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Major Research Project on

**“INCOME TAX PLANNING WITH RESPECT
TO INDIVIDUAL ASSESSEES”**

Submitted by

ISHA SINGHAL (23/UMBA/36)

Under the guidance of

MS. ANUSHKA UPADHYAYA



Delhi Technological University

Bawana Road Delhi 110042

CERTIFICATE FROM THE INSTITUTION

This is to certify that Mr. Isha Singhal, Roll No. 2K23/UMBA/36, has completed the project titled “INCOME TAX PLANNING WITH RESPECT TO INDIVIDUAL ASSESSEES ” under the guidance of Ms. Anushka Upadhyaya as a part of the Business Administration (MBA) curriculum of Delhi School of Management, Delhi Technological University, New Delhi during the academic year 2024–25.

Signature

Ms. Anushka Upadhyaya

DECLARATION

I hereby declare that the project report entitled “INCOME TAX PLANNING WITH RESPECT TO INDIVIDUAL ASSESSEES ” submitted by me to Delhi School of Management, DTU in partial fulfilment of the requirement for the award of the degree of Master of Business Administration is a record of bona fide project work carried out by me.

Anything which appears to be not my original work has been duly and appropriately referred/cited/acknowledged. This report has not been submitted to any other university/institution for the award of any other degree, diploma and fellowship.

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1

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49

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17

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Isha Singhal

2k23/UMBA/36

Delhi Technological University

EXECUTIVE SUMMARY

2 Tax planning plays a vital role in an individual's overall financial management. It involves developing strategies to manage income, savings, and investments legally to minimize tax liability while maximizing wealth creation. The primary objective of this study, titled "Tax Planning for Individual Taxpayers," is to understand the awareness, practices, challenges, and effectiveness of tax planning among different taxpayer categories.

The study was conducted through a structured survey targeting employees, self-employed individuals, and business owners of various income and age groups.

2 Responses revealed varying levels of awareness of deductions available under sections such as Sections 80C and 80D, as well as exemptions such as House Rent Allowance (HRA) and Holiday Travel Allowance (LTA). 7 The key findings indicate that while a significant proportion of individuals are aware of basic tax-saving options, many still lack in-depth knowledge of broader planning strategies and new provisions such as the new tax regime. 6 It was observed that most individuals rely heavily on traditional tax-saving instruments such as the Public Provident Fund (PPF), life insurance policies, and fixed deposits, 69 while more dynamic options such as Equity-Based Retirement Savings Plans (ELSS) and the National Pension System (NPS) remain underutilized.

23 The analysis also highlights that the choice between the old and new tax regimes remains largely dependent on income levels and the extent of available deductions. A significant number of respondents expressed difficulties related to the complexity of tax legislation, frequent changes in provisions, and a lack of professional support.

70 Based on these findings, it is recommended:

- Greater emphasis be placed on financial education programs focused on tax planning.
- Simplification of tax procedures and clear communication about tax regime choices are necessary.
- Digital platforms and fintech solutions can play a crucial role in enabling individuals to plan and file their taxes effectively. 81

Overall, this research highlights the importance of proactive and informed tax planning, not only to reduce the tax burden but also to align tax-saving instruments with long-term financial goals. Improving awareness and streamlining processes can significantly improve tax compliance and the financial well-being of taxpayers.

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INTRODUCTION

Income tax is a key financial obligation for individuals and a vital source of revenue for the state. It plays a vital role in nation building by funding development activities, social programs, infrastructure projects, and public services. In India, the responsibility of filing and paying income tax falls on a wide range of taxpayers, including salaried employees, professionals, and small business owners. Effective income tax management through planned strategies not only reduces tax liability but also contributes to better personal financial management and long-term wealth creation.

Tax planning involves analyzing one's financial situation and strategically utilizing the various exemptions, deductions, reductions, and benefits provided by the Income Tax Act, 1961, to minimize tax liability within the statutory limits. Appropriate tax planning allows individuals to align their financial goals with available tax-saving options, thus ensuring optimal use of resources. It also encourages disciplined savings and investments, paving the way for financial security and stability. In India, tax planning has traditionally been associated with investments in government-backed schemes such as the Public Provident Fund (PPF), National Savings Certificates (NSC), and life insurance policies. Over time, the growth of financial markets and the introduction of new investment products have offered individuals a wide range of options, including Equity Linked Savings Plans (ELSS), the National Pension System (NPS), health insurance, and home loans. The diversification of tax savings avenues has provided taxpayers with greater tax planning opportunities, based on their income, risk appetite, and financial aspirations.

The introduction of the new tax regime under Section 115BAC in the 2020-21 financial year has further expanded the choices available to taxpayers. Offering lower tax rates but lacking most deductions and exemptions, this new regime aimed to simplify the tax structure. However, it also caused confusion among taxpayers, complicating the tax planning decision-making process. It is therefore necessary to evaluate and compare the

advantages of the old regime and new regimes every year adds another dimension to the exercise of tax planning.

