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Assessing Taxation Revenue and Perceptions of Tax Reforms in Post-Demonetization India

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Abstract

This research paper endeavors to provide a comprehensive analysis of taxation revenue in India, specifically focusing on Income Tax and Goods and Services Tax (GST), during the post-demonetization era. Additionally, it seeks to explore the perceptions of three key stakeholder groups taxpayers, tax professionals, and government officials—regarding tax reforms and their influence on tax evasion in India. The study commences by evaluating the taxation revenue of the Government of India in the aftermath of the historic 2016 demonetization move. It scrutinizes the impact of tax reforms such as the introduction of GST and changes in Income Tax regulations on revenue generation. By employing empirical data and statistical analysis, this research aims to shed light on the effectiveness of these reforms in enhancing government revenue collection, promoting fiscal transparency, and curbing tax evasion. Furthermore, this paper delves into the perceptions of taxpayers, tax professionals, and government officials concerning tax reforms and their implications for tax evasion in India. Through surveys, interviews, and qualitative analysis, it investigates the diverse viewpoints held by these stakeholders. This qualitative dimension of the study provides a nuanced understanding of how tax reforms are perceived and whether they have altered the behavior of taxpayers and the enforcement strategies of government officials.
The outcomes of this research hold significance for both policy formulation and academic discourse. Insights derived from the analysis of taxation revenue can guide policymakers in refining tax policies, optimizing revenue collection, and fostering economic growth. Simultaneously, an exploration of perceptions surrounding tax reforms offers valuable insights into the behavioral dynamics of taxpayers, the challenges faced by tax professionals, and the strategies employed by government officials in enforcing tax regulations. this paper Demonstrate a holistic examination of taxation revenue in post-demonetization India, with a specific focus on Income Tax and GST. It also provides a unique perspective by investigating the perceptions of taxpayers, tax professionals, and government officials regarding tax reforms and their impact on tax evasion. By combining empirical data with qualitative insights, this research contributes to a more comprehensive understanding of the complex relationship between taxation revenue, tax reforms, and stakeholder perceptions in the Indian context.

Keywords: Demographic characteristics, Tax evasion, Taxpayers, Tax Reforms, Taxation Revenue.

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I INTRODUCTION

Tax Planning can be understood as the activity undertaken by the assessed to reduce the tax liability by making optimum use of all permissible allowances, deductions, concessions, exemptions, rebates, exclusions and so forth, available under the statute. Put simply, it is an arrangement of an assessee business or financial dealings; in such a way that complete tax benefit can be availed by legitimate means, i.e. making use of all beneficial provisions and relaxations provided in the tax law, so that the incidence of the tax is minimum. This ensures savings of taxes along with conformity to the legal obligations and requirements. Therefore, it is permitted by law. Unscrupulous citizens evade their tax liabilities by dishonest means. Some of which are: Concealment of income, inflation of expenses to suppress income, Falsification of accounts, Conscious violation of rules. This device is unethical and has to be condemned. The courts also do not favor such unethical means. Evasion, once proved not only attracts heavy penalties but may also lead to prosecution. Such an evader of tax is not a good citizen and tax evasion as a means to reduce as liability cannot be advocated by any one. Calimani, S., & Pellizzari, P. (2014).
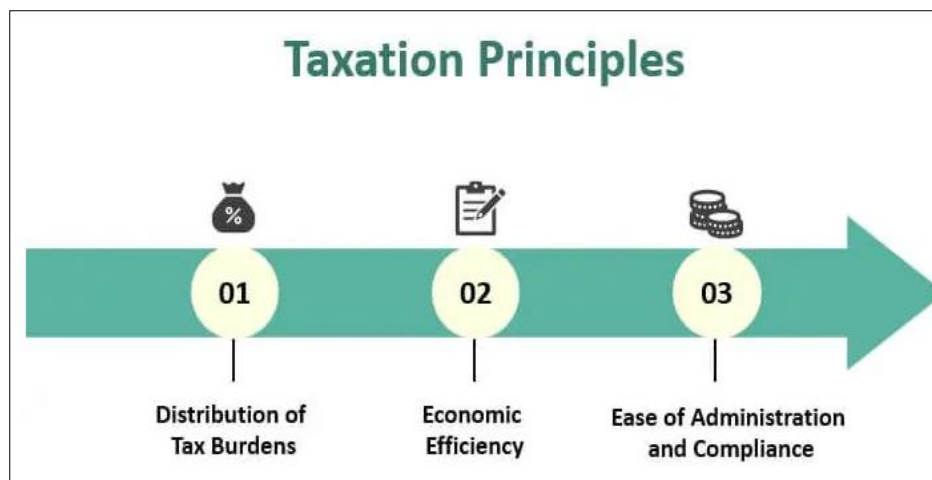

