

A STUDY ON TAX AWARENESS, COMPLIANCE AND SATISFACTION LEVEL WITH THE CURRENT TAX STRUCTURE AMONG THE TAX PAYERS

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ABSTRACT

Taxation in India is well structured. No taxes can be collected except by the authority of law. Hence, each and every tax collected is backed by an accompanying law. Tax rates may vary by type and characteristics of the taxpayer and the type of income. To avail the benefits like exemptions, deductions, concessions and rebates under the act, one has to have good knowledge and awareness in both the Income Tax act and the annual finance budget of union ministry. This study, based on the primary data collected from the individuals assesses about the level of awareness on the provisions of the Income tax laws and the amendments that are being made.

KEYWORDS: *Income Tax, Exemptions, Awareness, Deductions, etc*

INTRODUCTION

A tax is a compulsory financial charge or levy imposed on an individual or legal entity by the government in order to fund spending on various public expenditures for the welfare of the people. Taxation is also used as a tool to reduce the inequalities in respect of income and wealth.

Tax Structure

Taxes are basic source of revenue for the government, which are utilized for the welfare of the people of the nation. Taxes in India are levied by the central government and the state governments. Some taxes are also levied by the local authorities such as Municipality. The tax system in India allows for two types of taxes, direct taxes and indirect taxes.

Direct Taxes

A direct tax is levied on individuals and corporate entities, the incidence of which cannot be transferred. Examples of direct taxes are Income tax, wealth tax and gift tax. An income tax is a tax imposed on individuals or entities in respect of the income or profits earned by them. Income tax is generally computed as the product of a tax rate and the taxable income.

Indirect Taxes

Indirect taxes are levied on materialistic goods. These taxes are basically passed on to another individual or entity. Indirect tax is generally imposed on suppliers or manufacturers who pass it on to the consumers using their goods or services or both. Some of the examples of indirect taxes are Goods and Services Tax, Excise duty, Customs duty, Security Transaction Tax, etc

STATEMENT OF PROBLEM

Income tax exemptions are provided on particular sources of income and not on the total income. It also means that the taxpayer do not have to pay any tax for income coming from that source. But, Income tax deductions are claimed on gross total income; certain investments and expenditures are required to be made by the assessee to claim these deductions, there are many compliance requirements for the same. The awareness about tax laws, exemptions, deductions and the recent updates are not much familiar for certain tax payers. So, this study is based on awareness about tax exemptions, deductions and the amendments among the individuals.

SCOPE OF THE STUDY

The study covers the present scenario on the awareness levels of income tax exemptions, recent amendments, deductions and relaxations made during the pandemic in India and aims to provide a solution to tackle the lack of awareness levels. The study covers the existing levels of awareness among the taxpayers. It aims to analyze the difficulties faced by taxpayers due to lack of awareness.

OBJECTIVES OF THE STUDY

- To assess the existing levels of awareness on income tax exemptions and deductions.
- To analyze the awareness among the tax payers about tax laws and recent amendments and updates made in the income tax laws.

SAMPLE SIZE

130 respondents constitute the sample size

AREA OF STUDY

Respondents belongs to Coimbatore city

SAMPLING TECHNIQUE

Convenient Random Sampling was used to select the respondents

METHOD USED FOR DATA COLLECTION

- Primary Data
A structured interview schedule was circulated among the respondents to collect the primary data

TOOLS USED FOR ANALYSIS

- Percentage Analysis
- Chi-square Test

REVIEW OF LITERATURE

Dr. Sumesh G S, (2020) explains about the level of awareness of the salaried class of people in his study, “Awareness and perceptions regarding tax planning” on various tax planning measures available under, The Income Tax Act, 1961. The study revealed that majority of the salaried class people are partly aware of the exemptions provided in the act and most of the individuals adopt Life

Insurance Policy as a tax planning measure. The common pattern observed were that majority of the individuals did not have a fixed time for the formulation of tax plan or no planning at all. The study stated that the role of financial advisors play a major role. The author opined and concluded that more tax planning awareness programs should be conducted among the salaried people.

