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A STUDY OF INDIVIDUAL TAX PLANNING OF INDIA

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• ABSTRACT

Tax planning is an essential part of our financial planning. Efficient tax planning enables us to reduce our tax liability to the minimum. This is done by legitimately taking advantage of all tax exemptions, deductions rebates and allowances while ensuring that your investments are in line with their long-term goals. The purpose of the study is to find out the most suitable and popular tax saving instrument used to save tax and also to examine the amount saved by using that instrument. Over all findings reveals that the most adopted tax saving instrument is Life Insurance policy, which got the first rank in this study and the second most adopted tax saving instrument is Provident Fund.

Keywords :- Tax introduction, Tax planning, Tax rate, tax information.

1. INTRODUCTION

In other words all arrangements by which the tax is saved by ways and means, which comply with the legal obligation and requirements and are not colorable devices or tactics to meet the letters of law but not the spirit behind these, would constitute tax planning. Tax planning should not be done with an intent to defraud the revenue, All transactions entered into by an assessee could be legally correct, yet on the whole these transactions may be devised to defraud the revenue.

All such devices where status is followed in strict words but actually spirit behind the statute is marred would be termed as colorable devices and they do not form part of the tax planning. All transactions in respects of tax planning must be in according with the true spirit of statute and should be correct in form and substance.

2. LITERATURE REVIEW

Introduction :-

This chapter discusses the literature about the correlation of auditing and equal tax assessment. Also this chapter covers the definition of key terms, the theory of the study, theoretical literature on Auditing and equal tax assessment.

Also this chapter covers the empirical literature about the correlation between auditing and equal tax assessment, the chapter also shows the conceptual framework and lastly the research hypothesis will be elaborated. 2.1 Definition of key terms(concepts). They key concepts or terms that are used in this study are explained as follow according to their meaning; Auditing Financial auditing is the process of examining an organization's (individual's) financial records to determine if they are accurate and in accordance with any applicable rules ;Including accepted accounting standards ,regulations and lose.

3.NEED FOR THE RESEARCH

Income tax is applicable to be paid by individuals, corporates, businesses, and all other establishments that generate income. The collection, recovery, and administration of income tax in India is regulated by Income Tax Act, 1961. The government deploys this tax amount for a number of reasons ranging from building the infrastructure to paying the state and central government employees their salaries.

Income tax helps the government generate a steady source of income which is eventually used for the development of the nation. Even though income tax is paid every month from the monthly earnings, it is calculated on an annual basis. The amount of income tax an individual has to pay depends on a number of factors.

- **RESEARCH METHODOLOGY:**

Research methodology or involves specific Techniques that are adopted in research process to collect assemboe and evaluate data. It defines those tools that are used to gather relevant information in a specific research study.surveys, questionnaires and interviews are the common tools of research.

3. RESEARCH DESIGN

Invest in savings instruments which are offers combined benefits of investment growth and to reduce the amount of tax burden. There by money of the salaried employees find problems in taking decisions of investment options, there fore there is a need to know various savings options depends upon the employees salaried income.The study efforts made to know implications of tax planning measures on their tax liabilities.

- **OBJECTIVES OF THE STUDY**

1. To know and summarize the tax planning process being used by salaried class of employees at edelweiss.
2. To make certain the level of precaution of the salaried class on different planning measures available under income tax ac
3. To measure the level of investment made by the salaried class and in respect to Income Tax Laws by Government of India to Review the Tax Reforms.
4. To analyse the impact of tax planning on savings habit and investment structure of the assessee belonging to the salaried class.

- **SAMPLING OF DATA**

Sampling of data is taken from the employees of edelweiss broking limited Vadodara , is salaried workers in the organization. Purposefully sampling method taken to select the sample size. The sample for the study is consisted of 100 salaried employees running inside the edelweiss broking limited earning of tax assessee for the present year 2021-2022.

All the responses from the employees of the edelweiss broking limited consisting the total sample size. In order to make the pattern length geographically representative edelweiss broking limited has been opted for the study.100 sample selected for the study and each responses from the edelweiss broking limited, and did not taken any responses from the any other sector other than the edelweiss broking limited.

- **HYPOTHESIS**

In the 20th century and in the beginning of the 21st century the area of cities of the world has expanded, and new cities and towns have grown rapidly. As a result in vehicle-miles traveled increases.