Fig. 1 principle of taxation

Tax evasion is considered as a severe loss of government revenue, resulting in pressure to the government in providing public services smoothly. Chan, E. Y. (2019). Therefore, tax evasion has been a challenging issue for the government as well as tax authority to increase the tax revenue from the taxpayers. Tax evasion is defined as an illegal activity that people employ while paying taxes. It happens if the taxpayers do not comply with the tax obligation intentionally either through the failure of filling return, misreporting income, or less payment compared to actual tax despite having the ability of payment. Korndörfer et al. (2014) described tax evasion as an unlawful act that breaches the law and deviates from social norms requiring tax payment. Gottschalk (2010) defined tax evasion as "the willful attempt to defeat or circumvent the tax law in order to illegally reduce one's tax liability." Though tax evasion has become a subject of discussion for academic research in developed countries after years (Chan, 2019; Richardson, 2016), there are very few studies on the issue in developing countries (Nurunnabi, 2017). In developing countries, it is severe since about 20% of total tax revenue has been estimated as tax evasion repeatedly the secretary-general of the OECD, once estimated that developing countries lose three times as much to tax evasion as they receive foreign aid. The Tax Justice Network, pointing out the data on tax evasion as murky at best, commented the real figure might be closer to ten times (Bearak, 2016). Similarly, in other developing countries like Bangladesh, this problem is even more severe as the loss of tax revenue is $500 million each year estimated by NBR. Moreover, the size of the shadow economy in Bangladesh is 38.1% of total GDP, whereas it is an average of 37.4% in other developing countries (Ahmed, 2016).

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A-Estimating the Tax Evasion

For The estimation of tax evasion we considered the actual revenue and estimated revenue of the Indian government and difference of this amount is considered as a tax evasion. The tax evasion is come under the most of the things like corruption, difficulty of Indian tax structure, higher rates of taxes and ineffective enforcement of law. The estimating tax evasion value is calculated from the following equation

Tax Evasion = Estimated Tax revenue – Actual revenue from tax

B-Effects of Tax Evasion

Tax evasion have negative effects to the society because it's reduce the amount of public services supplied by the government, apart from this its cause the economic inequality that is how some people are getting richer and others are getting poorer. Tax evasion has been creating the following serious impacts on the social and economic system of the country.

Tax evasion has been causing reductions in country economic growth: The economic growth of the country is totally dependent on the revenue of the government but if rate of tax evasion is more in our country than how we can grow with a less amount of fund.

The direct effect of tax evasion is the loss of revenue and increase in inflation: the amount of tax evasion is totally correlated with the inflation rate in India, if the rate of inflation is more in India than it's create an economic imbalance situation in India.

Impact on Morale: the morale of people is also affects from the tax evasion because not paying the right amount of tax in your actual income than definitely cheat you country and even you are seen yourself in front of the mirror.

Increase in corruption: the cause of corruption is also a tax evasion because if person create black money than surely it's not a role of single person although it's an involvement of whole group.

Increase in prices of land and houses: tax evasion as also factors of increase the prices of land and houses because tax evasion create the black money and black is only the factors to supply the excess cash in the society. Black money has resulted in transfer of funds from India to foreign countries through clandestine channels which decrease country reputation globally, Farrar, J., Massey 2018

C-Measurement of Tax Evasion

Tax evasion is the serious problem of our country because its affect the economic growth, for the reduction of this problem there is some attention is require from the government side and for reduction of this problem, we point out the some valuable suggestion to the government that definitely minimize the tax evasion rate.

Tax rate should be minimized.

Tax administration structure should be organized.

Increased awareness among the taxpayers.

Corruption free officials and taxpayers.

There should be high rate of penalties for non compliance.

Sense of responsibility among the taxpayers

D-Tax Reform

Tax reform refers to the process of making changes to an existing tax system or implementing new tax policies with the aim of achieving various economic, social, and fiscal objectives. These reforms can occur at the local, regional, or national level and typically involve adjustments to tax laws, rates, structures, and administrative procedures ,Bitzenis, A., & Vlachos, V. (2018).. Tax reform can be driven by a variety of factors, including changes in economic conditions, shifts in political priorities, and the need to address issues such as revenue generation, equity, and efficiency. Key components and objectives of tax reform may include:

Simplification: Simplifying tax codes and administrative processes to make it easier for individuals and businesses to understand and comply with tax laws.

Broadening the Tax Base: Expanding the range of activities, income sources, or transactions subject to taxation to increase revenue collection.

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Tax Rate Changes: Adjusting tax rates, both for individuals and businesses, to either stimulate economic growth (by lowering rates) or increase government revenue (by raising rates).

Progressivity: Ensuring that the tax system is progressive, meaning that higher-income individuals or entities pay a larger share of their income in taxes.