Niyati Jain, Neha Yadav (2019) found and concluded that most of the individuals have moderate tax awareness about provisions like deductions from section 80C to 80U, rebates, penalty, interest charged and knowledge of loopholes. The study “Awareness level of tax planning with respect to wealth creation – A study of individual assesses” reached the conclusion as follows; almost 52.08% of the individuals agree that tax awareness and a proper tax planning leads to wealth creation and further 54% of the taken population agrees that the tax awareness leads to tax savings, building of efficient portfolio investment and it further leads to higher standard of living. The study had come to a definite conclusion that tax awareness is an important and inevitable aspect in wealth creation process.

ANALYSIS AND INTERPRETATION

Table 1: Age Group of Respondents

S. No	Age	No. of Respondents	Percentage %
1	Below 20	Nil	-
2	20 – 40	50	38
3	41 – 60	58	45
4	61 – 80	22	17
5	81 and above	Nil	-
	TOTAL	130	100

Source: Primary Data

Interpretation

The above table states that out of 130 respondents, none of the respondents fall under, below 20 age group, 50 of the respondents comes under the age group of 20 – 40 years, 58 of the respondents come under the category of 41 – 60 years, 23 of the respondents comes under the category 61 – 80 and none of respondents belong to the age group above 81 years.

Majority of the respondents belong to the age group of 41 – 60 years.

Table 2: Gender of Respondents

S. No	Gender	No. Of Respondents	Percentage (%)
1	Female	42	32
2	Male	89	68
	TOTAL	130	100

Source: Primary Data

Interpretation

From the above table it's clear that out of 130 respondents, 42 of the respondents are female and 89 of the respondents are male.

Majority of the respondents are male.

Table 3: Education Level of Respondents

S. No	Qualification	No. Of Respondents	Percentage (%)
1	UG	49	37
2	PG	51	40
3	Others	25	19
4	Undisclosed	5	4
	TOTAL	130	100

Source: Primary Data

Interpretation

It is clear from the above table that 49 of the respondents have completed Under Graduation degree, 51 one of the respondents have completed Post Graduation degree, 25 of the respondents have completed other courses and 5 respondents preferred to not disclose their educational qualification.

Table 4: Occupation of the Respondents

S. No	Occupation	No. Of Respondents	Percentage (%)
1	Self employed	40	31
2	Employment	33	25
3	Profession	34	26
4	Others	23	18
	TOTAL	130	100

Source: Primary data

Interpretation

It is clear from the above table that 40 of the respondents are self – employed, 33 of the respondents are under employment, while 34 of the respondents are professionals and 23 of the respondents are under various other occupations. Majority of the respondents are self-employed.

Table 5: Income Level of the Respondents

S. No	Annual Income	No. of Respondents	Percentage (%)
1	Below 5 Lakhs	Nil	-
2	5 Lakhs - 20 Lakhs	72	55
3	21 Lakhs - 35 Lakhs	25	19
4	36 Lakhs - 50 Lakhs	22	17
5	More than 50 Lakhs	11	9
	TOTAL	130	100

Source: Primary Data

Interpretation

The above table depicts the Income level of the respondents and it is apparent that out of 130 respondents, none of the respondents earn less than 5 lakhs per year, 72 of the respondents earn between Rs.5 lakhs and Rs.20 lakhs per year, 25 of the respondents earn between Rs.21 lakhs to Rs.35 lakhs per year, 22 of the respondents earn between Rs.36 lakhs and 50

lakhs per year and, 11 of the respondents earn above Rs.50 lakhs per year. Majority of the respondents earn less than 20 lakhs per annum.

