

## **The Impact of Information Technology Usage on Tax Management**

**Madushan, R.D.S.D.<sup>1</sup> and Rajapaksha, R.M.D.A.P.<sup>2</sup>**

*<sup>1</sup>shashithmadushn9@gmail.com; <sup>2</sup>amilar@kln.ac.lk*

### **Abstract**

This study examines the transformative impact of information technology on tax management in the Sri Lankan corporate sector. In the contemporary world, information technology has a wide presence and assumes a unique role across various domains. Research focuses on applying information technology to corporate tax-related activities, targeting individuals directly or indirectly involved in corporate tax activities. Using employment probability and simple random sampling, 52 respondents comprising tax consultants and accountants engaged in corporate taxation were selected. Descriptive statistics were used to analyze the demographic characteristics of the respondents and regression analysis was used to evaluate the impact of information technology on tax management. The results confirm a substantial and positively impactful relationship between Information Technology (IT) and tax management in Sri Lanka's corporate sector, highlighting the significant contribution of IT tools and systems to improving various taxation-related processes. Based on these findings, recommendations are suggested to improve the integration of information technology in tax management practices. The increasing trend of technology adoption for tax-related processes highlights the imperative of improving internet facilities, recognizing its critical role in facilitating effective tax systems. Respondents' consensus on the challenge of system malfunctions in online tax payment calls for a proactive approach, emphasizing the importance of regular system updates as a potential remedy. Additionally, addressing system congestion during critical periods is advised to optimize efficiency. The collective sentiments of respondents on the complexity of online VAT registration highlight the need to streamline and simplify registration systems to improve accessibility and user-friendliness. These recommendations advocate for strategic improvements in IT infrastructure and processes to optimize tax management practices in Sri Lanka's corporate sector.

**Keywords:** Tax Management, Information Technology, Online Tax Registration, Online Tax Filing, Online Tax Remittance.