"A Study on Awareness Level of Income Tax Return E-Filing and Tax Saving Pattern of Salaried Employees in Higher Educational Institutions (With Reference to Gorakhpur City)"

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ABSTRACT

Income Tax is one of the main sources of revenue generation for the Government. It is progressive in nature, increased accordingly by an increase in the level of Assesses income. Every Assessee whose total income during the previous year exceeds the specified or basic exemption limit, should file their Income Tax Return through online, the process is called E-filing. In this Technology driven era, E-filing is more popular because of its advantage of less time-consuming, cost reducing, easier and friendly access. Tax saving is the amount of tax saved by the adoption of various available and possible deduction, exemption, rebate and reliefs in such a way so that the maximum advantage of these benefits are fully utilized as provided by the Income Tax Act, 1961, which can be termed as Tax Planning. It is not a one day task; it can only be done by the proper tax planning throughout the previous year in which income is earned or for which assessment is to be made.

The main problem which emphasizes to do a research was less awareness and dependency for e-filing of Income Tax Return and various techniques adopted to save tax. Descriptive design was adopted for this study and primary data was collected with the help questionnaire. These collected data was then analyzed and tabularized by using MS Excel, graphs and other respective tools. This study communicate that salaried employees situated in Gorakhpur City of Uttar Pradesh are highly dependent on professionals for e-filing and tax saving, however they are aware about its easiness, safety and security but apart from that they seek the help of the tax consultants for e-filing and tax saving.

Key words – Assessee, Awareness Level, E-filing, Income Tax, Tax Saving

INTRODUCTION

Income is categorized in five heads as defined by the Income Tax Act, 1961; these are Income from Salary, Income from House Property, Income from Profit and Gains from Business and Profession, Income from Capital Gain and Income from Other Sources. It is progressive in nature, increased accordingly by an increase in the level of Assesses income. Every Assessee whose total income during the previous year exceeds the specified or basic exemption limit, should file their Income Tax Return through online, the process is called E-filing. Every Assessee for the purpose of e-filing may take the help of professionals like-Chartered Accountant or Tax Consultant or Lawyers or they can file the return by themselves using the website www.incometaxindiaefiling.gov.in and the other relevant website.

Nowadays, E-filing is adopted because of its advantage of less time-consuming, cost reducing, easier and friendly access. Still, there is less awareness about the Income Tax Return e-filing and assessees are dependent upon the professionals for the e-filing of ITR. It is not a one day task; it can only be done by the proper tax planning throughout the previous year in which income is earned or for which assessment is to be made. Salaried Employees have two method for tax planning; Restructuring of Salary that is structuring of salary in a tax-friendly manner so that one can get the benefit of exempt allowances or partially-exempt allowances and Investment in various Tax Saving Scheme which means the investment in the PPF, NSC, LIC, ELSS and other schemes which would help in taking the benefit of Deductions available in Chapter VI of Income Tax Act, 1961.

LITERATURE REVIEW-

(Hemalatha and S, 2018) in their paper "A Study on Savings and Investment Pattern of Salaried Women in Coimbatore District" states that different women have different style of investing based on their ability to take risk and expectation of return like., high risky, moderate risky and low risky which requires adequate knowledge and skill about that particular investment.

(L. Charkha and R. Lanjekar, 2018) in his paper "A Study of Saving and Investment Pattern of Salaried Class People with Special Reference to Pune City (India)" concluded that investors are very conscious about all the alternatives of investment that are purchasable in the

Pune City but inspite of it people have their preference of investing their money in banks and real estate which involves high investment without any fixed return.

(Anees and Kumar, 2017) in his paper "Perception of Tax-payer towards E-file Adoption" reveals that most of the assessees are not aware about e-filing or e-payment method and others are less satisfied. The awareness initiative by the government must be expand from National to local newspaper and by broadcasting too.

(Arora, 2016) in her paper 'E-filing of Income Tax Return in India-An Overview' states that the era which is based on technology grows very fast and has its effect on Income Tax Department. E-filing scheme act as a present to the taxpayers, which not only saves time and cost but also ensures easy to access and paperless.