Despite the presence of multiple options and tax-saving incentives, many individuals in India still do not engage in proactive and informed tax planning. A significant number of taxpayers either depend solely on employer-provided tax-saving plans or make rushed investment decisions toward the end of the financial year, often resulting in suboptimal choices. Factors such as lack of awareness, misconceptions about tax laws, fear of dealing with financial matters, and the perceived complexity of tax regulations contribute to this scenario.

Effective income tax planning is not merely about saving money in the short term; it is a comprehensive approach to managing finances, ensuring liquidity, and preparing for future financial needs like education, retirement, or health emergencies. It involves analyzing income sources, understanding applicable deductions and exemptions, choosing appropriate investment instruments, and staying updated with changes in tax laws.

This study aims to explore and analyze the current practices of income tax planning among individual assesseees in India. It seeks to assess the level of awareness, popular methods adopted, challenges faced, and the impact of demographic factors such as income level, age, and profession on tax planning behavior. By identifying gaps and providing practical recommendations, the study intends to contribute towards better financial literacy, informed decision-making, and more efficient tax compliance among individual taxpayers.

Understanding the significance of structured tax planning is crucial, especially in an economy like India's where the tax system is continuously evolving. As individuals become more financially literate and technologically empowered, the scope for better tax management and optimization of personal finances grows substantially. Therefore, a focused examination of income tax planning practices among individual assesseees not only helps in achieving financial efficiency at the micro level but also strengthens tax compliance and revenue mobilization at the macroeconomic level.

In today's rapidly evolving financial environment, where digital tax filing, mobile applications, and online investment platforms have become widespread, the dynamics of income tax planning are also undergoing a significant shift. The availability of online resources, government initiatives like **the Annual Information Statement (AIS) and** pre-filled ITRs, and the growing ecosystem of tax advisors and fintech solutions have made it easier for individuals to manage their taxes more efficiently. However, despite these advancements, the importance of personalized tax planning remains undiminished. Every individual's financial profile is unique, and so must be their approach towards minimizing tax liability while maximizing future financial growth. This makes tax planning not just a regulatory compliance exercise but an integral component of strategic personal financial management. A detailed study in this area will help identify prevailing trends, uncover gaps in awareness, and suggest actionable insights to enhance tax planning practices among individual assesseees in India.

1.1 BACKGROUND

Income tax is a key component of a country's fiscal policy and a significant source of revenue for the government. It forms the backbone of a country's financial infrastructure, enabling the government to invest in infrastructure, education, healthcare, defense, public services, and social welfare systems. A well-structured and efficient tax system ensures a steady flow of resources to the government while promoting a fair distribution of wealth among citizens. In India, the personal income tax system is governed by the Income Tax Act, 1961, which specifies the rules for assessing, calculating, and collecting tax from taxpayers.

Taxpayers include employees, professionals, small businesses, self-employed individuals, and any other person earning income from various sources such as salary, real estate, professional activity, capital gains, etc. According to records from the Income Tax Department, the number of individual taxpayers in India has steadily increased over the years, reflecting rising incomes and growing financial inclusion. The contribution of individual taxpayers to total tax revenue is significant, highlighting the importance of understanding their tax behavior and planning practices.

Tax planning involves strategically structuring one's finances to maximize the use of legal provisions and minimize tax liability. It involves studying applicable tax laws, identifying available deductions and exemptions, and making informed financial decisions regarding investments, expenses, and savings. Effective tax planning allows individuals to reduce their tax expenditures, optimize cash flows, plan for future financial needs, and ensure long-term financial stability. However, tax planning must be distinguished from tax evasion, which is illegal and punishable by law.

Historically, the approach to tax planning in India has been conservative. Most taxpayers invested in low-risk, government-backed instruments such as Public Provident Funds (PPFs), National Savings Certificates (NSCs), fixed deposits, and traditional life insurance policies, primarily to benefit from Section 80C deductions. While these products offered

guaranteed returns and capital protection, they often generated lower returns than market-linked options. Over the past two decades, with financial liberalization and the growth of capital markets, more and more individuals have begun to consider diversified tax-saving options, such as Equity Retirement Savings Plans (ELSSs), Unit-Linked Insurance Plans (ULIPs), the National Pension Scheme (NPS), and real estate investments, which offer better returns and tax benefits. Additionally, specific deductions under various sections of the Income Tax Act have been designed to encourage investments in areas beneficial to personal and social well-being, such as:

- Section 80C: Investments in PPF, ELSS, life insurance premiums, repayment of principal on a home loan, etc.
- Section 80D: Medical insurance premiums
- Section 80E: Interest paid on student loans
- Section 24(b): Deduction of interest on home loans
- Section 10(14): Exemptions related to allowances such as HRA, LTA, etc.

