often it is used (OECD 2025; 2026).

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

This chapter provides a summary of the study's findings, highlights the conclusions drawn by the researcher based on these findings, and offers recommendations derived from those conclusions.

Summary of findings

Based on the results obtained in this study, the following summary of findings was made:

1. The results revealed that the majority of the respondents were engaged in retail businesses (28.00%), had been operating for 6-10 years (33.00%), were classified as micro taxpayers (55.00%), and used the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) on as as-needed basis (45.00%).
2. The results revealed that business taxpayers encountered a very high extent of benefits in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS), with an overall mean of 4.84 and a standard deviation of 0.16. The highest-rated benefits were the reduction in the time required for tax filing and payment transactions and the minimization of the need to personally visit the BIR offices, both obtaining a mean of 5.00.
3. The results showed that business taxpayers encountered a very high level of challenges in using the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS), as indicated by the overall mean of 4.22.
4. The results revealed no significant difference ($p > .05$) in the extent of benefits encountered by business taxpayers when grouped according to nature of business and years of operation. However, a significant difference ($p < .05$) was found when taxpayers were grouped according to taxpayer classification and frequency of eFPS usage.
5. The results revealed no significant difference ($p > .05$) in the level of challenges encountered by business taxpayers when grouped according to nature of business, taxpayer classification and frequency of eFPS usage. However, a significant difference ($p < .05$) was found when taxpayers were grouped according to years of operation.

Conclusions

From the results of the study, the following conclusions were reached:

1. Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) is widely utilized by established microenterprises for their tax compliance requirements.
2. The findings indicate that eFPS effectively enhances the efficiency, convenience, accessibility, accuracy, and timeliness of tax filing and payment, making it a valuable electronic tax compliance system for business taxpayers.
3. The findings indicate that the system requires further improvements to better support business taxpayers in fulfilling their tax filing and payment obligations.
4. The extent of benefits experienced by business taxpayers varied significantly according to taxpayer classification and frequency of eFPS usage, but not according to nature of business and years of operation.
5. The level of challenges encountered by business taxpayers differed significantly according to years of operation, but not according to nature of business, taxpayer classification, and frequency of eFPS usage.

Recommendations

Based on the findings of the study, the following recommendations are proposed for the appropriate action of the concerned parties:

1. The Bureau of Internal Revenue can continuously improve the stability, speed, and reliability of the eFPS by minimizing system downtime, enhancing technical support, and strengthening cybersecurity measures.
2. Revenue District Offices (RDOs) may conduct regular taxpayer education programs, seminars, and technical assistance to enhance taxpayers' knowledge and confidence in using the eFPS.
3. Business taxpayers may maximize the use of eFPS and keep themselves updated on BIR issuances and system enhancements to ensure timely, accurate, and compliant electronic tax filing and payment.
4. Business establishments can provide continuous training for employees handling tax compliance and maintain reliable internet connectivity and updated computer systems.
5. Future researchers may conduct similar studies involving larger and more diverse samples and examine additional factors such as digital literacy, user satisfaction, perceived security, and technology acceptance to further improve the implementation of the BIR eFPS.

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