Reduction of Tax Evasion and Avoidance: Implementing measures to reduce tax evasion and avoidance, such as stricter enforcement, improved compliance measures, and closing tax loopholes.

International Taxation: Reforming international tax policies to address issues like profit shifting by multinational corporations and ensuring fair taxation in a globalized economy.

Incentives and Deductions: Reviewing and modifying tax incentives, deductions, and credits to encourage specific behaviors (e.g., investment, energy conservation) or to eliminate inefficient tax expenditures.

Environmental Taxes: Introducing or revising taxes related to environmental concerns, such as carbon taxes or taxes on pollution.

Consumption Taxes: Shifting from income-based taxes to consumption-based taxes, like value-added taxes (VAT) or sales taxes.

Social and Economic Goals: Using the tax system to achieve social objectives, such as reducing income inequality, promoting affordable housing, or encouraging charitable giving.

Tax reform is often a complex and politically sensitive process, as it can have a significant impact on various stakeholders, including individuals, businesses, and the government itself. The success of tax reform initiatives depends on careful planning, analysis, and consideration of the intended and unintended consequences of policy changes. Additionally, public opinion, legislative support, and economic conditions play a crucial role in the implementation of tax reforms. Bosch, N., & de Boer, H.-W. (2019).

II RELATED WORK

Neba Bhalla (2022) Taxes are imperative for the economy and businesses for better growth and development. Understanding the taxes and having the right approach towards them can make a vast difference between the success and failure of businesses. Therefore, the present paper aims to examine the impact of tax knowledge on business performance. The study is based on the primary survey of 450 registered Indian MSMEs. The empirical findings from the Partial Least Square Structure Equation Modeling highlight that tax knowledge enhanced operational efficiency and prevented firms from tax fraud. In addition, the technological advancement in the tax system and its knowledge led to proper tax administration and governance by firms which enhanced their productivity. The results may prove beneficial for policymakers, governments, and businesses because in-depth tax knowledge would lead to timely tax compliance and reduced tax evasion, avoidance, and scams.

Basil Dalamagas (2019) this paper attempts to extend the theoretical and empirical methodology employed in previous literature, by proposing a utility maximization process to estimate the optimal tax revenue from a sample of 30 countries. It is shown that an optimal tax system is defined solely by two crucial determining factors: The productive capacity of the country (GDP) and consumers 'preferences (consumption spending). All the other variables can be disregarded, as macroeconomic determinants (GDP, consumption) tend to capture the impact of all the remaining factors on tax revenue. It is also shown that our utility maximization method generates tax-effort indices which do not differ significantly from those of IMF and World Bank studies. The actual tax burden for most of the sample countries is shown to be below its optimal level. As expected, the tax-effort performance of each of the sample countries appears to be affected by the variety of approaches employed throughout the text.

Zhila Abshari (2021) Value added tax (VAT) has proven to be the most stable and revenue productive of a components of the tax system. However, for such a tax system to be policy sustainable over time, taxpayers must consider it fair, and it must be viewed by the National Treasury to be productive inters of raising substantial revenue and administratively feasible by the VAT-implementing agency. The VAT system in Belize has been a highly productive component of the revenue system, and it was designed to be progressive, but in arriving at this position, over 40% of the personnel of VAT tax administration are engaged in processing tax refunds to promote

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progressivity and to fight against the fraud that such a refund system incubates. This is an unsustainable position for any tax system tore main intact over time. This paper evaluates the attempt by the government of Belize to introduce progressivity into their single-rate VAT through zero rating and exemption from taxation of many goods and services that are major expenditure items of poor households.

KaiWang (2018) this paper investigates the influence of effective tax payment on the CEO promotion in local State Owned Enterprise (SOE) in China. Based on the analysis of listed local SOEs in China from2004 to 2010, this paper tests the relationship between CEO promotion and tax payment. In addition, the moderating effect of pyramid layer is tested. This paper finds that there is a significant positive relationship between Effective Tax Rate (ETR) and CEO promotion, which suggests that CEOs may be aggressive in tax payment to please the local governments, who ultimately own the local SOEs. The current paper also finds that the relationship between ETR and CEO promotion is weakened as pyramid layers increase. Our conclusions enrich the literature on CEO turnover and the role of pyramid structure. The conclusions are also helpful for the SOEs' reform in China and other developing countries. First, this paper is among the first to investigate the relationship between ET Rand CEO turnovers. Second, this paper highlights the function of pyramid structure in mitigating government intervention. Third, this paper also adds to the research on effective tax.

