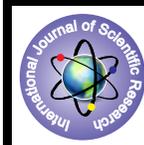


A Study on The Salaried Assessee's Awareness on Income tax Provisions With Reference to The Coimbatore City



Commerce

KEYWORDS : Assessee's, Awareness, Income Tax, Provisions.

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ABSTRACT

The researcher studied about the awareness of income tax provisions of salaried assessee's with special reference towards Coimbatore city. Here the researcher has collected data through primary method. The researcher used Quota sampling technique to collect the data. The researcher collected data from 500 respondents based on their occupational status. The researcher used tools like Percentage Analysis, ANOVA, t-test in the study. The awareness level on Income Tax Provisions varies among age group, educational qualification, occupational status, employment status, working experience and gross total income taken for the study

INTRODUCTION

The word "Tax" is derived from the Latin word "Taxo" which means to estimate, appreciate or value. Income tax is a tax on earnings. The role of income tax is very important in the national economy. The Government levies tax on the public and it forms a source of revenue to the Government. The amount collected in the form of tax is utilised for the benefit of the public. In the present day, the structure of income tax plays a vital role as a source of revenue and a measure of removal of economic disparity, balancing regional economic growth and so on. Our tax structure has two types of taxes – Direct Tax and Indirect Tax. The Direct Tax covers income tax, wealth tax and the Indirect Tax covers sales tax (VAT) and excise duties.

STATEMENT OF THE PROBLEM

It is compulsory for everyone to furnish Income Tax Returns on their income, whose total income exceeds the maximum amount which is not chargeable to Income Tax in any previous year ending on 31st March is liable to file the Income tax Returns. According to Income Tax Act, 1961, an assessee has to pay income tax on the basis of his income. Thus higher the income, higher will be the tax. Mostly the assessee's file their Income Tax Returns through auditors or tax advisors. Even though they file the returns with the help of auditors and tax advisors, they must be aware of Income Tax provisions, so that the researcher conducts the study to know their awareness level on Income Tax filing provisions.

SCOPE OF THE STUDY

In the study the assessee's awareness level on income tax provisions were studied. Here the assessee's taken for the study were individuals. Individuals include only the salaried employees. The occupational status on salaried employees taken for the study was

Corporate employees, Bank employees, Professionals, Assistant Professors, Teachers. The equal number of questionnaire was collected on the basis of occupational status of the salaried assessee's.

OBJECTIVES OF THE STUDY

- To find out the awareness level on Income Tax Provisions of the salaried assessee's.
- To offer suggestions to the assessee's to increase their awareness level on income tax provisions.

METHODOLOGY

To achieve the above objectives, primary and secondary data were required. Primary data was collected through Questionnaire and secondary data through referred books.

Period of Study

The study was conducted during 2012-2013 in Coimbatore city.

Sampling

The researcher studied about the assessee's awareness level on income tax provisions with special reference to salaried assessee's in Coimbatore city. Here the researcher has collected data through primary method. The researcher used Quota sampling technique to collect the data. The researcher collected data from 500 respondents based on their occupational status.

Statistical Tools

Tools like Percentage Analysis, ANOVA, t-test, were used.

HYPOTHESIS

Suitable null hypothesis was framed and applied wherever necessary

Table 1
ANOVA for awareness score on Income Tax Provisions among the variables of Personal Profile

Variable	Source	Sum of Squares	Degree of Freedom	Mean Square	F Ratio	Table Value	Sig.
Age	Between Groups	1318.543	4	329.636	9.022	3.357	**
	Within Groups	18086.407	495	36.538			
Educational Qualification	Between Groups	134.040	3	44.680	1.150	2.623	Ns
	Within Groups	19270.910	496	38.853			
Occupational Status	Between Groups	332.420	4	83.105	2.157	2.390	Ns
	Within Groups	19072.530	495	38.530			
Employment status	Between Groups	442.798	2	221.399	5.803	4.648	**
	Within Groups	18962.152	497	38.153			
Working Experience	Between Groups	1208.271	2	604.136	16.501	4.648	**
	Within Groups	18196.679	497	36.613			

No. Of Assesses in the family	Between Groups	67.803	3	22.601	.580	2.623	Ns
	Within Groups	19337.147	496	38.986			
Gross Total Income	Between Groups	909.007	3	303.002	8.126	3.821	**
	Within Groups	18495.943	496	37.290			
	Total	19404.950	499				

** - Significance at 1% level, Ns- Not Significant at 5% level

Age:

Hypothesis: The awareness scores on Income Tax Provisions do not differ significantly among the various Age groups.

One way ANOVA was applied to find whether the mean awareness scores on income tax provisions differ significantly among the age groups. The ANOVA result shows that the calculated F ratio value is 9.022 which is greater than the Table value of 3.357 at 1% level of significance. Since the calculated value is greater than the Table value, it is inferred that the awareness score on income tax provisions differ significantly among the age groups. Probably the increase in age makes the people gain more knowledge. Thus they are more practical than the youngsters. Thus awareness level varies with age. Hence, the Hypothesis is not accepted.