Table 6: Average Tax Paid by the Respondents

S. No	Average Tax paid	No. of Respondents	Percentage (%)
1	Below 5000	44	34
2	5001 - 10000	24	18
3	10001 - 50000	23	18
4	50001 - 100000	16	12
5	100001 and above	23	18
	TOTAL	130	100

Source: Primary Data

Interpretation

The above table depicts the average tax paid by the respondents and it is apparent that out of 130 respondents, 44 of the respondents pay an average tax that is below Rs.5000, 24 of the respondents pay between Rs.5001 - Rs.10000, 23 of the respondents are between the tax scale of Rs.10001 - Rs.50000, 16 of the respondents pay an average tax between Rs.50001 - Rs.100000 and, 23 of the respondents earn pay an average tax above Rs.100001. Majority of the respondents come under below Rs.5000 tax bracket.

Table 7: Awareness of the Basic Taxation Provisions

S. No	Level of Awareness	No. Of Respondents	Percentage (%)
1	Yes	85	65.4
2	No	5	3.8
3	Somewhat	40	30.8
	TOTAL	130	100

Source: Primary Data

Interpretation

From the above table it's clear that out of 130 respondents, 85 of the respondents are aware of the provisions of tax and 40 of the respondents are partially aware of the provisions and 5 of them are not at all aware of the provisions.

Majority of the respondents are aware of the basic provisions of Income Tax Act.

Table 8: Awareness Of the Below Mentioned Provisions

S. No	Provisions	No. Of Respondents aware of the provisions
1	No cash payment should be made for expenses more than 10000 per person per day	82
2	When 90% of your receipts and payments are through bank you need not audit your books of accounts up to a Turnover limit of 10 crore	46
3	Cannot claim deduction under section 80G for donations made in cash beyond Rs.2000	57
4	Gifts received should not be beyond 200000 in cash	49
5	No 80D deductions can be claimed, if made in cash	44
6	269SS and 269 ST	23
7	TDS section on cash withdrawal (Section 194N)	39
8	Not aware of any of the above provisions	22

Source: Primary Data

Interpretation

From the above table it's clear that out of 130 respondents, 82 of the respondents are aware of the provisions that no cash payment should be made for expenses more than 10000 per person per day, 46 of the respondents are aware that When 90% of your receipts and payments are through bank you need not audit your books of accounts Up to a Turnover limit of 10 crore ,57 of the respondents are aware that deduction cannot be claimed under 80 G if donation is made in cash beyond Rs.2000 ,49 people know that gift received more than 200000 is taxable ,44 respondents know that no 80 D deduction can be claimed if made in cash, 39 are aware about the TDS on cash withdrawal and only 23 know about the provisions of 269SS and 269ST . 22 of the respondents are not aware of any of the above said provisions.

The maximum known provisions among the respondents is that provisions of income tax act which says that no cash payment should be made for expenses more than 10000 per person per day and the least known is about section 269SS and 269ST on loan acceptance and repayment.

Table 9: Deductions Preferred Under Section 80C

S. No	Response	No. Of Respondents
1	Public provident fund	39
2	Provident fund	21
3	Housing loan principal repayment	27
4	Life Insurance Premium	70
5	Equity Linked Saving Scheme (ELSS)	9
6	Medical Insurance	12
7	Don't claim 80C	22

Source: Primary Data

Interpretation

The above table depicts that 39 respondents claim deduction under 80C from Public provident fund, 21 of them from Provident fund, 27 from housing loan principal repayment, 70 from Life insurance premium, 9 from ELSS, 12 from medical insurance and 22 of the respondents do not claim 80C deductions.

More than half of the respondents claim Life insurance Premium deduction under section 80C.