Sena Kimm Gnangnon(2023) The present analysis has examined the effect of the shadow economy on tax reform in developing countries. The first type of tax reform is the "structural tax reform" (STR) characterized by large episodes of tax revenue mobilization, identified by Akitoby et al. (2020) [Tax revenue mobilization episodes in developing countries, Policy Design and Practice 3: 1–29] using the narrative approach that allows obtaining the precise nature and exact timing of major tax actions in several areas of tax policy and revenue administration that truly led to increases in tax revenue. The second type of tax reform is referred to as "tax transition reform" (TTR) and reflects the reform of the tax revenue structure that involves the reduction of its dependence on international trade tax revenue at the benefit of domestic tax revenue. The analysis has used various estimators and shown that the shadow economy reduces the likelihood of STR (notably in low-income countries), including in several tax policy areas and in the revenue administration area. The shadow economy also undermines the TTR process in countries whose tax revenue structure is strongly dependent on international trade tax revenue. Finally, it fosters the TTR process in countries that enjoy greater trade openness.

III RESEARCH METHODOLOGY

This paper provides an analytical framework that adopts a systematic and scientific approach to address research problems. It begins by identifying research gaps within the existing literature, converting these gaps into well-defined research questions and hypotheses. The primary focus of the paper lies in shaping the research's objectives and guiding principles. The paper also outlines the research design, data collection methodologies, scale development, and sampling strategies, while also acknowledging certain limitations in the methodology employed. Tax reforms are an ongoing process in any economy, often influenced by global political and economic shifts. India, in particular, has witnessed substantial tax reforms over the past two decades. Alterations in tax policies and essential reforms within the tax system can significantly impact both the public and the government's revenue, either positively or negatively. Reforms in tax policies and administration can fundamentally reshape the tax landscape. Changes to the income tax system, in particular, have a direct impact on taxpayers. This study aims to investigate the consequences of these reforms by examining taxpayers' attitudes toward the income tax system. Additionally, it seeks to gain insights into the perspectives of tax authorities, shedding light on the implications of alterations in tax administration and the outcomes of reform initiatives. The present research endeavors to comprehensively explore the realm of income tax reforms in India and discern the viewpoints of both income tax assesses and authorities In essence, this paper lays the groundwork for a research study that delves into India's income tax reforms and the perceptions held by both taxpayers and tax authorities. By employing a scientific methodology and systematic approach, it aims to contribute valuable insights into the dynamic interplay between tax policy changes, taxpayer attitudes, and government revenue implications.

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Objectives of the Study

The objective of proposed study is to analyze the major tax reforms and its impact on the level of tax evasion in India. In this regard the following objectives have been framed:

To evaluate the taxation (Income Tax & GST) revenue of Govt. of India during post- demonetization era.

To explore the perception of taxpayers, tax professionals and government officials regarding tax reforms and its impact on tax evasion in India.

Hypotheses

H_0: There is no significant difference between the opinion of taxpayers, tax professionals and government officials regarding reasons of tax evasion in India.

H_1: There is significant difference between the opinion of taxpayers, tax professionals and government officials regarding reasons of tax evasion in India.

H_0: There is no significant difference between the opinion of taxpayers, tax professional and government officials regarding the impact of tax reforms on the tax evasion in India.

H_1: There is significant difference between the opinion of taxpayers, tax professional and government officials regarding the impact of tax reforms on the tax evasion in India.

Research Design

To accomplish the objectives of this study effectively, it is imperative to adopt a systematic and scientific research methodology for the presentation and evaluation of its findings. Throughout the course of this research, all phases of a typical research investigation, including the identification of the research problem and the selection of the research area, have been meticulously addressed. The study's research design has been comprehensively examined, with a focus on key aspects such as defining the sample frame, employing various data collection tools, and utilizing diverse methodologies for data analysis. It's worth noting that the present study combines elements of both a descriptive and exploratory research approach.
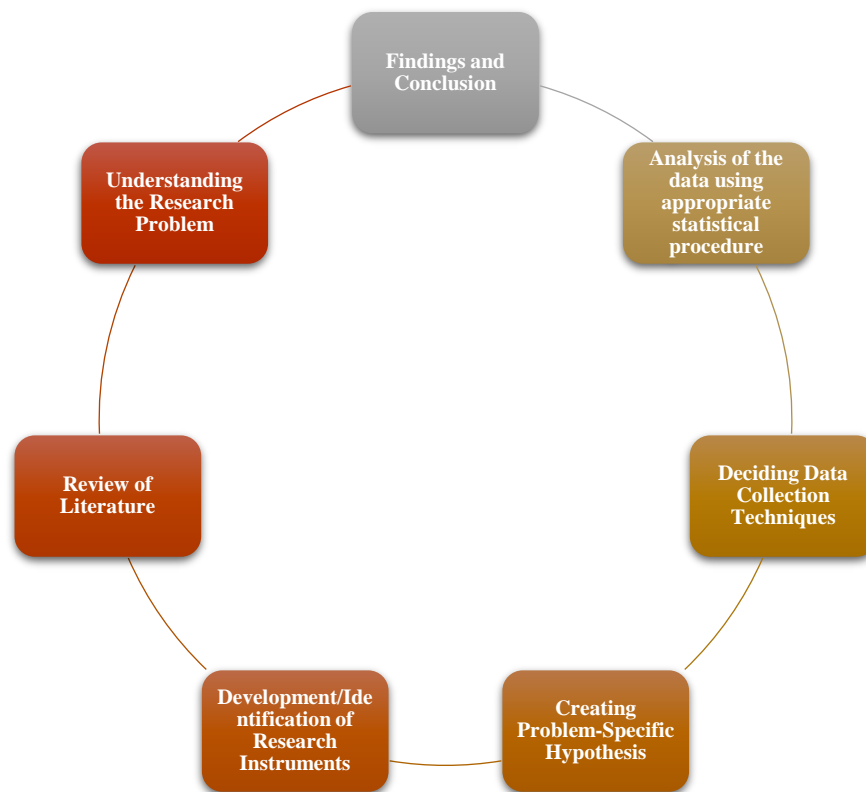