However, many individuals fail to take full advantage of these deductions due to a lack of awareness, the complexity of tax provisions, frequent changes in tax legislation, or last-minute financial decisions motivated more by urgency than sound planning. Individuals often make hasty investments at the end of the year to save tax, without aligning them with their overall financial goals, resulting in an inefficient allocation of resources.

The introduction of the new tax regime under Section 115BAC in the 2020 budget marked a significant change in the Indian tax landscape. The new regime offers lower tax rates in tax brackets but does not allow for most of the exemptions and deductions available under the old regime. While it simplifies the tax filing process for many individuals with fewer investments or deductions, it also requires careful comparison to ensure the most advantageous choice is made.

Despite the multiple options and significant benefits available, many individual taxpayers in India fail to undertake proper tax planning. This can be attributed to various reasons, including lack of awareness about tax provisions, complexity in understanding tax laws,

procrastination, reliance on informal advice, and general apathy towards financial management. Many individuals tend to make hasty and last-minute investments solely to reduce tax liability without aligning them to their broader financial goals, leading to suboptimal financial outcomes.

Moreover, the frequent amendments in tax laws, changes in deduction limits, and evolving investment products add to the confusion among taxpayers. Without proper guidance, many individuals either overpay their taxes or fail to utilize the full range of benefits legally available to them. As a result, there is a pressing need to study the current practices, awareness levels, and challenges associated with income tax planning among individual assesseees.

Digitalization has also transformed the tax ecosystem significantly. E-filing portals, pre-filled returns, mobile applications, online investment platforms, and digital advisory services have made tax compliance more convenient for individuals. Initiatives like the Annual Information Statement (AIS) and the use of technology like Artificial Intelligence and Big Data Analytics by the Income Tax Department aim to improve transparency and ease of compliance. Despite these advancements, a large segment of taxpayers still remains confused or unaware about the nuances of tax planning.

In India, the level of financial literacy remains relatively low, particularly among young earners, first-time taxpayers, and individuals in rural and semi-urban areas. According to various surveys conducted by SEBI and other organizations, a considerable portion of the population has limited understanding of basic tax-saving instruments and strategies. This knowledge gap results in inefficient tax planning, underutilization of available benefits, and often, a perception of tax payments as a burdensome obligation rather than an integral part of personal finance management.

Additionally, cultural factors and psychological attitudes toward money and government systems also influence tax planning behaviors. Many individuals exhibit procrastination, skepticism towards financial advisors, fear of penalties due to non-compliance, and reliance on informal advice from peers or relatives rather than professional consultation.

This behavior leads to mistakes like over-reliance on single instruments (e.g., insurance policies only) or under-diversification, ultimately compromising their financial well-being.

87 In this context, the need for a detailed understanding of current tax planning practices among individual assesseees becomes extremely relevant. It is essential to explore how various factors such as income levels, age, education, professional background, and geographic location impact tax planning decisions. It is also important to identify the barriers faced by taxpayers in planning their taxes effectively, and to recommend measures that can enhance financial literacy, simplify compliance, and promote smarter financial behavior.

63 In conclusion, income tax planning is not just about saving taxes; it is about intelligent financial management, future planning, and national development. Individual taxpayers must be empowered with the right knowledge and tools to make informed decisions. A robust tax planning culture not only benefits the taxpayers by improving their financial health but also strengthens the country's economy through higher compliance and better resource mobilization.

This study attempts to examine the current scenario of income tax planning among individual assesseees, analyze their level of awareness, preferences, challenges faced, and suggest actionable recommendations that can help both policymakers and individuals move towards a more informed, compliant, and financially secure society.

1.2 PROBLEM STATEMENT

Even with a host of deductions and exemptions available under the Income Tax Act, 1961, many individual assesseees are unable to fully leverage them due to lack of awareness, complex legal language, frequent amendments, and insufficient access to professional advice. Additionally, the dual availability of the Old and New Tax Regimes has created confusion among taxpayers regarding which option is more beneficial for them.

There is a noticeable gap between the tax-saving potential available to individuals and the actual tax-saving practices followed. Improper planning leads to unnecessary financial burdens, loss of potential investment opportunities, and a general aversion toward understanding and engaging with the tax system.

The study addresses the following key problems:

- How aware are individuals about the deductions and exemptions available?
- What factors influence their choice between the Old and New Tax Regime?
- What are the preferred tax-saving instruments among different income groups?
- What challenges and barriers prevent effective tax planning?

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1.3 OBJECTIVES OF THE STUDY

The main objectives of this research are:

- To assess the current level of taxpayer awareness regarding income tax provisions, deductions, exemptions, and reductions.
- To identify the most commonly used tax-saving investments and strategies.
- To analyze the decision-making process between the old and new tax regimes.
- To study the impact of income level, age, and career path on tax planning practices.
- To understand the challenges faced by individuals in effective tax planning.
- To formulate recommendations to improve tax planning practices and taxpayer awareness.