OBJECTIVES OF THE STUDY-

1) To study the Awareness level of E-filing of Income Tax Return.
2) To study and identify the different Tax-Saving Pattern of Salaried Employees in Higher Educational Institutions.

RESEARCH METHODOLOGY-

For the purpose of the study, the type of research design adopted is Descriptive Design.

Sources of Data Collection- The source of data collection is both Primary and Secondary. For the collection of primary data, Questionnaire is used which is a primary data collection tool which comprises of a set of questions that aims to collect information from the respective respondents. Likewise for secondary data there is the use of various websites, books etc.

Area of Sampling- The area of Sampling was the locality of Gorakhpur for which the sample size was 120.

Sampling Technique- The sampling technique adopted is Non-Probability Sampling (Purposive Sampling).

The main goal is to focus on particular characteristics of a population that area of interest, which will best enable the answer of the research questions. The sampling unit was the respondents of the questionnaire.

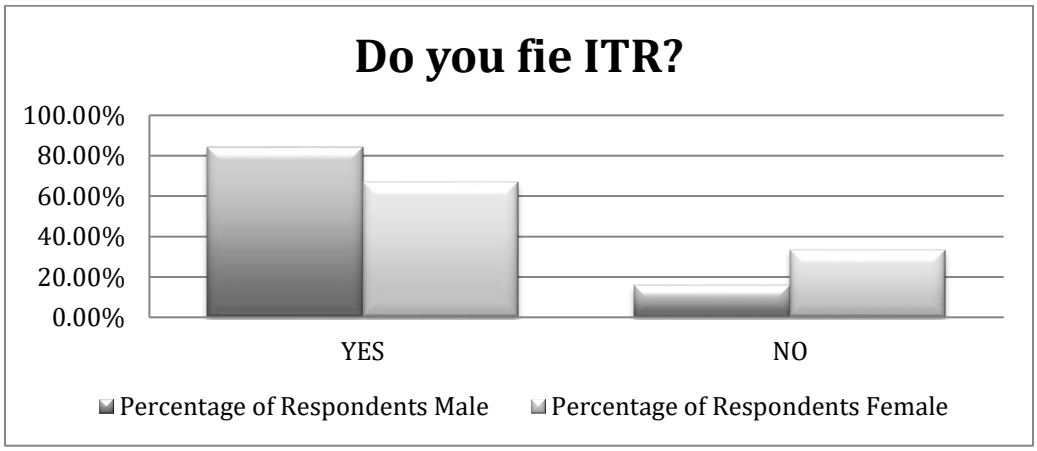
Tools and Techniques- The data analysis procedure was done by the various tools of the MS-Excel which are table, percentage, diagrams, Graphs or Pie-charts.

DATA ANALYSIS AND INTERPRETATIONS-

The size of the sample was 120 out of which only 100 respond which depicts the following:-

QUES.1 Do you file ITR?	No. of Respondents		Percentage of Respondents	
	Male	Female	Male	Female
YES	69	12	84.15%	66.66%
NO	13	6	15.85%	33.33%
Total	82	18	100%	100%

Table No:- I Source:-Questionnaire(Primary Data)



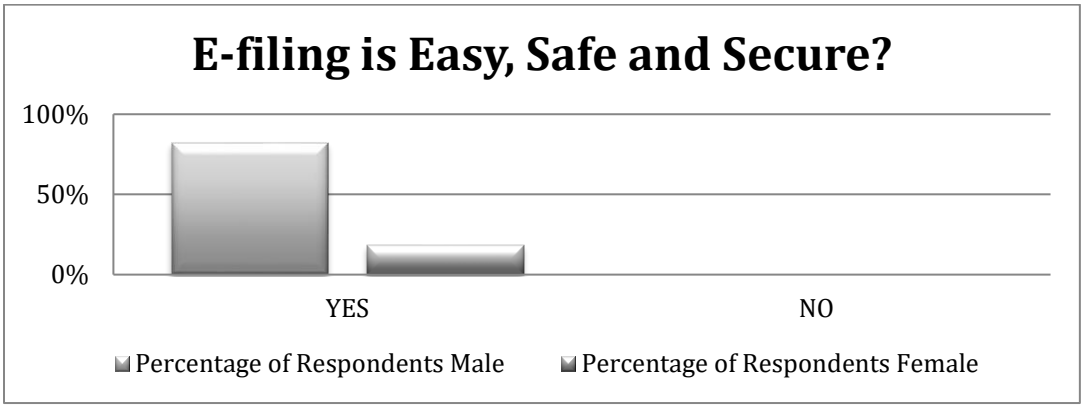
Graph no. 1 Source:- Questionnaire(Primary Data)

Interpretation-

Considering the data the majority of the respondents file ITR. It has been seen by the above table no. 1 that about 81 respondents both male and female are filing ITR.