Fig .2 Approaches and Methodology

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Source of Data Collection

Primary data refers to information that is gathered or produced by the researcher specifically for the current research project. On the other hand, secondary data comprises information that was originally collected by individuals or entities other than the researcher for different purposes.

In this study, primary data is obtained through structured questionnaires and interviews conducted with women professionals. The primary data collection process involves soliciting responses directly from Chartered Accountants (CAs), tax professionals, and taxpayers in India. In contrast, secondary data is acquired from various sources such as journals, newspaper articles, books, magazines, conferences, websites, and online resources. In the case of secondary data research, the researcher relies on existing data that has been previously gathered for other research or informational objectives.

Populations

The study focuses on a specific group of individuals and entities in India, which includes Chartered Accountants (CAs), Tax Professionals, and Taxpayers. In research terminology, the term "research population" denotes a clearly defined set of individuals or entities who exhibit similar characteristics. Typically, every member or entity within this defined group shares a common, overarching quality or attribute.

Sample size

A sample size of 1000 individuals comprising Chartered Accountants (CAs), tax professionals, and taxpayers has been chosen for this study. The selection of this optimal sample size was determined using the Cochran formula, considering the study's focus on a large population.
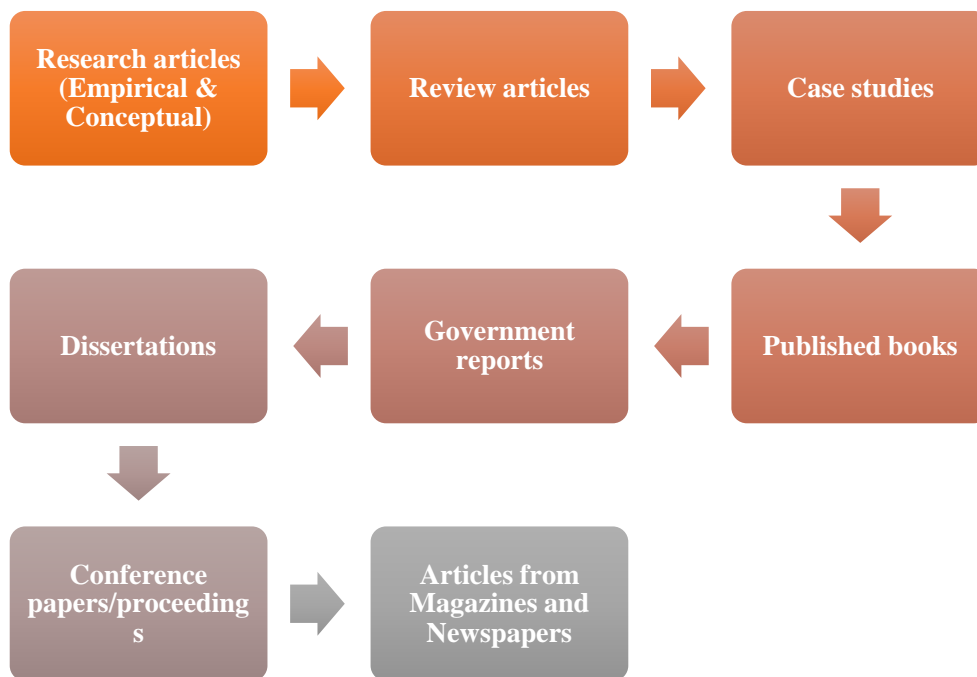

Fig 3. Source of Secondary data

IV DATA PRESENTATION AND TOOLS FOR ANALYSIS

Analysis of Variance, more often known as ANOVA, is a method of statistical analysis that is used to investigate the importance of the factors (also known as independent variables) in a multi-factor model. The two-sample t-test can be thought of as a special case of the one-factor model, which can be thought of as a generalization. In other words, the two-sample t-test and regression are tests that examine the hypothesis that the means of two populations are

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equivalent to one another. The premise that all population means are the same is put to the test via the one-factor ANOVA. Analysis of Variance, commonly referred to as ANOVA, is a statistical analysis method employed to assess the significance of factors, often referred to as independent variables, within a multifactor model. It can be understood that the two-sample t-test represents a specific scenario within the broader context of a one-factor model, making it a specialized case. In simpler terms, both the two-sample t-test and regression analyses are techniques used to evaluate the hypothesis that the means of two populations are equal to each other.

