



**ORIGINAL RESEARCH PAPER**

**Commerce**

**PERCEPTION OF NEW DIRECT TAX CODE (DTC) ON SELECTED ASSESSEES FOR SAVE THE TAX**

**KEY WORDS:** Direct tax code, widening, considerably, sophistication.

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**ABSTRACT**

The Government seeks to provide a modern tax code in step with the needs of a fast growing economy and is aimed at widening the tax net and increasing Government revenues. The Income-tax Act, 1961, has been subjected to numerous amendments since its passage fifty years ago. It has been considerably revised, not less than thirty-four times, by amendment Acts besides the amendments carried out through the annual Finance Acts. These amendments were necessitated by policy changes due to the changing economic environment, increasing sophistication of commerce, increase in international transactions as a result of globalisation, development of information technology, attempts to minimize tax avoidance and in order to clarify the statute in relation to judicial decisions. Thus it is necessary to introduce New Direct Tax Code (DTC) to come out of such problems. The Direct Tax code in India is very much discussed and criticized now a day. Even though, the basic aim behind DTC is simple and helpful to the people, it is very much criticized because many provisions under this proposal may harm the investors and FIs. The Direct Tax Code will change in the whole taxation system of India. It will surely help in the growth of our economy because the tax rate has been reduced for person who earns up to ten lacs. This reduction in tax may motivate them to contribute their money in the development of the economy, like establishing business firms, education etc., which play major role in the growth of India.

**1. INTRODUCTION**

As a result of all amendments in the basic structure of the Income-tax Act 1961 has been overburdened and its language has become complicated. In particular, the numerous amendments have rendered the Act difficult to decipher by the average tax-payer. The Wealth-tax Act, 1957 has also witnessed amendments. The Government, therefore, decided to revise, consolidate and simplify the language and structure of the direct tax laws. A draft Direct Taxes Code (DTC) along with a Discussion Paper was released in August, 2009 for public comments. It proposed to replace the Income-tax Act, 1961 and the Wealth-tax Act, 1957 by a single Act, namely the Direct Taxes Code (DTC) The Direct Tax Code shall replace the five-decade old Income-tax act. The new tax code aims to make the system more efficient, understandable and easy for tax payers, with simplified rules and regulations. The New DTC has integrated all Direct Taxes as a single Act. The aim of the DTC is to simplify tax legislation minimize litigation, broaden tax base and eliminate tax exemptions in part to attract foreign business and investment.

**2. LITERATURE REVIEW**

**Muneer (2002)** studied the awareness of college and university department teachers on tax planning measures and the investment pattern followed by them for availing tax benefits under the Income Tax Act, there was variation in the extent of awareness among the respondents regarding certain tax planning measures.

**Das-Gupta (2004)** the study tried to incorporate these spillover in estimating revenue effects of increased support staff. The study concluded that significant compliance gains would accrue from expanded staff employment and changes in assessment procedures for staff and tax payers.

**Ankita Gupta (2009)** revealed that tax reforms have a favourable impact on the growth of personal income tax and the major factors responsible for the increase in revenue responsiveness are reduction in top marginal rate of personal income tax; reduction in the number of tax slabs; increasing compliance through wider coverage of tax payers and high GDP growth rate.

**3. OBJECTIVES OF THE STUDY**

1. To analyse the perception of tax payers regarding New Direct Tax Code (DTC)
2. To measure the benefit of DTC on selected assesses of central Gujarat

**4. RESEARCH METHODOLOGY**

These researches will helpful to study the perception of New Direct Tax Code (DTC) on selected assesses in central Gujarat to save the tax. The said research work is descriptive in nature and based on secondary data only. Purposive sample method has been used for the study. For this purpose secondary information has been collected from published literature, reference books, national and international journals, newspapers, magazines internet etc

