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AN ANALYTICAL STUDY OF INCOME TAX AWARENESS AMONG PEOPLE FROM RAJAPUR TEHSIL OF RATNAGIRI DISTRICT

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ABSTRACT:-

The paper through light on the different Income tax slabs and slab rates for the individual assesses, different findings regarding awareness about Income Tax, PAN, different heads of income, sources of information about the Income Tax and ways of filing Income Tax Return among the people from Rajapur tehsil and concrete suggestions for increasing awareness about income tax among the people.

KEY WORDS: Income Tax, PAN, Rajapur.

1) INTRODUCTION:-

The Indian Income Tax Act, 1961 and its provisions extends to the whole India and become effective from 1st April 1962. Every year in a budget the finance minister of India present finance bill which mention the rate of income tax and other taxes which are given in the first schedule attached to the finance bill. It is divided into four parts:-

- 1) Rate of tax for different assesses for the current assessment year.
- 2) Rate of TDS for the current financial year.
- 3) Rate of TDS for income chargeable under head of salaries for current financial year.
- 4) Rules of computation of net agricultural income.

This survey is carried out in the Rajapur tehsil of Ratnagiri district. This survey is carried out in Rajapur and 10 villages from Rajapur tehsil namely Dongar, Gadgilwadi, Hativale, Vilye, Jaitapur, Juvathi, Kumbhavade, Kondye, Bhalavali and Nanar.

This survey is regarding following aspects:-

- I. Awareness about PAN.
- II. Purpose of filing income tax return.
- III. Awareness about advance tax.
- IV. Source of getting information about income tax return filing.
- V. Source of filing income tax return.

2) OBJECTIVES OF THE STUDY:-

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Following are the objectives of the study:-

- 1) To study awareness about filling income tax return and PAN among people from Rajapur and nearby villages.
- 2) To check awareness about sources of filing income tax return and advance tax payment among people from Rajapur and nearby villages.
- 3) To change the approach of people towards paying income tax.

3) METHODOLOGY:-

The survey has been carried out in Rajapur and 10 villages from Rajapur tehsil namely Dongar, Gadgilwadi, Hativale, Vilye, Jaitapur, Juvathi, Kumbhavade, Kondye, Bhalavali and Nanar. Survey is carried out for only selected group of people who fill the income tax return. Survey of 180 persons from Rajapur and nearby villages was carried out by taking personal interview by using questionnaire. Primary data has been collected from the survey whereas secondary data has been collected from various books, journals, newspapers, magazines and websites.

4) INCOME TAX SLABS AND SLAB RATES FOR THE INDIVIDUAL ASSESSES:-

Income tax is charged on basis of various slab rates. For the assessment year 2018-19, various slab rates for individual assessee are as under:-

Table 1:- Income tax slabs and slab rates for the individual assesses

Slab No.	Type of assessee (on age basis)	Income Slab (Rs)	Income Tax Rate	Health and Education Cess
First	Age group below 60 years	0 to 250000, 250000 to 500000 500000 to 1000000 more than 1000000	Nil 5% 20% 30%	Nil 4% of Income Tax 4% of Income Tax 4% of Income Tax
Second	Age group above 60 years but less than 80 years	0 to 250000 300000 to 500000 500000 to 1000000 more than 1000000	Nil 5% 20% 30%	Nil 4% of Income Tax 4% of Income Tax 4% of Income Tax
Third	Age group 80 years and above	0 to 500000 500000 to 1000000 more than 1000000	Nil 20% 30%	Nil 4% of Income Tax 4% of Income Tax

5) ANALYSIS AND INTERPRETATION OF THE DATA:-

Analysis and interpretation of the data collected is as under:-

1. Awareness about Permanent Account Number (PAN)-

Survey has been carried out for 180 people, out of whom 158(87.78%) people know about PAN and 151(83.89%) are having PAN.