QUES.2 Do you think e-filing is easy, safe and secure?	No. of Respondents		Percentage of Respondents	
	Male	Female	Male	Female
YES	82	18	82%	18%
NO	0	0	0%	0%
Total	82	18	100%	100%

Table No:- II Source:- Questionnaire(Primary Data)



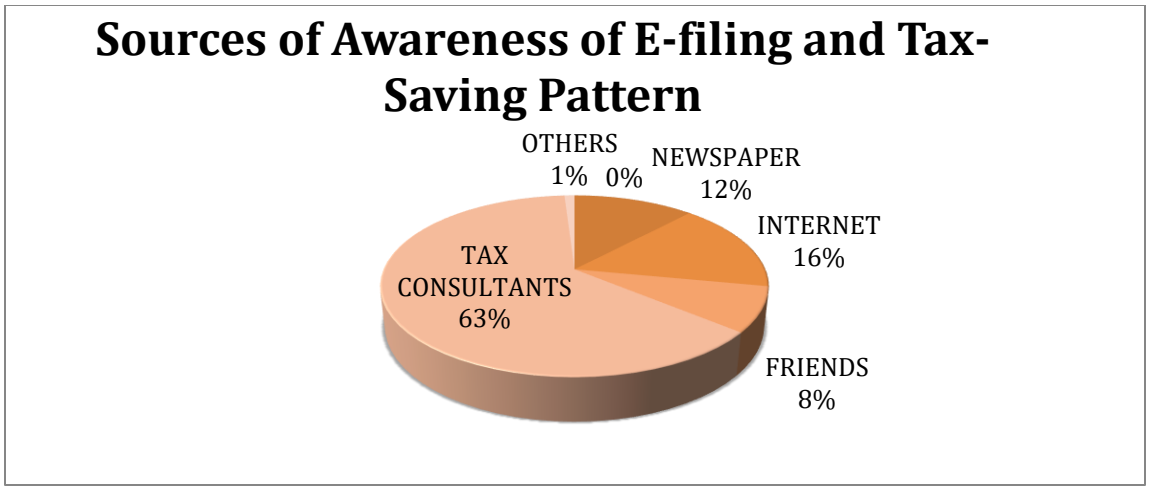
Graph no. 2 Source:- Questionnaire(Primary Data)

Interpretation-

According to the collected data all the respondents whether they are male or female thinks e-filing is easy, safe and secure. They are well aware about its advantages.

QUES.3 What are Sources of Awareness of E-filing and Tax-Saving Pattern?	No. of Respondents		Percentage of Respondents		On an
	Male	Female	Male	Female	Average
NEWSPAPER	7	5	8.53%	27.77%	18.16%
INTERNET	9	7	10.97%	38.88%	24.92%
FRIENDS	5	3	6.10%	16.66%	11.39%
TAX CONSULTANTS	61	2	74.39%	11.11%	42.75%
OTHERS	0	1	0%	5.55%	2.78%
TOTAL	82	18	100%	100%	100%

Table No:- III Source:- Questionnaire(Primary Data)



