



Investigating Tax Awareness and Strategic Planning Among Individual Assessee: An Analysis of Income Tax Reforms Perception in India

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ABSTRACT

The purpose of this study is to investigate the landscape of tax awareness and strategic planning among individual assessee in India, with a special emphasis on their perceptions of recent income tax developments. It does this by conducting an exhaustive investigation, which investigates the level of awareness that taxpayers have of the reforms and the consequent strategic planning that they have done in order to maximize their tax obligations. The research intends to shed light on the knowledge, acceptance, and adaption of these changes by utilizing both quantitative and qualitative approaches. The goal of the research is to unravel the nuanced attitudes and behaviors of individual taxpayers in relation to income tax reforms. The purpose of this study is to provide valuable insights for policymakers, tax authorities, and practitioners by dissecting the complexities of tax awareness and strategic planning. These insights will facilitate the formulation of more effective tax policies and educational initiatives that are tailored to the needs and perceptions of individual taxpayers in India.

Keywords: Tax Awareness, Strategic Planning, Individual Assesses, Income Tax Reforms Perception India.

1. INTRODUCTION

Any modern civilization must have taxes since they serve as the basis for income generation and financial developments. In India, a nation with a distinct and rapidly growing population, the feasibility of taxation policies has a significant influence on economic stability and equitable distribution of wealth. Individual taxpayers play a vital role as vital stakeholders in the tax system, making substantial contributions to the public coffers through their income tax obligations. Nevertheless, the administrative framework, as well as the knowledge and careful planning of individual assesses, are critical to the successful implementation and recognition of income tax reforms.

In light of this, the study aims to investigate tax awareness and strategic planning among Indian individual taxpayers, focusing in particular on how they see the implementation of late income tax legislation. The rationale for this analysis stems from the recognition that tax awareness and strategic planning play crucial roles in the tax consistency landscape, impacting taxpayers' understanding and adherence to tax laws as well as their ability to advance tax liabilities within the legal framework. This investigation delves into the intricacies of taxpayer perception and behavior in an attempt to provide crucial insights into the components of tax consistency and change acknowledgment in the context of India.

The study's significance is underscored by the intricate implications of tax awareness and strategic planning for both individual taxpayers and the nation's overall financial structure. From the perspective of individual taxpayers, a comprehensive understanding of income tax regulations and effective tax planning techniques might encourage individuals to investigate the complexities of the tax system, reduce their tax obligations, and increase consistency. Additionally, informed taxpayers are better equipped to make wise financial decisions, promoting stability and strength at the microeconomic level.

Macroeconomically speaking, the findings of this research provide guidance for decision-makers in tax policy, tax experts, and professionals tasked with determining and implementing tax arrangements. Policymakers can adjust tax policies to better align with the needs and preferences of taxpayers by gathering information about the awareness levels and tactical approaches taken by individual taxpayers. This will enhance overall tax consistency and income preparation. In addition, well-informed policymaking can promote productivity,



tax value, and clarity, fostering an environment that is conducive to realistic financial development. With these reflections in mind, this study attempts to fill in the gaps in the literature by providing a comprehensive analysis of tax awareness and strategic planning among individual assesses in India..

1.1. Objective of the Study

1. To conduct surveys and interviews with individual assesses in light of income tax reforms in India to gauge their understanding of income tax laws, including deductions and filing requirements
2. To uncover patterns and views related to income tax reforms and strategic tax management in India by analyzing the financial strategies, investment choices, and use of tax-saving plans by individual assessors in order to obtain insights into their tax planning practices.

2. LITERATURE REVIEW

Vyshak et.al (2021) made a contribution to this discussion by analyzing the various tax planning strategies that are utilized by individual taxable assessee. More specifically, they investigated the impact that age has on these tax planning measures. Their research, which was published in the Vision: Journal of Indian Taxation, sheds light on the ways in which the age demographics of taxpayers influence their tax planning techniques. This study offers useful insights into the interaction between personal demographics and tax behaviour.

Amonkar (2023) investigated the attitudes of individual taxpayers toward the electronic filing of income tax returns, with a particular emphasis on taxpayers in the state of Goa. Amonkar conducted an empirical study as part of his doctoral dissertation at Goa University. The purpose of the study was to investigate the attitudes and experiences of taxpayers regarding electronic tax filing. The findings of this study provided insights into the challenges and opportunities associated with this technological advancement in tax administration.

Anand (2024) made a contribution to the existing body of knowledge by doing research on the level of awareness among salaried taxpayers regarding income tax deductions and electronic filing of tax returns. Anand's research, which was published in the journal Educational Administration: Theory and Practice, offers useful insights on the level of awareness and utilization of tax deductions among a certain demographic group. These insights provide light on the effectiveness of tax education initiatives and awareness campaigns.