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1.4 SCOPE OF STUDY

The scope of this study is limited to analyzing the tax planning practices of taxpayers in India. Respondents include employees, self-employed individuals, and small business owners, spanning various age groups and income levels.

The study focuses on:

- Awareness of the tax benefits offered by various sections, such as Sections 80C, 80D, and 80E, etc.
- Preferences between the old and new tax regimes
- Investment habits related to tax planning
- Challenges and barriers to effective tax planning
- Suggestions and improvements needed to optimize individual tax planning efforts

This study on taxpayer tax planning includes an in-depth analysis of tax planning behaviors, awareness levels, challenges, and opportunities among individuals subject to income tax in India. It aims to understand how various demographic and financial factors influence individuals' tax planning decisions and the extent to which they use the provisions of the Income Tax Act of 1961 to optimize their financial outcomes. This study focuses primarily on individual taxpayers, including employees, self-employed individuals, freelancers, and small business owners subject to personal income tax. It aims to better understand their tax planning strategies, investment preferences, risk-taking capacity, and degree of proactive tax management. The study examines the methods used by individuals to legally reduce their taxes, their effectiveness, and their alignment with broader financial goals such as retirement planning, wealth creation, and risk management. The study addresses key aspects such as the role of traditional investment instruments such as PPFs, NSCs, insurance policies, and fixed deposits, as well as modern solutions such as ELSS, NPS, health insurance policies, and real estate investments in tax planning. It also examines the impact of recent developments such as the introduction of the new tax regime (Section 115BAC), the digitalization of tax filing processes, and the

expansion of financial education initiatives on individuals' tax planning behavior. The study also explores differences in tax planning practices based on factors such as:

- Income level (low, middle, and high);
- Age group (young employees, mid-career professionals, and retirees);
- Professional experience (private sector employees, civil servants, entrepreneurs, doctors, lawyers, etc.). By analyzing these dimensions, the study attempts to highlight trends, gaps, and disparities in tax planning behaviors and propose practical solutions to address the challenges faced by different groups of taxpayers.

This study also seeks to identify barriers to effective tax planning, such as lack of awareness, complexity of tax laws, misconceptions, procrastination, reliance on unverified advice, and psychological reluctance to engage in financial planning. It aims to highlight the need for improved tax literacy, greater transparency in tax laws, and the role of professional advisory services in improving individual tax management. The scope limited to individual tax planning and does not extend to corporate tax planning, partnerships, Hindu Undivided Families (HUFs), or trusts. The study uses primarily primary data collected through surveys and questionnaires, supplemented by secondary data from government reports, trade journals, and reliable financial publications.

This study will offer concrete recommendations for:

- Taxpayers: to improve personal financial effectiveness;
- Policymakers: to design better financial education programs;
- Financial advisors: to offer more personalized and practical tax planning solutions.

By highlighting current practices and challenges in individual tax planning, this study aims to promote a culture of informed financial decision-making, improve voluntary tax compliance, and strengthen the country's economic resilience through effective mobilization.

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2. LITERATURE REVIEW

2.1 Introduction to Literature Review

Income tax planning is a crucial element of financial management for individual assesseees, enabling them to fulfill legal obligations while optimizing their personal financial goals. Over the years, various researchers, economists, and tax experts have examined the different dimensions of income tax planning, ranging from awareness and behavior patterns to the effectiveness of policy measures and the impact of financial literacy. This section synthesizes and presents a detailed review of existing literature, theoretical frameworks, and empirical studies related to income tax planning among individual assesseees.

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2.2 Concept of Income Tax Planning

Tax planning is defined as the arrangement of one's financial affairs in a manner that reduces tax liability legally. According to Singhania (2016), tax planning involves the intelligent application of exemptions, deductions, and rebates permitted under the tax law to reduce the tax burden without violating legal provisions. Tax planning is distinct from tax evasion, which involves illegal practices aimed at escaping taxes, and tax avoidance, which often involves exploiting legal loopholes.

Shome (1995) emphasized that efficient tax planning should align with long-term financial planning and investment strategies. It must be proactive and continuous rather than being limited to the year-end rush to save taxes.

2.3 Importance of Tax Planning for Individuals

According to Gupta and Gupta (2017), tax planning not only minimizes tax liabilities but also contributes to better capital formation, increased investment in the economy, and overall financial discipline among citizens. It encourages savings and investment behavior, which are critical for the economic development of a country.

Bhattacharya (2010) highlighted that effective tax planning can help individuals accumulate retirement savings, ensure better education for their children, manage healthcare expenses, and achieve other long-term financial goals.