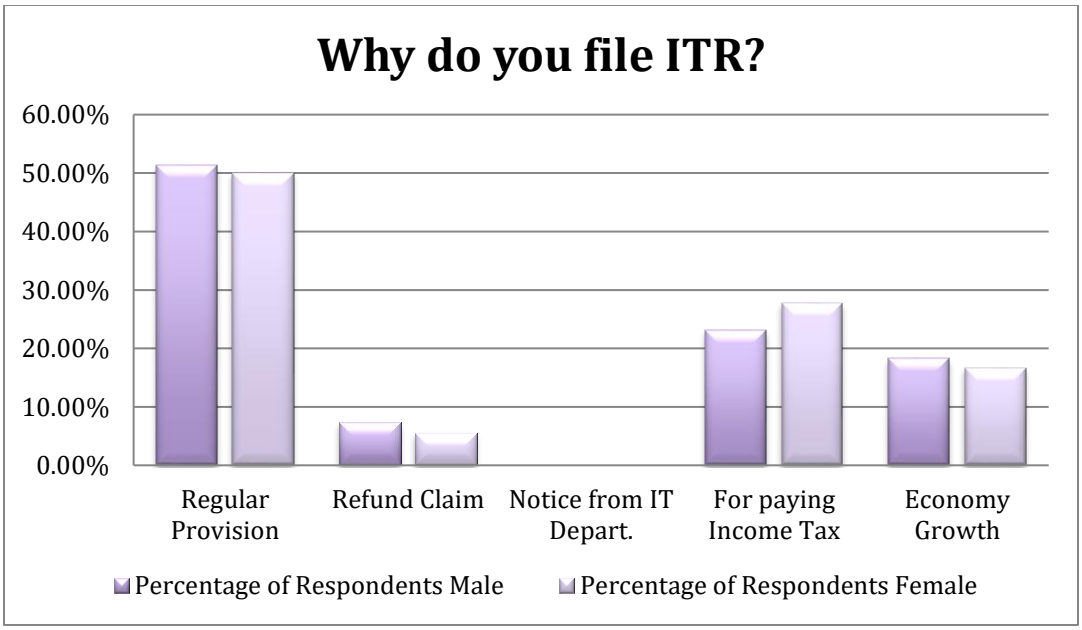
Graph no. 3 Source:- Questionnaire(Primary Data)

Interpretation-

From analyzing the above data it concluded that on an average 42.75% of respondent (61 male and 2 female) are depend on Tax Consultants for awareness about e-filing and tax-saving. Furthermore the next preference was given to Internet i.e.24.92% of respondent (9 male and 7 female), then newspaper (i.e.18.16%) and friends (11.39%).

QUES.4 Why do you file ITR?	No. of Respondents		Percentage of Respondents	
	Male	Female	Male	Female
Regular Provision	42	9	51.22%	50%
Refund Claim	6	1	7.32%	5.56%
Notice from IT Depart.	0	0	0.00%	0%
For paying Income Tax	19	5	23.17%	27.78%
Economy Growth	15	3	18.29%	16.67%
TOTAL	82	18	100%	100%

Table No:- IV Source:- Questionnaire(Primary Data)



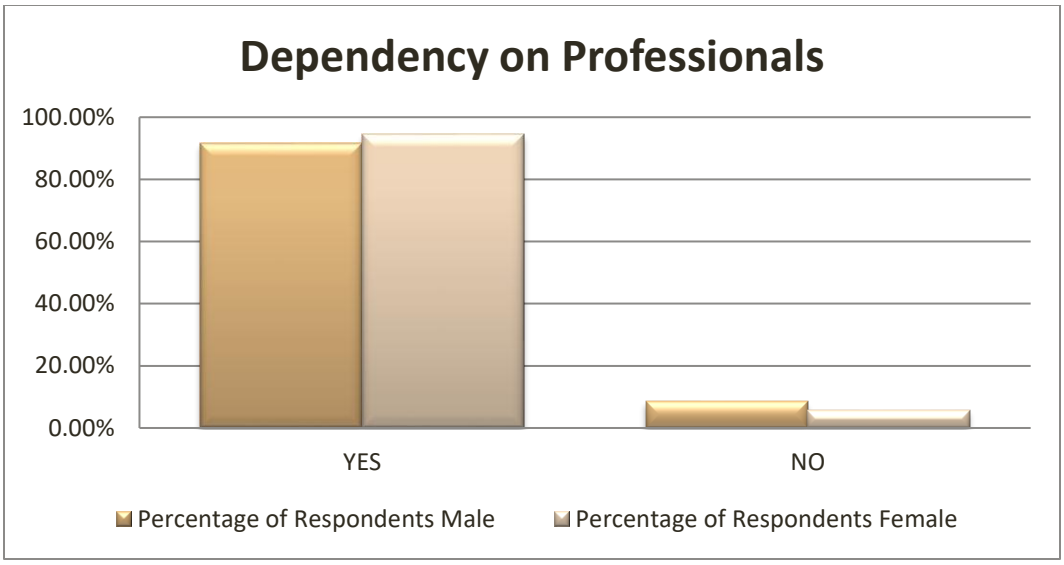
Graph no. 4 Source:- Questionnaire(Primary Data)