Table 10: Awareness about Other Deductions

S. No	Provisions	No. Of Respondents aware of the deductions
1	80GG- Rent paid by other than salaried class	59
2	80CCD – National pension scheme- Additional deduction	50
3	80E – Interest on educational loan	59
4	80EE, 80EEA – Additional deduction for housing loan interest	57
5	80EEB –Interest on electric vehicle loan	38
6	80TTA, 80TTB – Bank interest	54
7	Not Aware of any of these provisions	30

Source: Primary data

Interpretation

The above table depicts the awareness level among the respondents in respect to sections other than 80C. Out of 130 respondents, 59 of them are aware of the section 80GG- Rent paid by other than salaried class and others, 50 of them are

aware of the section 80CCD – National pension scheme- Additional deduction , 59 of them are aware of the section, 80E – Interest on educational loan, 57 of them are aware of the section 80EE,80EEA – Additional deduction for housing loan interest , 38 of them know about 80EEB –Interest on electric vehicle loan, 54 of them are aware of section 80TTA,80TTB – Bank interest and 50 respondents have responded that they are not aware of any of these sections.

Fifty Nine of studied respondents are aware of the sections 80GG- Rent paid by other than salaried class and section 80E – Interest on educational loan.

Table 11: Exemption of Agricultural Income from Taxation

S. No	Response	No. of respondents	Percentage (%)
1	Yes	47	36
2	Yes, but the genuineness of the same should be checked	32	25
3	Yes, but up to a fixed limit, more than which taxable	30	23
4	No, It acts as a big loophole and people evade tax	21	16
	TOTAL	130	100

Source: Primary Data

Interpretation

The table shows that out of 130 respondents 47 of them think that the agricultural income should continue to be exempted from tax, 32 of them think that the same and also adds a point that the genuineness of the same should be checked, 30 of the respondents feel that there should be a ceiling limit for the exemption and 21 people had said that the exemption should not be provided as it acts as a big loophole and people evade tax.

Thirty six percent of the respondents feel that the agricultural income should continue to be exempted from tax.

Table 12: Awareness about Exempted Income

S. No	Provisions	No. Of Respondents aware of the provision
1	Gratuity, Pension, Leave encashment, Leave travel concessions (up to a certain limit).	65
2	Dividend	45
3	LIC Maturity amount	74
4	Interest on PPF	58

Source: Primary data

Interpretation

From the above table we can find that nearly 65 out of 130 respondents are aware of the exemption of Gratuity, Pension, Leave encashment, Leave travel concessions from tax, 45 are aware that the dividend income is exempted, while 74 are aware of the exemption of LIC Maturity amount and 58 are aware of the exemption of Interest on PPF.

Majority are aware of the exemption of LIC Maturity amount from taxation.

Table 13: Reduction in Cash Transaction Due to the Laws of Income Tax Act, 1961 (Digital Transaction)

S. No	Response	No. Of Respondents	Percentage (%)
1	Yes	71	54.6
2	No	11	8.5
3	Slowly shifting from cash to digital mode	48	36.9
	TOTAL	130	100

Source: Primary data

Interpretation

From the above table it's clear that out of 130 respondents, 71 of the respondents says that Income tax Laws have encouraged them to shift to digital transactions and 11 respondents said that the Tax laws does not have any such impact and the rest 48 respondents said that it makes them too slowly shift from cash to cashless.

Majority of the respondents feel that the Income tax laws are making them shift to digital transactions rather than cash transactions.

Table 14: Planning of the Finance

S. No	Planning your finance	No. Of respondents	Percentage (%)
1	Will completely plan myself	40	31
2	Follow what the Chartered Accountant Says	27	21
3	Will plan myself and consult with CA	63	48
	TOTAL	130	100

Source: Primary data

Interpretation

The above table shows that out of 130 respondents, 40 respondents plan their finance themselves, 27 respondents follow what their CA says and 63 respondents plan themselves and confirm it with CA.

Forty Eight percent of the respondents plan their own finance and verify it with CAs they know.