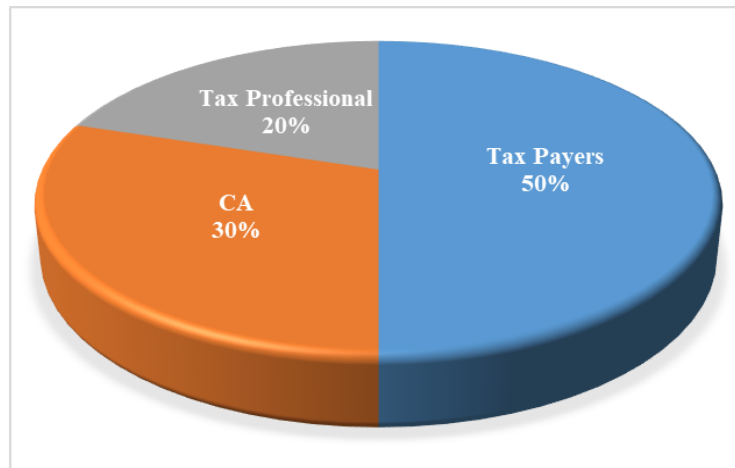**Analysis of demographic information**

Fig: 4 Category of the Respondent

The survey gathered responses from a total of 1,000 individuals. Within this sample, 50% of the participants identified themselves as Tax Payers, indicating that half of the respondents were individuals who have tax obligations. Furthermore, 30% of the survey participants were Chartered Accountants (CAs), underscoring a substantial presence of financial professionals in the study. The remaining 20% of the respondents consisted of Tax Professionals, encompassing tax experts and consultants.
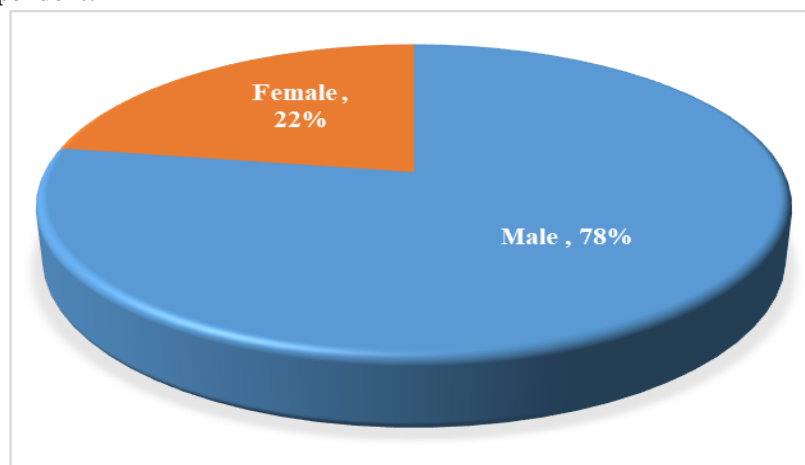
Gender of the Respondent:

Fig: 5 Gender of the Respondent

Male and Female. Among the total of 1000 respondents, 78% (776 individuals) identify as Male, while 22% (224 individuals) identify as Female.

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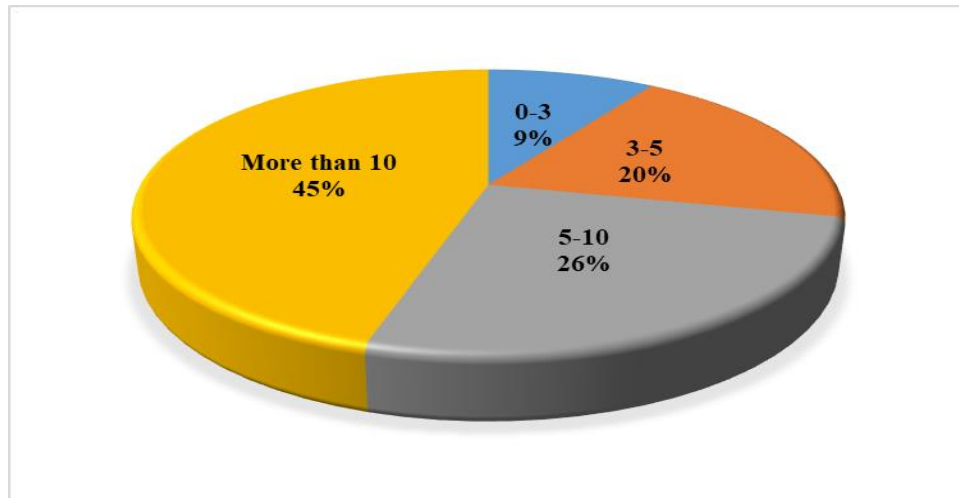**No. of Returns filled till date of the Respondent**