2.4 Tax Planning Instruments and Strategies

Different investment avenues and savings schemes offer tax benefits under various sections of the Income Tax Act:

- **Section 80C:** Investment in PPF, ELSS, insurance premiums, EPF, NSC.
- **Section 80D:** Health insurance premiums.
- **Section 24(b):** Housing loan interest.
- **Section 80E:** Interest on education loans.
- **Section 80CCD:** Contributions to NPS.

Rao (2018) analyzed the effectiveness of ELSS versus traditional tax-saving instruments and found that ELSS provided superior returns over the long term but had higher perceived risk, leading to lower participation by risk-averse individuals.

Tiwari and Kumar (2020) examined the preferences of young taxpayers and found that a majority still preferred low-risk options like PPF and LIC despite the availability of market-linked tax-saving instruments offering better returns.

2.5 Awareness and Tax Planning Behavior

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Several studies have consistently highlighted the **low level of awareness among individual taxpayers regarding available tax-saving options:**

- Shukla (2012) found that only 36% of surveyed individuals could correctly identify three or more tax-saving investment avenues.
- Mathur (2015) reported that many salaried individuals tended to make last-minute investments in traditional instruments to exhaust their Section 80C limits without proper analysis of returns or liquidity needs.

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A study by Pillai and Nair (2019) revealed **that financial literacy has a strong positive correlation with effective tax planning. Those with higher levels of financial knowledge tend to plan taxes systematically throughout the year rather than making hasty decisions at year-end.**

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2.6 Impact of Demographic Factors on Tax Planning

Income level:

- Varma (2016) observed **that individuals with higher income levels are more likely to seek professional advice and adopt diversified tax-saving strategies.**
- Lower-income individuals tend to rely more on employer-provided benefits like EPF and may lack sufficient investments beyond that.

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Age:

- According to Krishnan (2018), younger taxpayers (age 21–30) focus less on tax planning and more on immediate consumption, whereas middle-aged individuals (30–50) actively engage in tax planning aligned with retirement and children's education goals.

Education and profession:

- **Deshmukh (2019)** stated that individuals with a background in commerce or finance are more likely to plan their taxes efficiently compared to those from non-financial educational backgrounds.

Gender:

- Some studies, such as **Patel and Shah (2017)**, suggest that there are slight differences in tax-saving behavior between men and women, with men reportedly taking slightly more risks in investment decisions.

2.7 Evolution Due to Tax Reforms

The New Tax Regime introduced in Budget 2020 gave taxpayers the option to choose between:

- The Old Regime (higher rates with deductions/exemptions) and
- The New Regime (lower rates without most deductions/exemptions).

Sarkar (2021) found that while the New Regime was intended to simplify tax compliance, many individuals continued to prefer the Old Regime because it aligned with their traditional investment habits and allowed them to retain their tax-saving investments.

PWC India Survey (2021) showed that 63% of salaried taxpayers opted for the Old Regime, while only 37% opted for the New Regime in the first year of its implementation.

2.8 Digitalization and Tax Planning

Digital advancements such as online filing portals, e-verification, pre-filled forms, and mobile applications have drastically simplified tax compliance processes.

According to KPMG Report (2022):

- More than 90% of income tax returns in India were filed online.
- However, only about 55% of individual taxpayers used digital financial planning tools to optimize tax planning.

Sharma (2022) noted that while digital platforms have improved filing efficiency, they have not necessarily increased deeper understanding or planning behavior among taxpayers.

2.9 Challenges in Income Tax Planning

Despite the availability of multiple schemes and government initiatives, challenges persist:

- **Low awareness** of new provisions like Section 80EEA (housing loan benefit).
- **Complexity** and frequent amendments in tax rules create confusion.
- **Dependence on informal advisors** such as friends or relatives rather than professional consultants.
- **Procrastination** leading to last-minute, inefficient financial decisions.

Mishra (2020) identified lack of early financial education as a primary cause behind ineffective tax planning among young professionals.

2.10 Research Gap

Although several studies have examined different aspects of tax planning, most are either limited to salaried individuals or specific income groups. Few studies have

holistically analyzed how demographic, psychological, educational, and professional factors together influence tax planning behavior across different types of assesseees.

Moreover, there is limited recent research evaluating the **impact of the New Tax Regime** and post-pandemic economic shifts on individual tax planning patterns.

Thus, there exists a strong need to conduct a comprehensive study focusing on:

- Awareness levels,
- Investment preferences,
- Challenges faced,
- Impact of dual tax regimes,
- Role of digitalization in improving tax planning behavior among Indian individual assesseees.

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3. RESEARCH METHODOLOGY

3.1 Introduction

Research methodology forms the foundation for any study by defining the framework and techniques used for data collection, analysis, and interpretation. It outlines the systematic approach adopted to achieve the research objectives effectively.

For this project, the research methodology is designed to investigate the tax planning behavior, awareness levels, challenges faced, and strategies adopted by individual assesseees in India, based on both primary and secondary data.