Table 15: Filing of Income Tax Returns

S. No	ITR is filed by	No. Of respondents	Percentage (%)
1	Chartered Accountant	75	58
2	Self	34	26
3	Self with the guidance of Chartered Accountant	15	11
4	Tax practitioners	6	5
	TOTAL	130	100

Source: Primary data

Interpretation

The above table shows that out of 130 respondents, 75 respondents file their returns through a Chartered accountant. 34 respondents file themselves, 15 respondents take the guidance of a CA and rest 6 respondents file through tax practitioners.

Majority of the respondents take the help of a Chartered accountant to file their Income Tax Returns.

Table 16: Opinion on Income Tax Filing Process and Compliance

S. No	ITR filing Process	No. Of respondents	Percentage (%)
1	Burdensome	11	8
2	Complicated	11	8
3	Manageable	75	58
4	Slightly difficult , but I educate myself accordingly	33	26
	TOTAL	130	100

Source: Primary Data

Interpretation

The above table shows that out of 130 respondents, 11 respondents feel filing the returns is burdensome, 11 respondents feel it's complicated, 75 respondents feel its manageable and 33 respondents try to educate themselves accordingly.

Almost 75 percentage respondents feel the Income tax filing process is manageable.

Table 17: Taxpayers Opinion on Regularly Following Finance and Tax Related Updates, Including Budget

S. No	Response	No. Of respondents	Percentage (%)
1	Yes	91	70
2	No	39	30
	TOTAL	130	100

Source: Primary data

Interpretation

The above table shows out of 130 respondents 91 respondents regularly follow finance and tax related updates including budget and the rest 39 doesn't.

Majority of the respondents are aware of the day to day updates on finance and other tax relates matters.

Table 18: Satisfaction with the Pandemic Package (COVID – 19)

S. No	Opinion	No. Of respondents	Percentage (%)
1	No, They could have done better	31	24
2	Yes, As government did their best despite heavy expenses	77	59
3	No idea	22	17
	TOTAL	130	100

Source: Primary Data

Interpretation

The above table shows that out of 130 respondents, 31 respondents are not satisfied with the package while 77 are satisfied with the package and 22 are not sure.

Almost 60% of the respondents are satisfied with the package during the pandemic.

CHI SQUARE TEST

Table 19: Education and Awareness about the Basic Taxation Provision

Awareness Education	Yes	No	Somewhat	Grand Total
UG	29	2	18	49
PG	34	1	16	51
Others	21	1	3	25
Undisclosed	1	1	3	5
Grand Total	85	5	40	130

Interpretation

From the above table it is evident that, of the total Under Graduates of 49, 29 have awareness about the basic taxation provisions, 2 of them are not at all aware of the provisions and 18 are somewhat aware of the provisions of taxation. Out of the total post Graduates, 34 are aware of the basic taxation provisions, 1 is not aware and 16 are partly aware of it. Out of the other professions, 21 are aware of the provisions of tax, 1 is not aware of it and 3 are partly aware of the Basic provisions of taxation. Among the respondents who did not wish to disclose their educational qualification, 1 is aware of the provisions, 1 is not aware of the basic provisions and 3 are partly aware of the provisions of taxation.

Education Qualification and Awareness of the Provisions of Taxation

In order to find out the relationship between educational qualification and the awareness of the basic taxation provisions, Chi square test is used and the result of the test is given below.

The Chi-square statistics is 11.8968. The p-value is 0.06431. The result is not significant at $p < 0.05$. Therefore the educational qualification and awareness about taxation are independent.

Table 20: Income Earned and Tax Paid

Average tax paid Income	Below 5000	5001 to 10000	10001 to 50000	50001 to 100000	100001 and above	Grand Total
Below 5 Lakhs	0	0	0	0	0	0
5 Lakhs – 20 Lakhs	41	21	8	1	1	72
21 Lakhs – 35 Lakhs	1	1	10	8	5	25
36 Lakhs – 50 Lakhs	1	1	4	6	10	22
More than 50 Lakhs	1	1	1	1	7	11
Grand Total	44	24	23	16	23	130

