



A STUDY ON THE SALARIED ASSESSEES DIFFICULTIES FACED ON PRE-TAXATION ASPECTS IN FILING OF INCOME TAX RETURNS WITH REFERENCE TO THE COIMBATORE CITY

Dr.R.Vasanthi

Assistant Professor, Department of Commerce CA, PSGR Krishnammal College for women, Coimbatore, Tamilnadu.

Abstract

The researcher studied about the salaried assesses difficulties faced on Pre-Taxation Aspects in filing of Income Tax Returns 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 difficulties faced on filing of Income Tax Returns varies among age group, educational qualification, occupational status, employment status, working experience and gross total income taken for the study.

Keywords : *Assesseees, Difficulties, Income Tax, Occupational Status.*

Introduction

It is a legal obligation for every individual to file their income tax returns whose total income for the previous year has exceeded the maximum amount according to Income Tax Act 1961. Income Tax is levied by the government to the individuals based on their income. If an individual comes under the income tax criteria, then he had been called as assessee. The income tax exemption limit varies for a male assessee, female assessee and for a senior citizen. The tax rates are given under the Income Tax Act (which varies from year to year) and based on their total income range, an assessee has to pay his income tax.

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 assesseees file their Income Tax Returns through auditors or tax advisors. Even though they file the returns with the help of auditors and tax advisors, the assesseees' experience of any difficulties on Pre-Taxation Aspects were analysed.

Scope of the Study

In the study the assesseees' experience of any difficulties on Pre-Taxation Aspects in Filing of Returns were studied. Here the assesseees 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 assesseees.

Objectives of the Study

1. To find out the salaried assesseees' experience of any difficulties faced on Pre-Taxation Aspects in Filing of Income Tax Returns
2. To offer suggestions to an assesseees to overcome from the difficulties on Pre-Taxation Aspects in Filing of Income Tax Returns

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 2014-2015 in Coimbatore city.

Sampling: The researcher studied about the assesseees' experience of any difficulties faced on Pre-Taxation Aspects in Filing of Income Tax Returns with special reference to 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 Difficulty score on Pre-Taxation Aspects among the variables of Personal Profile

Variable	Source	Sum of Squares	Degree of Freedom	Mean Square	F Ratio	Table Value	Sig.
Age	Between Groups	543.088	4	135.772	14.795	2.390	**
	Within Groups	4542.534	495	9.177			
Educational Qualification	Between Groups	59.733	3	19.911	1.965	2.623	Ns
	Within Groups	5025.889	496	10.133			
Occupational Status	Between Groups	181.012	4	45.253	4.567	3.357	**
	Within Groups	4904.610	495	9.908			
Employment Status	Between Groups	29.596	2	14.798	1.455	3.014	Ns
	Within Groups	5056.026	497	10.173			
Working Experience	Between Groups	638.978	2	319.489	35.709	4.648	**
	Within Groups	4446.644	497	8.947			
No. Of Assesseees in the Family	Between Groups	12.353	3	4.118	.403	2.623	Ns
	Within Groups	5073.269	496	10.228			
Gross Total Income	Between Groups	540.186	3	180.062	19.648	3.821	**
	Within Groups	4545.436	496	9.164			
	Total	5085.622	499				

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

Source: Computed Data

Age

Hypothesis: The difficulty score on pre-taxation aspects do not differ significantly among the age group.

One way ANOVA is applied to find whether the mean difficulty score on pre-taxation aspects differ significantly among the age groups. The ANOVA result shows that the calculated F ratio value is 14.795 which is greater than the table value of 2.390 at 1% level of significance. Since the calculated value is greater than the table value, it is inferred that the difficulty score on pre-taxation aspects differ significantly among the age groups. The result shows that the respondents with the age group of 20-25 years have high level of difficulty on pre-paying income tax aspects which implies that as they are beginners in the filing of returns, they face difficulty. Thus the difficulty on pre-taxation aspects varies among the age group. Hence, the hypothesis is rejected.

Educational Qualification

Hypothesis: The difficulty score on pre-taxation aspects do not differ significantly among the level of educational qualification.

One way ANOVA is applied to find whether the mean difficulty score on pre-taxation aspects differ significantly among the level of educational qualification.

The ANOVA result shows that the calculated F ratio value is 1.965 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 difficulty score on pre-taxation aspects does not differ significantly among the level of educational qualification. Hence, the hypothesis is accepted.

Occupational Status

Hypothesis: The difficulty score on pre-taxation aspects do not differ significantly among the occupational status.