Emissions from vehicles pollute air that worsened human health, diminishing visibility, and caused global warming (Fullerton and West 2002). Actual vehicle 12 emissions depend not only on vehicle size and age, but also on qualities of the fuel, maintenance of the car's pollution control equipment (PCE), frequency of cold start-ups, temperature of the air, speed of the vehicle, and aggressive driving (Fullerton and West 2002).For regulating GHG emissions, there are two policies; a cap and trade policy, and a carbon tax policy.

- **COLLECTION OF THE DATA**

COLLECTION OF THE PRAIMARY DATA

Primary data was composed by the questionnaire to collect the information relating to the saving, tax planning measures adopted by the employees of the edelweiss broking limited for the year 2018-19 selected year for the for the collecting primary data. A study was done with 50 employees responses which are given by the employees of the edelweiss broking limited from framed final questionnaires.

COLLECTION OF THE SECONDARY DATA

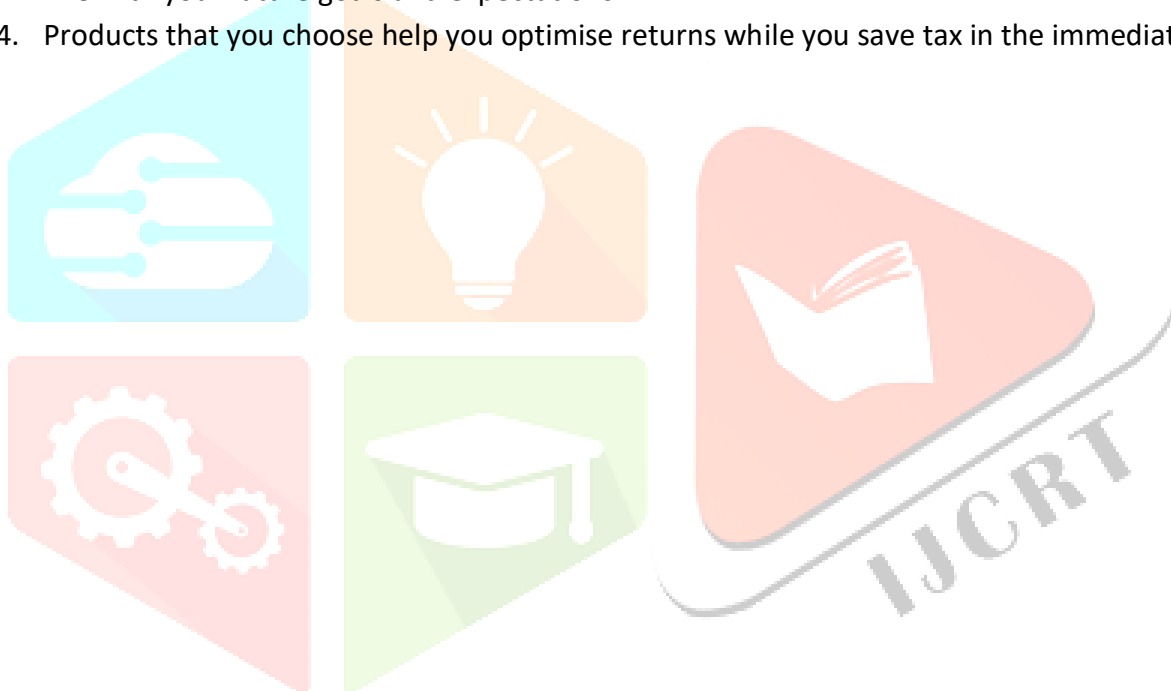
The study is systematic in addition to expressive in nature. It marks use of together the primary data and secondary data. Secondary data gathered from various department of edelweiss broking limited, and also collected from the daily newspaper records journals annual reports of all India income tax departments auditors reports, Circulars and notifications of the central board of taxes and RBI bullets.

- **ANALYSIS OF DATA**

Following are the tax planning tools that simultaneously help assesses maximize their wealth too.

Hear are some guidelines to help you wade through the various options and ensure the following.

1. Tax is saved and that you claim the full benefit of your section 80c benefit
2. Product are chosen based on their long term merit and not like fire fighting options undertaken just to reach that RS 1 lakh investment mark.
3. Products are chosen in such a manner that multiple life goals can be fulfilled and that they are in line with your future goals and expectations.
4. Products that you choose help you optimise returns while you save tax in the immediate future.