Interpretation

From the above table it is obvious that none of the respondents earn below 5 lakhs. Out of the 72 respondents who earn between 5 lakh and 20 lakh, 25 pay tax below Rs.5000, 15 pay a tax of Rs.5000 to Rs.10000, 11 pay a tax of Rs.10000 to Rs.50000, 12 pay a tax of Rs.5000 to 10000 and 9 pay a tax of Rs.10000 and above. Of the respondents who earn between 21 lakh To 35 lakh, 7 pay tax below Rs.5000, 4 pay tax of Rs.5000 to Rs.10000, 6 pay between Rs.10000 to Rs.50000, 2 between Rs.50000 to Rs.100000 and 6 of respondents of this category pay a tax above Rs.100000. Further in the income group of Rs.36 lakhs to Rs.50 lakhs, 9 pay below Rs.5000, 3 between Rs.5000 and Rs.10000, 4 between Rs.10000 to Rs.50000, 1 between Rs.50000 to Rs.100000 and 5 pay taxes above Rs.100000. Out of 11 of respondents who earn more than Rs.50 lakhs, 3 pay tax below Rs.5000, 2 between Rs.5000 to 10000, 2 between Rs.10000 and Rs.50000, 1 between Rs.50000 and Rs.100000 and 3 pay taxes more than Rs.100000.

Income Earned and Taxes Paid

In order to find out the relationship between income earned and taxes paid, Chi square test is used and the result of the test is given below.

The Chi-square statistics is 97.4384. The p-value is 0.00001. The result is significant at $p < 0.05$.

Therefore the income and taxes paid are dependent on each other.

Table 21: Age and Shifting towards Digital Transactions

Digital Transaction Age	Yes	No	Slowly shifting from cash to digital mode	Grand Total
20 – 40	31	3	16	50
41 - 60	29	5	24	58
61 - 80	11	3	8	22
Grand Total	71	11	48	130

Interpretation

From the above table it is clear that, of the total 50 respondents between the age of 20 years and 40 years, 31 prefer digital transactions, 3 prefer cash transactions and 16 are slowly shifting towards digital mode. Out of the respondents from the age of 41 years to 60 years, 29 prefer digital transaction, 5 continue to go with cash transactions and 24 are shifting from cash to digital mode. Out of the respondents above the age of 60 years, 11 prefer cashless transaction, 3 prefer cash transaction and the rest 8 are shifting towards digital era.

Age and Acceptance towards Digital Transactions

In order to find out the relationship between age and the acceptance towards digital transactions, Chi square test is used and the result of the test is given below.

The Chi-square statistics is 2.5093. The p-value is 0.642971. The result is not significant at $p < 0.05$. Therefore the age and acceptance towards digital transactions are not dependent on each other.

Table 22: Education Qualification and Filing of Return

Education	Self	Chartered Accountant	Tax practitioners	Self with the guidance of Chartered Accountant	Grand Total
UG	12	30	3	4	49
PG	10	34	1	6	51
Others	11	10	1	3	25
Undisclosed	1	1	1	2	5
Grand Total	34	75	6	15	130

Interpretation

From the above table it is evident that, out of the total Under Graduates of 49, 12 file their income tax returns by themselves, 30 get it filed by their Chartered Accountant, 3 get it filed by their Tax Practitioners and the rest 4 file themselves with the guidance of Chartered Accountant. Out of the total Post Graduates, 10 file their income tax returns by themselves, 34 get it filed by their Chartered Accountant, 1 get it filed by their Tax Practitioners and the rest 6 file themselves with the guidance of Chartered Accountant. Out of the Other professions, 11 file their income tax returns by themselves, 10 get it filed by their Chartered Accountant, 1 get it filed by their Tax Practitioners and the rest 3 file

themselves with the guidance of Chartered Accountant. Of the people who did not wish to disclose their educational qualification, 1 file it by himself, 1 get it filed by Chartered Accountant, 1 get it filed by Tax Practitioners and the balance 2 file themselves with the guidance of Chartered Accountant.