Educational Qualification:

Hypothesis: The awareness scores on Income Tax Provisions do not differ significantly among the level of Educational Qualification.

One way ANOVA was applied to find whether the mean awareness scores on Income Tax provisions differ significantly among the level of educational qualification. The ANOVA result shows that the calculated F ratio value is 1.150 which is less than the Table value of 2.623 at 5% level of significance. Since the calculated value is less than the Table value, it is concluded that the awareness score on income tax provisions do not differ significantly among the level of Educational Qualification. Hence, the Hypothesis is accepted.

Occupational Status:

Hypothesis: The awareness scores on Income Tax Provisions do not differ significantly among the Occupational status.

One way ANOVA was applied to find whether the mean awareness scores on income tax provisions differ significantly among the occupational status. The ANOVA result shows that the calculated F ratio value is 2.157 which is less than the Table value of 2.390 at 5% level of significance. Since the calculated value is less than the Table value, it is concluded that the awareness score on income tax provisions do not differ significantly among the occupational status. Hence, the Hypothesis is accepted.

Employment Status:

Hypothesis: The awareness scores on Income Tax Provisions do not differ significantly among the Employment status.

One way ANOVA was applied to find out whether the mean awareness scores on income tax provisions differ significantly among the employment status. The ANOVA result shows that the calculated F ratio value is 5.803 which is greater than the Table value of 4.648 at 1% level of significance. Since the calculated value is greater than the Table value, it is concluded that the awareness score on income tax provisions differ significantly among the employment status. The Government employees will get high tax exemption on tax provisions compared with private sector employees. Thus they are well aware on tax provisions to get tax exemption. So the awareness level varies with employment status. Hence, the Hypothesis is not accepted.

Working Experience:

Hypothesis: The awareness scores on Income Tax Provisions do not differ significantly among the Working experience.

One way ANOVA was applied to find whether the mean awareness scores on income tax provisions differ significantly among the number of years of service. The ANOVA result displays that the calculated F ratio value is 16.501 which is greater than the Table value of 4.648 at 1% level of significance. Since the calculated value is greater than the Table value, it is concluded that the awareness score on income tax provisions differ significantly among the year of experience. The experienced assessees had more knowledge on filing the returns and the provisions relating to the income tax, thus they are well aware on it. Thus awareness level on income tax provisions varies with working experience. Hence, the Hypothesis is not accepted.

No. of Assesseees in the Family:

Hypothesis: The awareness scores on Income Tax provisions do not differ significantly among the Number of assesseees in the family.

One way ANOVA was applied to find whether the mean awareness scores on income tax provisions differ significantly among the number of assesseees in the family. The ANOVA result displays that the calculated F ratio value is 0.580 which is less than the Table value of 2.623 at 5% level of significance. Since the calculated value is less than the Table value, it is concluded that the awareness score on income tax provisions do not differ significantly among the number of assesseees in the family. Hence, the Hypothesis is accepted.

Gross Total Income:

Hypothesis: The awareness scores on Income Tax provisions do not differ significantly among the Gross Total Income.

One way ANOVA was applied to predict whether the mean awareness scores on income tax provisions differ significantly among the gross total income. The ANOVA result displays that the calculated F ratio value is 8.126 which is greater than the Table value of 3.821 at 1% level of significance. Since the calculated value is greater than the Table value, it is concluded that the awareness score on income tax provisions differ significantly among the gross total income. Hence the Hypothesis is not accepted.

Table 2
t-test for awareness score on Income Tax Provisions among Genders

t value	Degree of freedom	Table value	Sig.
.389	498	1.965	Ns

Ns- Not Significant at 5% level

Hypothesis: The average awareness on Income Tax Provisions do not differ significantly between Male and female respondents.

The t-test was applied to find whether the mean awareness scores on income tax provisions differ significantly between Male and Female. The calculated value is 0.389 which is less than the Table value of 1.965 at 5% level of significance. Since

the calculated value is less than the Table value, it is inferred that the mean awareness scores on Income Tax provisions do not differ significantly between male and female. Hence, the hypothesis is accepted.

Findings:

The awareness on Income Tax provisions was compared among the personal profile and ANOVA test was applied to know their significance. ANOVA results indicates that the awareness score on income tax provisions differ significantly among age groups, employment status, working experience, gross total income.

Suggestion:

The awareness on income tax provisions and its aspects have to be increased among youngsters and female respondents, by giving more information on it in Television , Radio, Newspaper. It will help them to file the returns by themselves.

Conclusion:

The awareness level on Income Tax Provisions varies among age group, educational qualification, occupational status, employment status, working experience and gross total income taken for the study. The male and female respondents are equally aware on Income Tax Provisions. Finally the respondents with increase in age and experience had high awareness on income tax provisions. Thus the income tax department have to make more campaigns to increase their awareness level.

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