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3.2 Research Design

The study follows a descriptive and analytical research design.

- **Descriptive research** is used to describe the current state of tax planning practices among individual assesseees, their level of awareness, and demographic characteristics.
- **Analytical research** is applied to critically analyze the collected data, find patterns, and derive meaningful insights that help understand the factors influencing tax planning behavior.

This dual approach ensures that the study is both exploratory (identifying trends and patterns) and explanatory (providing reasons and factors behind these trends).

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3.3 Objectives of the Study

The primary objectives are:

- To study the level of awareness among individuals regarding tax-saving instruments and provisions.
- To analyze the tax planning strategies adopted by different groups based on income, age, profession, and education.
- To identify the key challenges faced by individuals in effective tax planning.
- To examine the influence of demographic factors on tax-saving behavior.
- To suggest measures for improving tax planning practices among individual assesseees.

3.4 Sources of Data

3.4.1 Primary Data

- The primary data is collected through a structured questionnaire circulated among individual assesseees.
- Respondents include salaried employees, self-employed professionals, freelancers, and small business owners.
- The questionnaire consists of closed-ended questions, multiple-choice questions, and Likert-scale questions.
- Responses were collected using Google Forms to ensure ease of access and wider reach.

3.4.2 Secondary Data

Secondary data is gathered from:

- Published research papers,
- Journals and academic articles,
- Government reports (such as CDBT reports, Union Budget documents),
- Reputed financial magazines (like Economic Times, Business Today),

- Official websites (like Income Tax Department of India, RBI),
- Other credible online sources.

3.5 Research Instrument

A **structured questionnaire** was designed keeping in mind:

- Simplicity and clarity of questions,
- Relevance to research objectives,
- Coverage of important dimensions like awareness, investment behavior, challenges, and demographic details.

The questionnaire was divided into several sections:

- Personal information (age, income, education, profession),
- Awareness about **various sections of Income Tax Act,**
- Investment preferences for **tax** saving,
- **Challenges** faced in tax planning,
- Impact of financial advice and digital tools.

The instrument was pre-tested among a small group (pilot testing) to eliminate ambiguities before full deployment.

3.6 Sampling Design

- **Sampling Method:** **Non-probability convenience sampling** method **was adopted** due **to** time constraints and ease of access to respondents.
- **Sample Size:** 100+ respondents were targeted for collecting a sufficient quantity of data to allow meaningful statistical analysis.

- **Sampling Unit:** Individual assesseees residing mainly in urban and semi-urban areas, who are liable to pay income tax.

The sample included a healthy mix of:

- Different age groups,
- Various income brackets,
- Varied professional backgrounds (private employees, government employees, business owners, professionals).

3.7 Data Collection Procedure

- The questionnaire link was circulated through emails, WhatsApp groups, and social media platforms (LinkedIn, Instagram).
- Respondents were given clear instructions regarding the purpose of the study and assured of confidentiality of their responses.
- Data was collected over a period of 2–3 weeks to ensure a wider and diverse response base.

3.8 Tools and Techniques for Data Analysis

- Data collected from Google Forms was exported to Microsoft Excel and Google Sheets for analysis.
- Basic descriptive statistics such as percentages, averages, and frequency distributions were used to summarize the data.
- **Charts** (pie charts, bar graphs, column charts) were created to visually represent findings.
- **Cross-tabulation** was used to find relationships between demographic factors (like age, income) and tax planning behavior.

- Inferences were drawn based on patterns and trends observed in the data.

If necessary, basic statistical tests (like correlation) could also be conducted to check relationships between variables like "Income Level" and "Tax Planning Awareness."

3.9 Limitations of the Study

- The study is geographically limited mainly to respondents from urban and semi-urban areas, especially Delhi-NCR region.
- Convenience sampling may not represent the entire population perfectly, leading to sampling bias.
- Responses are self-reported, and there could be a chance of inaccurate or socially desirable answers.
- Time and resource constraints limited the scope and depth of analysis.

Despite these limitations, the study provides valuable insights into the tax planning behavior of individual assesseees.

4. ANALYSIS OF DATA

Evaluation of the study:

To facilitate a comprehensive analysis of the study, it is important to compare the theoretical framework with the practical aspects that can potentially lead to improvements. With this objective in mind, an effort has been made to categorize the respondents based on specific aspects gathered through the questionnaire. The findings are presented using tables and graphs.

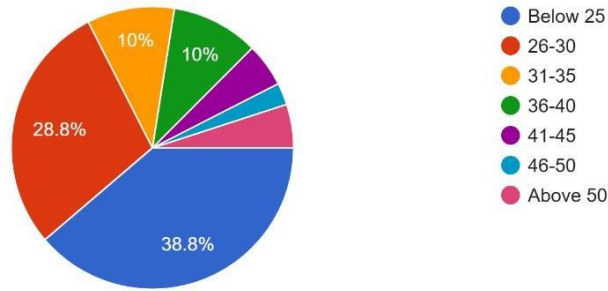
The enclosed copy of the questionnaire is at the end for sample size of 80 respondents, which is the basis for all calculations and numerical interpretations in this project.

