

Awareness of Tax Reforms among the Assesseees in Salem City

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ABSTRACT

The present study of awareness of tax reforms among the assesses in Salem city .several expert committees have examined India's direct and indirect tax structure in the past and made valuable recommendations. More recently, Modern governments bear enhanced social, political and economic responsibility. So revenue mobilization is essential to fulfill the various obligation of the state. The study conducted on 85 respondents of Salem city, Based on objectives of understand the concept and evolution of tax reforms, Study the awareness of the respondents. It is development of our nation, so every should awareness of tax reforms and tax reforms must be created among general public. Proper taxation of tax reforms is a complex issue, the present tax reforms of rationalization and simplification of tax laws are inevitable uses of economic growth.

KEY WORDS: Tax reforms, rationalization, mobilization

I. INTRODUCTION

Tax reform is the process of changing the way taxes are collected or managed by the government and is usually undertaken to improve tax administration or to provide economic or social benefits. Tax reform can include reducing the level of taxation of all people by the government, making the tax system more progressive or less progressive, or simplifying the tax system and making the system more understandable or more accountable. Tax reforms act 1986, tax reforms the crisis of early 1990s and fiscal reforms were launched. Such reforms aimed at improving efficiency, production and competitiveness of Indian industries and imparting dynamism to the overall growth process. structure to change circumstances. It includes introducing changes in the existing tax base, tax rates, exemptions, concessions and the administrative procedures. It would be desirable to enumerate the relative merits

and demerits of alternative tax reforms measures and leave the choice

Review of Literature

Vasanthi (2015) The results revealed that ever increasing functions of the government have naturally lead to increasing expenditure for instance achieving the social and economic objectives laid down in the constitution, reducing the inequality of income, removing the concentration of economic power in few hands, balancing regional economic growth and so on.

Anushuya (2014) GST is expected to unite the country economically as it will subsume various forms of taxes that are currently levied at different points subsuming the multiple types of taxes charged at different rate at present.

NishantRavindraGhuge (2015) taxation structure plays an important role in country's development. India has a well-developed tax structure. The power to levy taxes and duties is distributed among the three tiers of Government, in accordance with the provisions of the Indian Constitution. Indian taxation structure has gone through many reforms and still it is very far ahead from being an ideal taxation structure.

Importance of the study

The importance of the income tax has increased considerably in the present days because it has become a major source of revenue to the government to be utilized for the social and economic development of the country. It is one of the effective instruments of reducing unequal distribution of wealth between the rich and the poor. It is also one of the means to solve the acute problem of unemployment. The above objective can be achieved by introducing a progressive system of taxation. Income tax is a direct tax and has an immense impact on the taxpayers creating hard ships on them. Such hardships have to be reduced by rationalizing the tax structure on the whole this type of taxation is evitable to our country. Every individual whose income before

allowing deductions and exemptions exceeds the basic exemption limit are required to tax reforms.

Statement of the problem

Revenue mobilization by means of indiscriminate taxes normally leads to the sacrifices of equity. Equity requires allocation of tax burden among different regions in such a way as to minimize the aggregate burden. Other important problems faced by the respondent lack of experience and knowledge to tax reforms, delay in execution and the effects of tax reforms on formation, Risk taking. Thus, a study has been undertaken in order to find out the awareness of tax reforms among the assesseees.

Objective of the study

- ❖ To understand the concept & evolution of tax reforms
- ❖ To study the awareness of the respondents

Research Methodology

The population for this study is taxpayer's in Salem city. It is a part of the population selected for a particular study and members of the sample are the study subjects. The sample for this study is the tax reforms among the tax payer's Salem city. Now probability convenience sampling method is adopted in this research. The study is based on the convenience of the researcher because of not exactly identify our population. The sample size is 85.

