

Factors Associated with the Adoption of Revenue Administration Management Information System by SMEs in Sri Lanka

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Abstract

Sri Lanka's taxation system is undergoing digital transformation with the implementation of the Revenue Administration Management Information System (RAMIS), which aims to improve administrative efficiency, compliance, and transparency. Despite these potential benefits, adoption among Small and Medium Enterprises (SMEs) in Colombo remains low. This study investigates the key factors influencing the adoption of RAMIS and provides recommendations to enhance its uptake. A quantitative, cross-sectional design was employed, and data were collected through a structured questionnaire from 335 SME representatives selected using convenience sampling. The conceptual framework integrates constructs from the Technology Acceptance Model (TAM) and Unified Theory of Acceptance and Use of Technology (UTAUT2), focusing on perceived usefulness, perceived ease of use, performance expectancy, and social influence. Multiple regression analysis revealed that perceived ease of use, performance expectancy, and social influence significantly influence adoption, while perceived usefulness, though positive, showed no statistically significant impact. Social influence emerged as the strongest predictor of adoption. The findings highlight key barriers, including limited IT infrastructure, low user engagement, and inadequate training. The study contributes to the literature by extending TAM/UTAUT constructs into the domain of digital taxation in Sri Lanka and provides actionable insights for policymakers, the Inland Revenue Department, and system developers. Recommendations include targeted training, awareness programs, and enhanced user support to promote wider SME adoption and strengthen the country's digital tax ecosystem.

Keywords: digital taxation, tax compliance, technology acceptance model, technology adoption