1. Age of the Respondents (In years)

Age Group	Frequency	Percent
Below 25	31	38.8%
26-30	23	28.8%
31-35	8	10%
36-40	8	10%
41-45	4	5%
46-50	2	2.5%
Above 50	4	5%
Total	80	

Table: 4.1 Frequency and percentage of Age of the respondents

Age Group
80 responses



Analysis

The table above shows the frequency and percentage of the respondents' ages. In the age group under 25, the frequency is 31 and the percentage is 38.8%. In the age group 26-30, the frequency is 23 and the percentage is 28.8%. In the age group 31-35, the frequency is 8 and the percentage is 10%. In the age group 36-40, the frequency is 8 and the percentage is 10%. In the age group 41-45, the frequency is 4 and the percentage is 5%. In the age group 46-50, the frequency is 2 and the percentage is 2.5%. In the age group over 50, the frequency is 4 and the percentage is 5%.

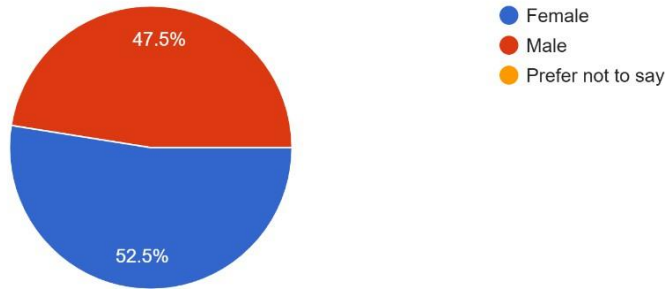
2. Gender of the respondents

	Frequency	Percent
Female	42	52.5%
Male	38	47.5%
Prefer not say	-	-
Total	80	100.0

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Table: 4.2 Frequency and percentage of Gender of the respondents

Gender
80 responses



Analysis

The above table discusses the frequency and percentage of the Gender of the respondents. For Female respondents, the frequency is 42 and the percentage is 52.5%. For Male respondents, the frequency is 38 and the percentage is 47.5%.

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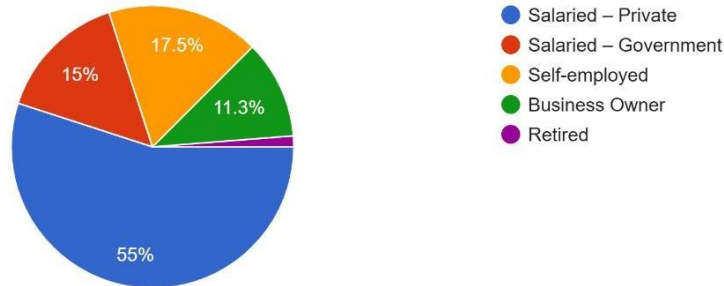
3. Profession of the respondents

	Frequency	Percent
Salaried – Private	44	55%
Salaried – Government	12	15%
Self-employed	14	17.5%
Business Owner	9	11.3%
Retired	1	1.2%
Total	80	100.0

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Table: 4.3 Frequency and percentage of the Profession of the respondents

Profession
80 responses



Graph: 4.3 Graphical representation of Profession of the respondents

Analysis

9

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3

3

The above table discusses the frequency and percentage of the Occupation of the respondents. For Salaried – Private employees, the frequency is 44 and the percentage is 55%. For Salaried – Government employees, the frequency is 12 and the percentage is 15%. For Self-employed individuals, the frequency is 14 and the percentage is 17.5%. For Business Owners, the frequency is 9 and the percentage is 11.3%. For Retired individuals, the frequency is 1 and the percentage is 1.2%

