

The Role of Innovation in Improving Tax Compliance Efficiency: A Quantitative Study of RDO 33, Region VI, BIR Manila

Roi Janssen S. Rodriguez, CPA, JD, MBA-Public Administration

<https://orcid.org/0009-0006-1082-5382>

rodriguez.roijanssen@gmail.com

Bureau of Internal Revenue, Manila, Philippines

Abstract

This study evaluates the implementation of innovative practices at Revenue District Office (RDO) 33 in Region VI, BIR Manila, and their effects on taxpayer compliance, aiming to inform improvements in tax compliance frameworks. A sample of 100 taxpayers was surveyed to assess the effectiveness of these practices, focusing on key areas such as technology adoption, process automation, and data analytics. Findings indicate that while the implementation is perceived as moderately effective, with overall mean scores of 2.86 for general satisfaction and 3.09 for process automation, there remain areas needing significant enhancement, particularly in technology integration. Taxpayer compliance efficiency showed mixed results, with average scores for timeliness rated at 2.96 and increased satisfaction in engagement at 3.73. Notably, significant differences were found between expected and actual compliance outcomes, suggesting that innovative practices have positively influenced taxpayer behavior and compliance rates. The study highlights that technology adoption and data analytics play crucial roles in improving compliance efficiency, thus supporting the rejection of the null hypothesis regarding their impact. Recommendations include ongoing training for staff to keep them updated on the latest tools, enhancing taxpayer engagement through structured feedback mechanisms, and improving digital interfaces for tax processes. These efforts aim to foster better compliance and satisfaction among taxpayers in RDO 33, ultimately contributing to the overall effectiveness and efficiency of the tax compliance framework in the region, ensuring a more transparent and responsive tax system for all stakeholders involved.

Keywords: taxpayer, technology adoption, compliance, stakeholders