One way ANOVA is applied to find whether the mean difficulty score on pre-taxation aspects differ significantly among the occupational status. The ANOVA result shows that the calculated F ratio value is 4.567 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 concluded that the difficulty score on pre-taxation aspects differ significantly among the occupational status. Hence, the hypothesis is not accepted.

Employment Status

Hypothesis: The difficulty score on pre-taxation aspects do not differ significantly among the employment status.

One way ANOVA is applied to predict whether the mean difficulty score on pre-taxation aspects differ significantly among the employment status. The ANOVA result shows that the calculated F ratio value is 1.455 which is less than the table value

of 3.014 at 5% level of significance. Since the calculated value is less than the table value, it is concluded that the difficulty score on pre-taxation aspects does not differ significantly among the employment status. Hence, the hypothesis is accepted.

Working Experience

Hypothesis: The difficulty score on pre-taxation aspects do not differ significantly among the working experience.

One way ANOVA is applied to find whether the mean difficulty score on pre-taxation aspects differ significantly among the number of years of service. The ANOVA result shows that the calculated F ratio value is 35.709 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 difficulty score on pre-taxation aspects differ significantly among the years of experience. The respondents with less than 10 years of experience have difficulty in pre-paying aspects as they are in the initial stage of filing or as they have less experience they met with difficulties. Thus difficulty on pre-paying aspects varies among the working experience. Hence, the hypothesis is not accepted.

No. of Assesseees in the Family

Hypothesis: The difficulty score on pre-taxation aspects do not differ significantly among the number of assesseees in the family.

One way ANOVA is applied to find whether the mean difficulty score on pre-taxation aspects differ significantly among the number of assesseees in the family.

The ANOVA result shows that the calculated F ratio value is 0.403 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 difficulty score on pre-taxation aspects does not differ significantly among the number of assesseees in the family. Hence, the hypothesis is accepted.

Gross Total Income

Hypothesis: The difficulty score on pre-taxation aspects do not differ significantly among the gross total income.

One way ANOVA is applied to find whether the mean difficulty score on pre-taxation aspects differ significantly among the gross total income. The ANOVA result shows that the calculated F ratio value is 19.648 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 difficulty score on pre-taxation aspects differ significantly among the gross total income. The respondents with income between ₹.180000-₹.500000 have difficulty which shows they are in the initial stage of filing the returns, thus they have difficulty in pre-taxation aspects. Hence, the hypothesis is not accepted.

Difficulty score on Pre-Taxation Aspects among the Gender

Table.2 shows the level of difficulty score on pre-taxation aspects between the male and female respondents

Table 2. t-test for Difficulty score on Pre-Taxation Aspects among the Gender

t value	Degree of freedom	Table value	Sig.
2.493	498	1.968	*

*- Significance at 5% level

Hypothesis: The average difficulty on pre-taxation aspects does not differ significantly between the male and female respondents.

The t-test is applied to find whether the mean difficulty score on pre-taxation aspects differs significantly between the male and female. The calculated value is 2.493 which is greater than the table value of 1.968 at 5% level of significance. Since the calculated value is greater than the table value, it is inferred that the mean difficulty score on pre-taxation aspects differs significantly between the male and female. The female have more difficulty than the male respondents; this shows that the male have more exposure, thus they have less difficulty than the female. Hence, the hypothesis is not accepted.

Findings

The difficulty score on pre-taxation aspects is compared with the various personal profile of the respondents. The respondents in the age group of between 20-25 years have high difficulty level on pre-taxation aspects than the other age groups. The female respondents have high difficulty than the male respondents. The respondents with post graduation degree have high difficulty on pre-taxation aspects than the other degree holders. The respondents working as teachers have high difficulty on pre-taxation aspects than the other employees. While considering the employment status, private sector employees have high difficulty than the central



and state government employees. The respondents with less than 10 years of experience have high difficulty on pre-taxation aspects than the other experienced holders. The respondents with three assesseees in their family have high difficulty on pre-taxation aspects. The respondents with earnings of income between ₹.180000-₹.500000 have high difficulty on pre-taxation aspects. The **ANOVA** result found that the difficulty score on pre-taxation aspects differ significantly among the Age group, Occupational Status, Working Experience, Gross Total Income. **T-test** result found that the difficulty score on pre-taxation aspects differ significantly among the gender.

Conclusion

Among the total respondents, majority of the respondents gained neutral experience on maintaining record keeping, neutral experience on tax planning and research, and also replied 'easy' to obtaining PAN card. Most of them have neutral experience on paying fees to advisor and gained neutral experience on dealing with tax advisor and auditor. Even though the taxpayers are filing their returns with the help of Auditors, they feel neutral on some pre-taxation aspects like record keeping, tax planning.

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