Table 1 Frequency distribution of the objective variables

Regular tax payer		
Yes	59	69.4
No	26	30.6
Direct reforms		
Yes	53	62.4
No	32	37.6
Head		
Salaries	18	21.2
House properties	13	15.3
Business and profession	28	32.9
Capital gain and loss	6	7.1
Income from other sources	20	23.5
Tax structure		
Yes	53	62.4
No	32	37.6
Get information tax		
Through tax consultant	16	18.8
Through friends & Relatives	28	32.9
Television/ online /Media	35	41.2
News papers& magazines	6	7.1
Submission taxes		
Yes	58	68.2
No	27	31.8
Tax reforms committees		
100%	8	9.4
70%	32	37.6
Less than 50%	25	29.4
None of the above	20	23.5
Politically motive		
Yes	46	54.1
No	39	45.9
Some reforms		
Yes	54	63.5
No	31	36.5

Annual budget		
Yes	54	63.5
No	31	36.5
L & p tax		
Yes	47	55.3
No	38	44.7
Corporation tax		
Yes	57	67.1
No	28	32.9
Service provided tax		
Fully satisfied	30	35.3
Partly satisfied	38	44.7
Not satisfied	17	20.0
Modified tax		
Yes	65	76.5
No	20	23.5

Regular tax payer wise classifications 69.4% of the respondents are in the regular tax payer and 30.6% of the respondents are in the irregular tax payer. Hence, the majority of the respondents are in the regular tax payers. Direct tax reforms consideration wise classification 62.4% of the respondents are in the direct tax reforms and 37.6% of the respondents in the non-direct tax reforms. Hence, the majority of the respondents are in the direct tax reforms. Head concentrate wise classification 21.2% of the respondents are coming under the head of salaries, 15.3% of the respondents are coming under the head of house

properties, 32.9% of the respondents are coming under the head of business and profession, 7.1% of the respondents are coming under the head of capital gain and loss, 23.5% of the respondents are coming under the head of income from other sources. Hence, the majority of the respondents are in the head we should concentrate of business and profession. Indian tax structure wise classifications 62.4% of the respondents are in the tax structure, 37.6% of the respondents are in the non-tax structure. Hence, the majority of the respondents are in the tax structure

Table 2 Awareness of tax reforms among the assesseees in Salem city between male and female.

Tax reforms Variables	Mean (SD)		t value	P value
	Male	Female		
Income tax act undergoes change every year with addition and deletions brought about by the finance act passed by the parliament	3.27 (1.20)	3.12 (1.04)	.63	.525
Taxation procedure is complex and difficult to understand	3.36 (0.89)	3.02 (0.85)	1.78	.078
Always deduct tax at source on all income	3.55 (0.79)	2.81 (0.90)	3.82	.001
Do you favor increase in tax exemption limit?	3.76 (1.00)	3.13 (1.04)	2.71	.008
Do you feel that surcharge should be avoided?	3.45 (1.06)	3.33 (1.02)	.552	.583
Donations including taxable income	3.09 (0.87)	3.33 (1.00)	1.10	.272
Rationalization and simplification of tax laws are inevitable	3.55 (0.75)	3.00 (0.92)	2.83	.006

Male tax payers are higher in always deduct tax at source on all income then female tax payers. This indicates of the tax increasing of income source decrease. Do you favor increase in tax exemption limit significantly differ from male and female tax payers at 0.05 levels. Male tax payers are higher in favor of increase in tax exemption limit then female tax payers. This indicates of limit of tax exemption tax affect the choice and preference for saving schemes. Rationalization and simplification of tax laws are inevitable significantly differ from male and female tax payers at 0.05 levels. Male tax payers are higher in Rationalization and simplification of tax laws are inevitable then female tax payers. This indicates of taxation procedure is important of economic growth.

II. SUGGESTIONS

The following suggestions have been given relating to awareness of tax reforms among the assesseees as follows

- ❖ Tax reforms awareness must be created among general public.
- ❖ It is development of our nation, so every should awareness of tax reforms.
- ❖ Many respondents opened that all people reached and reduced awareness of tax reforms.
- ❖ Government provide to awareness must be created among the general public.
- ❖ The proper guidance should be given by the income tax department to the tax reforms in general before commencement of the assessment year

III. CONCLUSION

Proper taxation of tax reforms is a complex issue. The present tax reforms of rationalization and simplification of tax laws are inevitable uses of economic growth. the tax reforms decisions, the mobility and flow of risk surcharge to more dynamic situation, the ease or difficulty experienced by new tax reforms, and there by the strength and potential growth of the economy. Several economic studied conclude that direct and indirect tax uses of economic growth and others.

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