**PERCEPTION OF NEW DIRECT TAX CODE**

Statement	SD	D	N	A	SA	Total
New Direct Tax Code benefited to you	42 10.5 (%)	36 9 (%)	33 8.3 (%)	163 40.8 (%)	126 31.5 (%)	400
New Direct Tax Code will help you to save your tax	37 9.3%	70 17.5 %	42 10.5 %	124 31%	127 31.8 %	400
New DTC makes the Indian tax structure simple and easy	37 9.3 (%)	81 20.3 (%)	33 8.3 (%)	121 30.3 (%)	128 32 (%)	400
New DTC will help to increase the tax GDP Ratio	36 9 (%)	40 10 (%)	32 8 (%)	210 52.5 (%)	82 20.5 (%)	400
New DTC help you by Moderate Relief	35 8.8 (%)	40 10 (%)	34 8.5 (%)	209 52.3 (%)	82 20.4 (%)	400
New DTC making the procedure of Income tax simple and understandable	35 8.8 (%)	78 19.5 (%)	31 7.8 (%)	49 12.3 (%)	207 51.8 (%)	400
New Direct Tax Code will Reduce Unnecessary Exemptions	35 8.8 (%)	39 9.8 (%)	33 8.3 (%)	170 42.5 (%)	123 30.8 (%)	400

SD= Strongly Disagree D=Disagree N= Neutral A= Agree SA= Strongly Agree

**4.1. INTERPRETATION**

1. We can see clearly that Tax Payers are very much believed that it will benefit to them. Approximately 72% of respondents are either agree or strongly agree for the statement of benefit.
2. We can points out clearly that Tax Payers are very much

believed that it will help to save the tax. Because, approximately 63% of respondents are either agree or strongly agree for the statement to save the tax.

3. We can observe clearly that Tax Payers are very much believed that it will help to make the Indian tax structure simple and easy. Approximately 63% of respondents are either agree or strongly agree for the statement to save the tax.
4. Only 19% of respondents believe that it will not help to increase the tax GDP Ratio. Hence it is clear that the New DTC will help to increase the tax GDP ratio.
5. We can see clearly that Tax Payers are very much believed that it will help by Moderate Relief. Approximately 73% of respondents are either agree or strongly agree for the statement for Moderate Relief.
6. We can reveal clearly that Tax Payers are very much believed that it will help for making the procedure of Income tax simple and understandable. Approximately 36% of respondents are not agree for the statement for making the procedure of Income tax simple and understandable.
7. We can depict clearly that Tax Payers are very much believed that it will Reduce Unnecessary Exemptions. Because, approximately 73% of respondents are either agree or strongly agree for the statement to Reduce Unnecessary Exemptions.

#### 4. FINDINGS AND CONCLUSION

The present research paper is study on the **"PERCEPTION OF NEW DIRECT TAX CODE (DTC) ON SELECTED ASSESSEES FOR SAVE THE TAX"**. The analysed information has been summarized findings for the purpose of drawing valid conclusion.

1. From the above study it is clear that the majority of assesses are very positive towards New Direct Tax Code System.
2. It is clear from the study that majority of the assesses are agreed that the New Direct Tax Code will help them to save the tax in future.
3. Majority of the assesses are of the opinion that New Direct Tax Code will help to make the Indian Tax Structure very simple and easy.
4. From the opinion of the assesses it is clear that the New Direct Tax Code System will benefit to them.
5. The above study depicts that the New Direct Tax Code System will help to increase the GDP Ratio of the country.
6. Majority of the assesses are of the opinion that New Direct Tax Code System reduce unnecessary exemptions.
7. It is clear from the study that the New Direct Tax Code System will help for the moderate relief to the assesses.
8. It reveals from the study that the New Direct Tax Code will help to the assesses for reduce the scope of disputes.
9. The above study clears that the New Direct Tax Code System will help to make the procedure of Income Tax simple and understandable.
10. Majority of the assesses are of the opinion that New Direct Tax Code is very simple to understand.

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