Fig: 6 No. of Returns filled till date of the Respondent

The number of tax returns they have filed to date. Within the total respondents, 9% (92 individuals) have filed "0-3" returns, indicating a relatively recent involvement in the tax filing process. The "3-5" returns category comprises 19% (194 individuals), suggesting a moderate level of experience. A significant proportion of respondents, 26% (261 individuals), have filed "5-10" returns, reflecting a greater familiarity with tax filing. Notably, the largest group, 45% (453 individuals).

Hypotheses to be tested: in order to attain the objectives' set forth for the study the following hypotheses have been formulated:

H_0: There is no significant difference between the opinion of taxpayers, tax professionals and government officials regarding reasons of tax evasion in India.

H_1: There is significant difference between the opinion of taxpayers, tax professionals and government officials regarding reasons of tax evasion in India.

Table 1: The opinion of taxpayers, tax professionals and government officials regarding reasons of tax evasion in India

Source of Variation	_SS_	_df_	_MS_	_F_	_P-value_	_F crit_
Between Groups	0.00	1	0.00	0.00	0.95	3.85
Within Groups	270.43	998	0.27			
Total	270.43	999				

The hypothesis (H0) states that there is no significant difference between the opinions of taxpayers, tax professionals, and government officials regarding the reasons for tax evasion in India. The alternative hypothesis (H1) suggests that there is a significant difference in these

opinions among the three groups. This analysis involves an analysis of variance (ANOVA) to compare the sources of variation between groups. The source of variation "Between Groups" has a sum of squares (SS) of 0.00, with 1 degree of freedom (df), resulting in a mean square (MS) of 0.00. The calculated F-statistic is 0.00, and the corresponding p-value is 0.95.

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The source of variation "Within Groups" has an SS of 270.43, with 998 degrees of freedom, leading to an MS of 0.27. The total SS across all sources of variation is 270.43, with a total of 999 degrees of freedom. The calculated F-statistic value (0.00) is less than the critical F-value (3.85), and the associated p-value (0.95) is much higher than commonly used significance levels (such as 0.05). Therefore, based on this analysis, there is no significant difference observed between the opinions of taxpayers, tax professionals, and government officials regarding the reasons for tax evasion in India.

H_0: There is no significant difference between the opinion of taxpayers, tax professional and government officials regarding the impact of tax reforms on the tax evasion in India.
H_1: There is significant difference between the opinion of taxpayers, tax professional and government officials regarding the impact of tax reforms on the tax evasion in India.

Table 2: The opinion of taxpayers, tax professional and government officials regarding the impact of tax reforms on the tax evasion in India

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	0.00	1	0.001	0.003	0.954	3.851
Within Groups	160.80	998	0.161			
Total	160.80	999				

The source of variation "Between Groups" has a sum of squares (SS) of 0.00, with 1 degree of freedom (df), resulting in a mean square (MS) of 0.001. The calculated F-statistic is 0.003, and the corresponding p-value is 0.954. The source of variation "Within Groups" has an SS of 160.80, with 998 degrees of freedom, leading to an MS of 0.161. The total SS across all sources of variation is 160.80, with a total of 999 degrees of freedom. The calculated F-statistic value (0.003) is much lower than the critical F-value (3.851), and the associated p-value (0.954) is substantially higher than commonly used significance levels (such as 0.05). Therefore, based on this analysis, there is no significant difference observed among the opinions of taxpayers, tax professionals, and government officials regarding the impact of tax reforms on tax evasion in India.

V FINDINGS, SUGGESTIONS AND CONCLUSION

The study aims to examine Assessment of Indian Tax Reforms on the Tax Evasion, Study the growth of Income Tax Revenue, Evaluate the Performance of Income Tax Administration. Further, the study attempted to study the Assessment of Indian Tax Reforms on the Tax Evasion. The present chapter encompasses the summary of findings, suggestion and conclusions. The findings according to each objective of the study have been presented in this chapter.

Inferential Statistics Findings

Taxation Revenues of Govt. of India: Taxation revenues of the Government of India have not shown any significant difference during the post-demonetization period.