Interpretation-

In the light of the evidence the respondents file the ITR generally for complying the Regular Provision i.e. 51.22% of male and 50% of female. For Paying Income Tax 23.17% of male and 27.78% of female file the ITR. For the Growth of the Economy 18.29% of male and 16.67% of female file the ITR. The least preference was given to Claiming the Refund i.e.7.32% in male and 5.56% to female respondents. There were no respondent who file the ITR because of the Notice from the Income Tax Department.

QUES.5 Do you depend on professional for e-filing and tax-saving?	No. of Respondents		Percentage of Respondents	
	Male	Female	Male	Female
YES	75	17	91.46%	94.44%
NO	7	1	8.54%	5.56%
TOTAL	82	18	100%	100%

Table No:- V Source:- Questionnaire(Secondary Data)



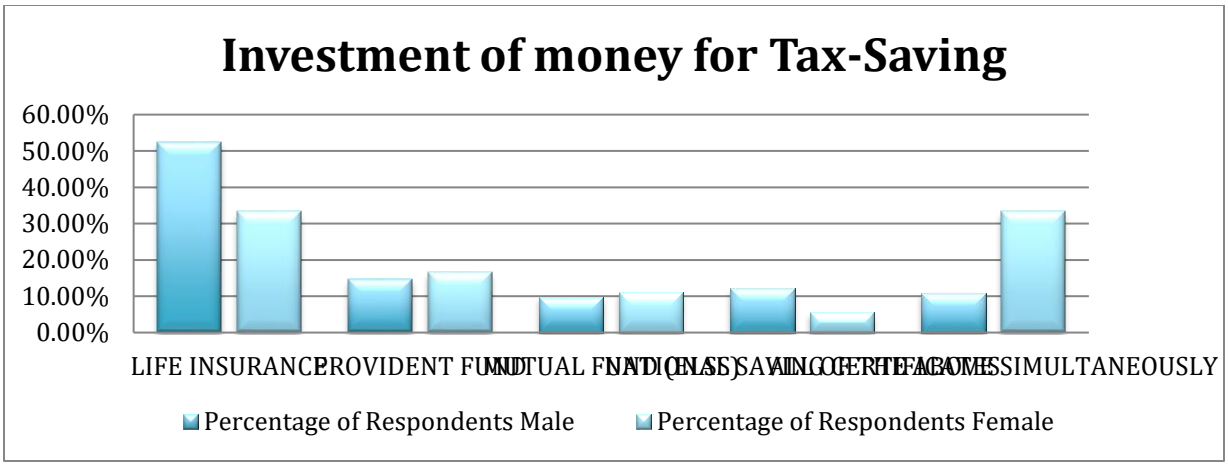
Graph no. 5 Source:- Questionnaire(Primary Data)

Interpretation-

From examining the above data both the respondents (male and female) are extremely dependent on professionals for E-filing and Tax-saving i.e.91.46% of male and 94.44% of female. However, female respondents' dependencies are less than male respondents by 2.98%.

QUES.6 Where do you invest money for Tax-saving?	No. of Respondents		Percentage of Respondents	
	Male	Female	Male	Female
LIFE INSURANCE	43	6	52.44%	33.33%
PROVIDENT FUND	12	3	14.63%	16.66%
MUTUAL FUND (ELSS)	8	2	9.76%	11.11%
NATIONAL SAVING CERTIFICATES	10	1	12.20%	5.55%
ALL OF THE ABOVE SIMULTANEOUSLY	9	6	10.97%	33.33%
TOTAL	82	18	100%	100%

Table No:- VI Source:- Questionnaire(Primary Data)