Pallavi (2018) focused on the opinions of academicians regarding tax planning and investment patterns. This study contributed a fresh viewpoint to the existing body of literature by concentrating on a particular occupational category. Our awareness of the ways in which profession-related characteristics influence tax planning decisions and financial behaviours is enhanced as a result of Pallavi's research, which investigates the tax planning behaviours and investment preferences of academicians.

Prabhu-Verlekar (2021), who conducted a study on the tax planning measures employed by the salaried class in Goa. The PhD research that Prabhu-Verlekar completed at Goa University provided useful empirical information on the tax planning behaviours and preferences of salaried individuals. The dissertation also highlighted the elements that influence the decisions and practices that salaried individuals make regarding their tax planning.

3. RESEARCH METHODOLOGY

The purpose of the current study is to examine how individual assessee perceive income tax reforms in India, with a particular focus on tax awareness and strategic planning. The goal of the study is to comprehend individual taxpayers' perceptions of income tax revisions, their level of tax awareness, and their adoption of tax planning techniques.

3.1. Scope of the Research Study:

The main focus of the review is on individual Indian assessee tax preparation and awareness. Data is collected from one hundred individual taxpayers in various word-related classes, such

as college instructors, approved bookkeepers, bookkeepers, organization representatives, and various experts. In essence, the investigation makes use of crucial data acquired from surveys and one-on-one interviews.

3.2. Sample, Sampling Techniques, and Selection of Sample:

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3.3. Data Collection:

Important data is obtained by means of formal surveys and one-on-one meetings with individual respondents. Requests regarding tax awareness, tax planning strategies, and opinions on income tax revisions are all included in the survey. One-on-one discussions provide additional insight into the attitudes and behaviors of respondents concerning tax-related issues.

3.4. Data Analysis:

Both obvious and inferential quantifiable techniques are used in information investigation. The example's segment attributes are summarized using illustrative measures, which are also used to convey responses to review questions. Inferential measures are used to examine the significance of differences in tax-saving requirements between classes, such as ANOVA exams.

Table 1: Gender Distribution of Respondents

Gender	Respondents	Percent
Male	85	85.0
Female	15	13.0
Total	100	100.0

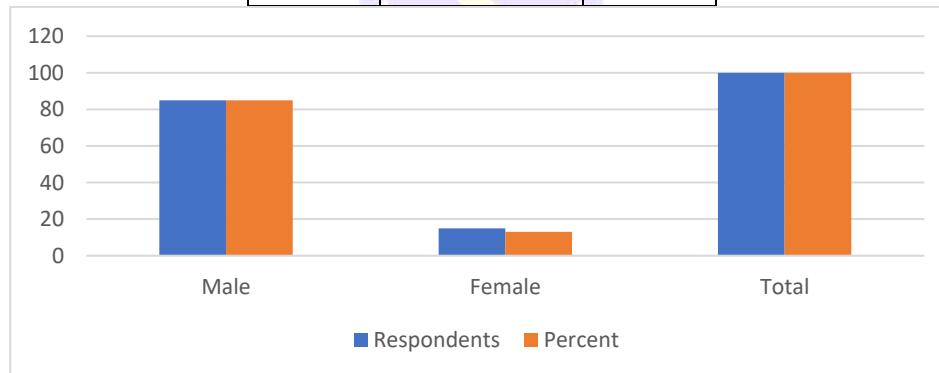


Figure 1: Gender Distribution

Table 2: Age Group of the Respondent

Age Group	Respondents	Percent
Less than 25	4	4.0
25 to 35	58	56.0
35 to 45	23	25.0
45 to above	15	15.0
Total	100	100.0

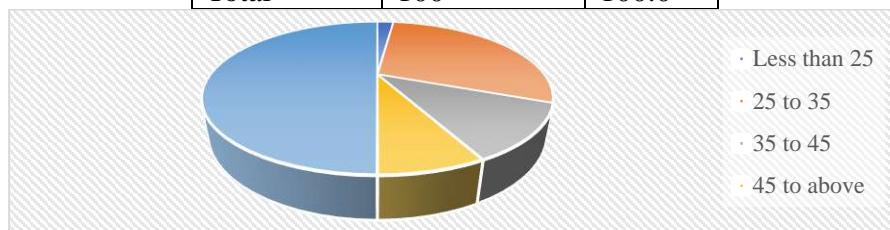


Figure 2: Age Group Distribution

Table 3: Occupation Distribution Survey Results

Occupation	Respondents	Percent
University Teacher	20	20.0
Chartered Accountant	20	20.0
Accountant	20	20.0
Employees of Companies	20	20.0
Other	20	20.0
Total	100	100.0

Regarding knowledge of income tax and its provisions, the following feedback was obtained:

Table 4: Survey Results on Taxation Awareness

Particular	Yes	No
Awareness of IT	95 (95%)	5(5%)
Deduction 80C to 80U	96 (96%)	4 (4%)
Reliefs of IT	75 (75%)	25(25%)
Awareness of Penalty for nonpayment	88 (88%)	12 (12%)

Responses demonstrating respondents' awareness of several parts of tax-related information are displayed in the following table. Overall, there are strikingly high percentages of affirmative answers: 95% of respondents acknowledged knowing about information technology (IT), 96% acknowledged deductions from sections 80C to 80U, and 88% acknowledged penalties for nonpayment. However, only 75% of respondents indicated that they were aware of IT reliefs, which is a slightly lower number. These results imply that respondents had a generally high degree of awareness on tax-related topics, with a focus on deductions and penalties. The marginally lower awareness rate of IT reliefs suggests a possible area for informational or educational outreach to improve general comprehension and adherence to tax laws.

4. TAX PLANNING OF INDIVIDUAL ASSESSES

Table 5: Survey Results on Tax Planning Awareness and Impact

Particular	Yes	No
Planning of IT	80 (80%)	20 (20%)
Areas of Tax Planning	75 (75%)	25(25%)
Tax Planning Increase Saving	90 (90%)	10 (10%)

The responses to questions about several aspects of tax planning are shown in the table, which shows that a sizable majority of respondents recognize the significance of different tax planning techniques. Remarkably, 80% agree that it's important to budget for information technology (IT) expenses, and 75% agree that it's critical to comprehend the various aspects of tax planning. Furthermore, a noteworthy 90% of participants comprehend the association between tax preparation and augmented savings. These results imply that tax planning is widely understood and accepted as having a crucial role in financial management, especially when it comes to maximizing savings and lowering tax obligations. The high proportions of affirmative replies show that respondents generally recognize the significance of putting strategic tax planning techniques into practice in order to successfully accomplish financial goals.

Table 6: ANOVA Analyses

Priority	Source	Sum of Squares	DF	Mean Square	F Value	Sig.
Priority for saving tax insurance	Between Groups	2.235	3	1.113	0.845	0.432
	Within Groups	126.735	98	1.315		
	Total	130.970	98			
Priority for saving	Between	10.703	2	5.34	9.395	0.000

tax PF	Groups					
	Within Groups	54.260	98	0.57		
	Total	64.950	98			
Priority for saving tax housing loan	Between Groups	13.817	1	6.90	8.490	0.000
	Within Groups	78.935	98	0.815		
	Total	92.749	99			
Priority for saving tax donation	Between Groups	4.911	1	2.456	0.411	0.664
	Within Groups	581.535	97	5.994		
	Total	586.442	98			
Priority for saving tax medical	Between Groups	0.020	2	0.011	0.007	0.995
	Within Groups	154.981	98	1.588		
	Total	154.000	98			
Priority for saving tax other	Between Groups	6.425	1	3.26	0.56	0.575
	Within Groups	562.478	98	5.789		
	Total	569.000	98			

The importance of variations in tax savings priorities across insurance, provident fund (PF), housing loans, contributions, medical bills, and other categories is investigated by means of ANOVA analyses displayed in Table 6. The table suggests that people prioritize these factors differently because there are statistically significant disparities across groups when it comes to tax saving related to PF and home loans. Priorities concerning insurance, donations, medical costs, and other areas, however, show little variation amongst groups. These results suggest that different sectors are influenced by different elements when it comes to tax-saving goals, with some parts receiving more attention and thought than others.

5. FINDINGS

The study's conclusions show that individual assessees in India have a respectable degree of tax awareness; respondents showed that they were familiar with a variety of income tax topics, such as IT laws and deductions. The importance of tax planning in maximizing savings is acknowledged by respondents, who identify it as a major area of focus. Age and gender do not substantially change opinions regarding tax planning, despite the fact that some occupational categories show more tax awareness. Variations in the importance of tax savings point to personal preferences for home loans and provident funds. One area that needs work is raising awareness of IT reliefs. Overall, the study emphasizes how critical it is to keep up efforts to increase tax literacy and support individual taxpayers' use of efficient tax planning techniques.

6. CONCLUSION

This study provides important new information about tax awareness and strategic planning among Indian individual assessees. It shows that respondents had a very high degree of tax understanding regarding a variety of income tax topics, including IT provisions, deductions, and penalties. The results highlight how crucial tax preparation techniques are, especially when it comes to maximizing savings and money management. Age and gender have little effect on attitudes toward tax planning, however occupational classifications do have some bearing on tax awareness. Furthermore, variations in the categories' top tax-saving goals draw

attention to unique tastes and situations. Even though tax awareness is generally good, there is still room for improvement, particularly in terms of raising understanding of particular tax reliefs. The study concludes by highlighting the necessity of ongoing initiatives to improve tax literacy and advance practical tax planning techniques catered to the various requirements of Indian individual taxpayers.

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