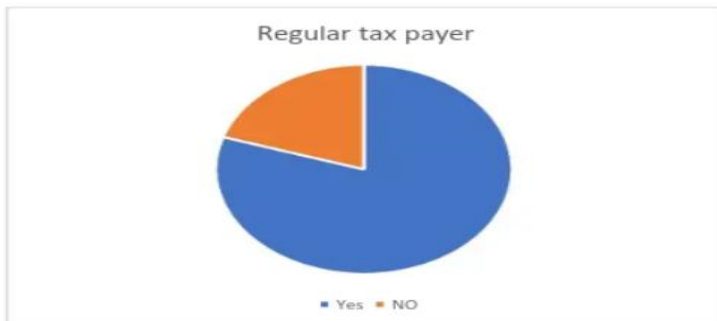


1. Are You Regular Tax Payer ?

Table no-1

Sr N	Response	Respondent no	Percentage (%)
1	Yes	40	80%
2	NO	10	20.0%
Total		50	100%

Chart no- 1



Analysis -From above chart, it is analyse that 80% respondent is regular tax payer and 20% respondent is not regular tax payer.

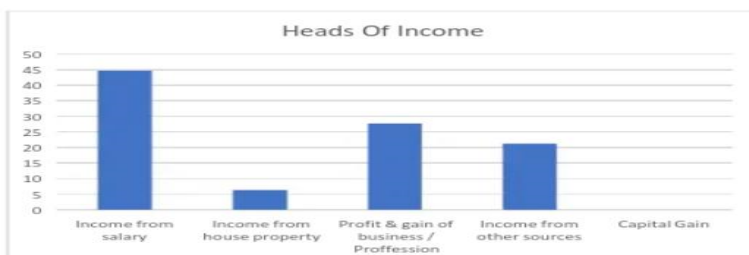
Interpretation – Maximum respondent has regular tax payer .

2.Under Which Heads Of Income ,Your Income Become Taxable ?

Table no- 2

Sr No	Response	Respondent no	Percentage(%)
1	Income from salary	22	44.7%
2	Income from house property	3	6.3%
3	Profit & gain of business / Profession	14	27.7%
4	Income from other sources	11	21.3%
5	Capital Gain	0	0%
Total		50	100%

Chart no - 2



Analysis- From above chart ,it is analyse that 44.7% income from salary and 6.3% income from house property and 27.7% profit &gain of business / professionand 21.3% income from other sources and 0% of capital gain respondent are heads of income become taxable.

Interpretation- Maximum respondent has income from salary.

- **FINDINGS**

1. It is found that 80% maximum respondent regular tax payers and 20% do not pay tax regularly
2. It is found that 44.7% maximum respondent are pay tax from had of income from salary
3. It is found that 53.2% maximum respondents income range is Rs 3 lakhs to Rs 5 lakhs.
4. It is found that 93.6% maximum respondents receive notification about provision and submission of tax by tax consultant.
5. It is found that 89.4% maximum respondent get reminder from tax consultant regarding obligation.

- **Conclusion**

At the end of this study .we can say that that given the rising standards of Indian individual and upward economy of the country , prudent tax planning hand is must for the all the citizen to make the most of incomes . how eber ,them is of tax savings instruments planning horizon world depend on an individual's total taxable income and age in the particular financial year.

Tax evasion is asrious crime , in general ,assesses show lethargic attitude towards tax planning, this is likely to land the assesses in financial trouble . tax planning is not just a strategy to reduce tax burden . infect , it helps to say by encouraging investment in government securities , tax planning reduces not only the tax hurdle but also gives mental satisfaction . if salaried assesses adopt tax planning measures it will help them to save a considerable amount of their hard earned money in a legal way . when the government has given a wide chance of interesting money according to the assesses financial condition and taste,

- **Recommendations & Suggestion**

- **Tax Planning**

Proper Tax Planning is a Basic duty of every Person which should be carried out Religiously, Basically , there are three steps in tax planning exercise.

These three steps in tax planning are :

- Calculate your taxable income under all heads i.e., income from Salary, Business House Property , Business & Profession, Capital Gains and Income From Other Sources.
- Calculate tax payable on gross taxable income from whole financial year (i.e., from 1st April To 31st March) using a simple tax rate table, given on next page.
- After you have calculated the amount of your tax liability. You have Two options to choose from:
 - (1) Pay your tax (No tax planning required)
 - (2) Minimize your tax through prudent tax planning.

Most People rightly choose Option 'B' Here you have to compare the advantages of several tax- saving schemes and depending upon a right mix of investments, which shall reduce your tax liability to zero or the minimum possible.

Every citizen has a fundamental right to avail all the tax incentives provided by the Government, Therefore, Through prudent tax Planning not only income tax liability is reduced but also a better future is ensured due to compulsory