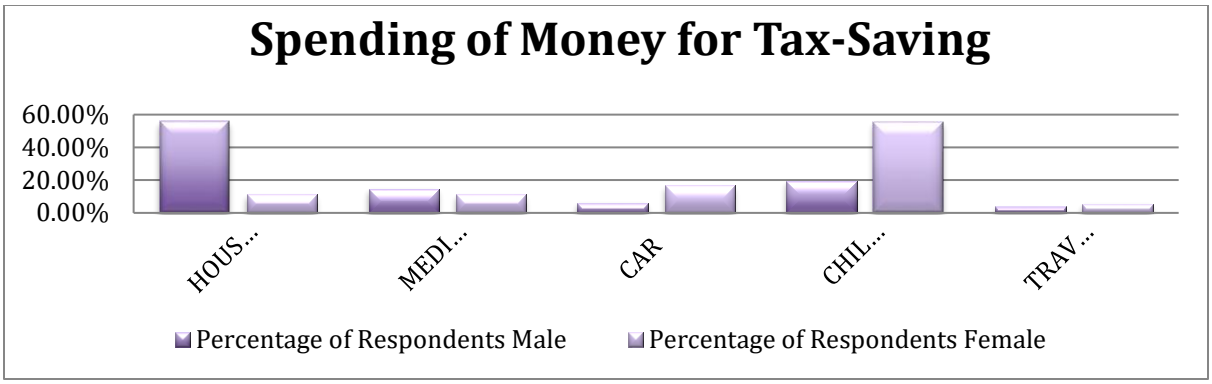
Graph no. 6 Source:- Questionnaire(Primary Data)

Interpretation-

According to the evidences the respondents spend money mostly on Life Insurance as an investment for saving the Tax i.e. 49 respondents out of which 43 are male and 6 are female. 15 respondents invested in PPF, 11 respondents invested in NSC, 10 respondents invested in MF and 15 respondents invested simultaneously in above schemes.

QUES.7 Where do you spend money for Tax-Saving?	No. of Respondents		Percentage of Respondents	
	Male	Female	Male	Female
HOUSE RENT	46	2	56.09%	11.11%
MEDICAL EXPENSES	12	2	14.63%	11.11%
CAR	5	3	6.10%	16.66%
CHILD EDUCATION	16	10	19.51%	55.56%
TRAVELLING REIMBURSEMENT	3	1	3.67%	5.56%
TOTAL	82	18	100%	100%

Table No:- VII Source:- Questionnaire(Primary Data)



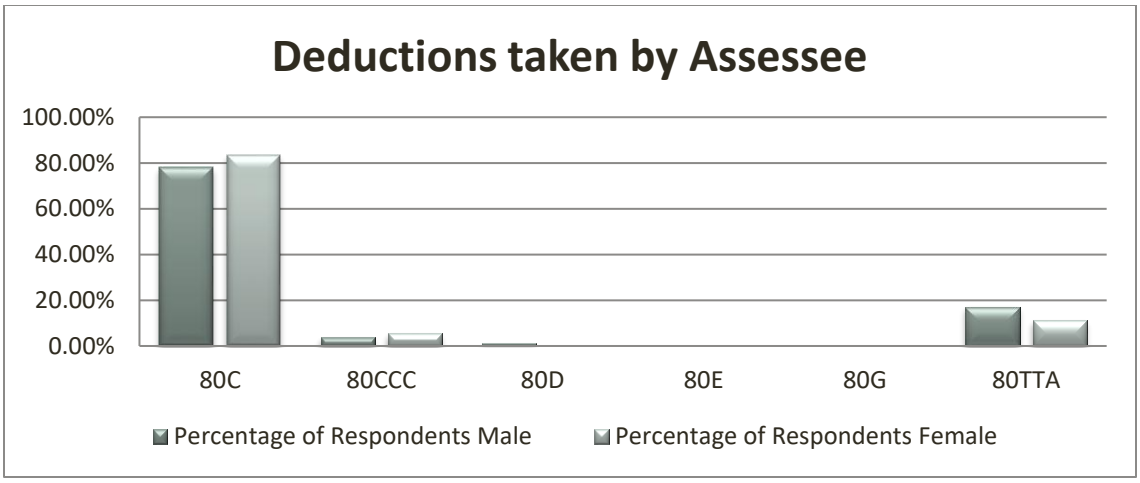
Graph no. 7 Source:- Questionnaire(Primary Data)

Interpretation-

According to the above table no. 7 male respondents spend their money more in house rent i.e. 56.09% as well as female respondent spend their money more in child education i.e. 55.56% to save tax.