2. Purpose of Holding PAN

Table 2:- Purpose of Holding PAN

Sr. No.	Purpose	No. of people	Percentage
1	For Filing Income Tax Return	120	79.47%
2	As Identity Proof	15	9.93%
3	For Opening Bank Account	05	3.31%

4	For Other Purpose	11	7.28%
Total		151	100.00%

It was found that out of 151 persons holding PAN, 120(79.47%) persons are holding PAN for filling IncomeTax Return, 15(9.93%)persons are holding PAN as Identity Proof, 5(3.31%)persons are holding PAN for opening Bank Account and 11(7.28%) persons are holding PAN for some other purposes.

3. Number of people filling income tax return:-

Survey was carried out for people 180 people.Out of them,130 people fill their income tax return.

4. Categories of Filling Income Tax Return:-

Table 3:- Categories of Filling Income Tax Return

Sr.No.	Category	No.of people	Percentage
1	Income from Salary	98	75.38%
2	Income for Pension	11	8.46%
3	Income from House property	00	-
4	Income from Business	18	13.85%
5	Income from Partnership as Partner	00	-
6	Income from Capital Gains	01	0.77%
7	Income from Other Sources	02	1.54%
Total		130	100.00%

It was found that out of 130 persons filling their Income Tax Return, 98(75.38%)persons are having Income from Salary, 11(8.46%) persons are having Income from Pension, 18(13.85%) persons are having Income from Business, and 1(0.77%) personis having Income from Capital Gains whereas 2(1.54%) persons are having Income from Other Sources.

5. Purposeof Filling Income Tax Return:-

Out of 130 people who filled their income tax return , 95(73.08%) people file their return as it is deducted by the employer from the salary, 24(18.46%)people file their return for getting loan facility from bank or to maintain bank short term credit and 11(8.46%) people file their return for some other reasons.

6. IncomeSlab of People FilingIncome Tax Return:-

Table 4:- Income Slab of People Filing Income Tax Return

Sr. No.	Income Slab	No. of People	Percentage
1	1 st	98	75.38%
2	2 nd	19	14.62%
3	3 rd	13	10.00%
Total		130	100.00%

Out of 90 people who filled their income tax return,98(75.38%) falls under 1st slab, 19(14.62%) falls under 2ndslab whereas 13(10.00%)falls under 3rd slab.

7.Information about Advance Tax:-

Out of 130 people filing their income tax return, only 9(6.92%) people pay their advance tax as per the provisions given in the Income Tax Act, 1961.

8. Source of Information about Income Tax Filing:-

Table 5:- Source of Information about Income Tax Filing

Sr. No.	Source of Information	No. ofPeople	Percentage
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1	Chartered Accountants	104	80.00%
2	Newspaper Advertisements	11	8.46%
3	Union Budget	09	6.92%
4	Other Sources	06	4.62%
Total		130	100.00%

Out of 90 people filing their income tax return, 104(80.00%) are getting information about filing income tax from chartered accountants, 11(8.46%) from Newspaper advertisements, 9(6.92%) assesses from union budget and 6(4.62%) from other sources.

9. Sources of filing income tax return:-

Table 6:- Sources of filing income tax return

Sr. No.	Source of filling	No. of People	Percentage
1	Though Chartered Accountant and Tax Consultants	123	94.62%
2	Filling Return by Own	07	5.38%
Total		130	100.00%

Out of 90 people filing their income tax return, 123(94.62%) are filling their return through chartered accountant and tax consultants whereas 7(5.38%)are filling return on their own.

6) CONCLUSIONS:-

From the above findings of the surveycarried out in Rajapur and nearby villages about income tax awareness among people,it is concluded that:-

- There is no significant awareness about PAN and filling of income tax returnamong the people.
- Income tax Act provisions are so complex that people are not able to understand these provisions.
- People are not aware that money collected from them as income tax is used for betterment of them.

7) SUGGESTIONS:-

In order to create people more aware about filling of income tax return followingsuggestionscan be given:-

- Government should do more advertisement for creating awareness about PAN and filling of income tax return innewspaper, radio, television and other popular media.
- Simplification of income tax provision is required for easy understanding of common manwhich will helptoincrease government revenue.
- It should be informed to people that money collected from themin the form of income tax is usedfor their betterment only so that they can pay income tax willingly.

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