Intercept: The intercept value is 3.520, which represents the estimated taxation revenue when the predictor variable (major tax reforms) is zero. Major tax Reforms Coefficient: The coefficient for the predictor variable "Major tax Reforms" is -0.014. This coefficient indicates the change in the dependent variable (taxation revenues) for a one-unit change in the predictor variable while holding other variables constant. P-value: The p-value associated with the coefficient of "Major tax Reforms" is 0.783, which is considerably higher than the common significance level (e.g., 0.05). Therefore, there is insufficient evidence to reject the null hypothesis. It suggests that major tax reforms do not have a significant impact on taxation revenues during the post-demonetization period.

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WHEN cash is deposited in the Banks, the anonymity about the owner of the cash disappears. The deposited cash is now identified with its owner giving rise to an inquiry, whether the amount deposited is in consonance with the depositor's income. Accordingly, post demonetization about 1.8 million depositors have been identified for this enquiry. Many of them are being fastened with Tax and Penalties. Mere deposit of cash in a bank does not lead to a presumption that it is Tax paid Money.

In 2022-23, out of 7.4 crore persons who filed ITR, 5.16 crore had claimed zero tax liability. In other words, The total number of ITRs for AY 2023-24 filed till 31st July, 2023 are more than 6.77 crore, which is 16.1% more than the total ITRs for AY 2022-23 (5.83 crore) filed till 31st July 2022 only about 2.24 crore people paid income tax in 2022-23 whereas in 2019-20, 3.58 crore people paid income tax.

Taxpayer Compliance and Simplification: Taxpayers generally view tax reforms positively when they simplify tax structures, reduce complexities, and provide clearer guidelines. Such reforms encourage voluntary compliance, as taxpayers find it easier to understand and fulfill their tax obligations.

Perceived Fairness and Equity: Taxpayers appreciate reforms that distribute the tax burden fairly and equitably. Reforms that target tax evasion and ensure that everyone pays their fair share are often perceived as just and likely to discourage evasion.

5.4 Recommendations based on the findings of the study and their implications:

Increased Awareness Campaigns: The government should conduct more extensive awareness campaigns regarding recent tax reforms and changes in the tax laws. This will help taxpayers, tax professionals, and government officials stay informed and updated.

Educational Programs: To bridge the knowledge gap, educational programs and workshops on tax reforms and new assessment schemes should be conducted for both taxpayers and tax professionals. This will empower them to better understand and navigate the taxation landscape.

Reducing Corruption Risks: While the study suggests a reduction in corruption, further measures should be implemented to minimize any remaining scope for corruption within the assessment process.

Suggestions

The study's findings regarding tax reforms and their impact on tax evasion. These suggestions are aimed at policymakers, tax professionals, and other relevant stakeholders to enhance tax compliance and minimize evasion:

Clear Communication: Develop clear and concise communication materials that explain tax reforms, their objectives,

Promote Digital Literacy: Promote digital literacy among all segments of the population to ensure that taxpayers can use online platforms confidently and accurately

Public-Private Partnerships: Collaborate with private sector entities to improve tax compliance through joint initiatives, leveraging their expertise in technology and communication.

Focus on Prevention: Develop strategies that focus on preventing tax evasion rather than solely relying on punitive measures. A proactive approach can deter non-compliance.

The study delves into the dynamic landscape of tax reforms and their intricate relationship with tax evasion in India. The findings shed light on the multifaceted perceptions of taxpayers, tax professionals, and government officials, elucidating the challenges and opportunities within the realm of taxation. By unveiling insights into the impact of reforms, reasons for evasion, and effectiveness of assessment schemes, the study underscores the need for tailored strategies, transparent communication, and collaborative efforts to foster tax compliance, mitigate evasion, and contribute to a more equitable and efficient tax ecosystem in the post-demonetization era.

The study strongly recommends to compulsorily include various persons and enterprises including trusts; synchronize PAN, Aadhar Card, mobile number, and bank account numbers; encourage Cash-less transactions; measures to improve tax payer services, and also some useful structural reform measures have been suggested. The study suggested to adopt, at the earliest, etaxation with double entry system based on Aadhar / PAN / Unique ID as a virtual tool with the support of a Unique software to monitor all monitory transactions of assessees. This would not

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only enable effective tax administration and widen the tax base, but also reduces tax evasion. The study also suggested to establish and maintain a unique Account to manage and adjust refunds.

Limitations of the Study

The present study encompasses the policy perspectives in general and not specific to one particular segment which would have otherwise been more focused research.

The study's cross-sectional design limits its ability to establish causality or capture temporal trends accurately.

The survey questions might not encompass all possible factors affecting tax evasion, possibly omitting crucial variables.

The sample may not be fully representative of the entire population, potentially leading to biased results.

Respondents' answers might be influenced by social desirability bias, affecting the accuracy of their responses.

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