QUES.8 What are the deductions taken by you under section 80?	No. of Respondents		Percentage of Respondents	
	Male	Female	Male	Female
80C	64	15	78.04%	83.33%
80CCC	3	1	3.67%	5.56%
80D	1	0	1.22%	0%
80E	0	0	0%	0%
80G	0	0	0%	0%
80TTA	14	2	17.07%	11.11%
TOTAL	82	18	100%	100%

Table No:- VIII Source:- Questionnaire(Primary Data)



Graph no. 8 Source:- Questionnaire(Primary Data)

Interpretation-

There were many deductions available in Income Tax Act but the deduction 80C was given highest preference both by male and female respondents i.e.78.04% and 83.33% respectively which means that respondents were aware about the various investment to be done to save tax for claiming 80C. The other common deduction taken by respondent is 80TTA i.e. 17.07% in male and 11.11% in female.

FINDINGS-

1) The research was done to know the awareness level of e-filing and Tax-Saving Pattern in which it was found that the respondent whether they file ITR or not are well aware about its easiness, safety and security, the findings also shows that the respondent adopt various sources for their awareness about e-filing and Tax Saving Pattern through newspaper, internet, friends and tax consultants but inspite of filing ITR on their own and adopting Tax-Saving Pattern they are highly dependent on professional like, Tax Consultants, Chartered Accountants, Lawyers etc. i.e. 91.46% of male and 94.44% of female.

2) It can be seen by the result (68.29% in male and 44.44% in female) that majority of the respondent prefers to invest in long-term investment and adopted traditional alternatives of Tax-Saving Instrument.

3) It can be seen from the above interpreted result that majority of the deductions taken by respondent are under 80C which means that they have knowledge about investment options available to claim the deduction. They are LIC, PPF, Tuition Fees etc.

4) According to the evidences the result also shows that on an average of about ₹10,000-₹30,000 amount of tax is saved by the respondents.

5) From examining the findings Tax-Saving Pattern of the respondents are based on investing their money on various eligible alternatives to claim benefits under 80C. Spending their money on house rent, child education, car loan, home loan etc for the deductions.

SUGGESTIONS-

1) Assessees should reduce the level of dependency on Tax Consultants by learning or gathering information about how to e-file an ITR and how to save tax through the various sources such as Internet, Newspaper, Friends and many more.

2) Assessees may take advantage of Income Tax Return preparation feature with instruction available on the website www.incometaxindiaefiling.gov.in which can be used as a draft and when all the income and deductions properly claimed then final submission can be done.

3) Along with the traditional alternatives of tax-saving instrument assesses may go for adoption of various new tax-saving schemes such as ELSS, 5 year notified Tax Saving Fixed Deposit, Sukanya Samridhi Yojana etc.

4) Government should analyze the awareness of tax-saving instrument and take necessary steps to provide knowledge about them.

5) As per the budget 20, it has 2 option available for the assessee either they go for old tax regime or with the new tax regime (Current Slab Rate) in which old tax regime has alternatives of tax-saving with several deductions and new regime with modified tax slab rate. So, the assessee need to first go to the portal and by using tax calculator they may analyze the difference in both tax regime and amount of tax saved by the assessee. The point to be kept in mind that once the new tax regime is adopted then it will be valid for the current year and subsequent years for the business and profession.

CONCLUSION-

In the current scenario E-filing is very well known to every assessee, but the main problem is dependency on professionals for filing of return and saving of tax because of low level of financial literacy. Considering the data it can be concluded that people are more aware nowadays by the use of internet, newspaper and journals but the dependency is still high.

The research analyze the level of awareness, level of preference and level of satisfaction towards tax-saving pattern. Investors characterized safety of funds as their first priority for choosing an investment for the pattern of tax saving.

Thus it can be said that by the use of internet, assessees may get the knowledge about what are the methods or alternatives available for tax-planning and thereafter how to e-file an Income Tax Return on individual basis by self-assessment of tax.

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