Education Qualification and Filing of Return

In order to find out the relationship between educational qualification and filing of return, Chi square test is used and the result of the test is given below.

The Chi-square statistics is 15.0152. The p-value is 0.09052. The result is not significant at $p < 0.05$. Therefore the educational qualification and filing of return are independent of each other.

Table 23: Age and Planning of Finance

Age	Will completely plan myself	Follow what the Chartered Accountant Says	Will plan myself and consult with Chartered Accountant	Grand Total
20 – 40	20	8	22	50
41 - 60	17	14	27	58
61 - 80	3	5	14	22
Grand Total	40	27	63	130

Interpretation

From the above table it is clear that, of the total 50 respondents between the age of 20 and 40, 20 plan their own finance, 8 are entirely dependent on the Chartered Accountant says and 22 are planning themselves and consulting with the Chartered Accountant. Out of the respondents from the age of 41 to 60, 17 plan their own finance, 14 are entirely dependent on the Chartered Accountant says and 27 are planning themselves and consulting with the Chartered Accountant. Out of the respondents above the age of 60, 3 plan their own finance, 5 are entirely dependent on the Chartered Accountant says and 14 are planning themselves and consulting with the Chartered Accountant.

Age and Planning of Finance

In order to find out the relationship between age and planning of finance, Chi square test is used and the result of the test is given below.

The Chi-square statistics is 5.723. The p-value is 0.220811. The result is not significant at $p < 0.05$. Therefore the age and planning of finance are not dependent on each other.

FINDINGS OF THE STUDY PERCENTAGE ANALYSIS

- Majority of the respondents belong to the age group of 41 years - 60 years.
- Most of the respondents earn from Rs.5 lakhs- Rs.20 lakhs per annum.
- Majority of the respondents have completed their Post-Graduation degree.
- Majority of the respondents are self-employed.
- Maximum numbers of respondents are regular tax payers.
- Majority of the respondents plan their own finance and further consult with a Chartered Accountant.

- Majority of the respondents feel that the income tax filing process is manageable.
- Majority of the respondents are aware of the basic Income Tax provisions.

CHI-SQURE TEST

- The chi-square test shows that the relationship between the educational qualification and awareness about the basic taxation provisions is not significant at 5% level.
- The chi-square test shows the relationship between the income earned and tax paid is significant at 5% level.
- The chi-square test shows the relationship between age and shifting towards digital transactions is not significant at 5% level of income.
- The chi-square test shows the relationship between education qualification and filing of return is not significant at 5% level.
- The chi-square test shows the relationship between ages and planning of finance is not significant at 5% level.

SUGGESTIONS

- Minimize the complexity of the provisions.
- Simplify/educate the tax system such that any layman can understand and act upon
- Should try spreading more awareness about financial literacy among people as there is no specific subject for 'personal finance management' either in high school or in colleges.
- Citizens should be made capable of filing their returns and paying taxes on their own as any of the other expenses rather than depending on Chartered Accountants or any middlemen.
- Government shall reduce the tax rates so as to increase the number of tax payers and take stringent action against people holding unaccounted money.
- Measures can be taken to rectify consistently arising loopholes.

CONCLUSION

The Indian taxpayers need to understand that taxes we pay help the government run in a better way and the Government in return provides the citizens with various tax incentives and a better infrastructure for better living. The awareness about the tax exemptions is moderate from the response, this awareness should increase so that there will be an increase in the economic growth. The tax payers also feel that the burden of tax is a outsizing issue. An informative study on the tax deductions, and the guidance required by the tax payers for tax compliance showcases that, with an increased awareness about the available tax deductions the citizens would skew towards tax compliance by using various tools for tax avoidance, rather than evade taxes and hinder economic growth. So, the individual should acquire more knowledge about the special rates of the taxes, deductions and exemptions with the help of tax consultants.

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