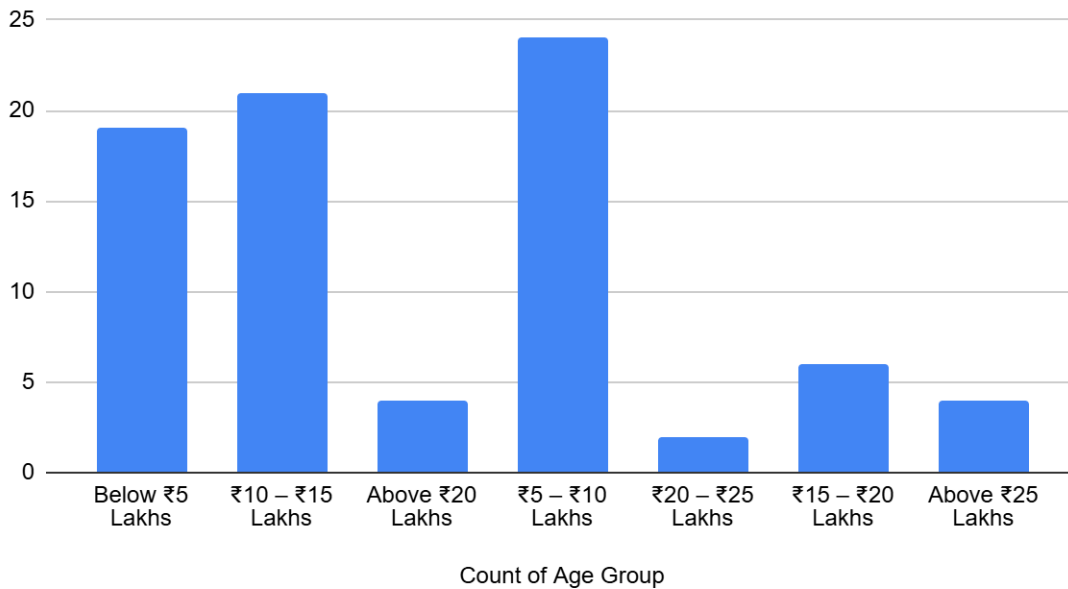
4. Annual Income (₹):

	Frequency	Percent
Below ₹5 Lakhs	19	23.8%
₹5 – ₹10 Lakhs	24	30%
₹10 – ₹15 Lakhs	21	26.3%
₹15 – ₹20 Lakhs	6	7.5%
₹20 – ₹25 Lakhs	2	2.5%
Above ₹25 Lakhs	8	10%

Total	80	100.0
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Table: 4.4 Frequency and percentage of Annual Income (₹) of the Respondents

Count of Age Group



Graph: 4.4 Graphical representation of Annual Income (₹) of the Respondents

Analysis

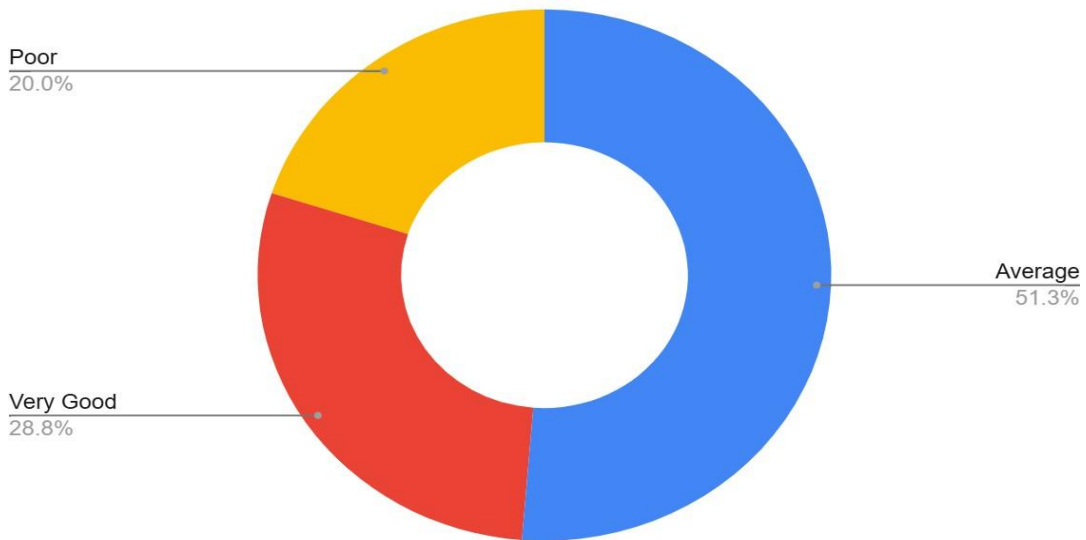
The above table discusses the frequency and percentage of the Annual Income of the respondents. For respondents earning Below ₹5 Lakhs, the frequency is 19 and the percentage is 23.8%. For those earning between ₹5 – ₹10 Lakhs, the frequency is 24 and the percentage is 30%. For the ₹10 – ₹15 Lakhs income group, the frequency is 21 and the percentage is 26.3%. For the ₹15 – ₹20 Lakhs income group, the frequency is 6 and the percentage is 7.5%. For the ₹20 – ₹25 Lakhs income group, the frequency is 2 and the percentage is 2.5%. For respondents earning Above ₹25 Lakhs, the frequency is 4 and the percentage is 5%.

5. How would you rate your awareness of income tax rules and deductions?

	Frequency	Percent
Very Good	23	28.7%
Average	41	51.2%
Poor	16	20%
Total	80	100.0

Table: 4.5 Frequency and Percentage of respondent's awareness of income tax rules and deductions

Count of Age Group



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Graph: 4.5 Graphical representation of respondent's awareness of income tax rules and deductions

Analysis

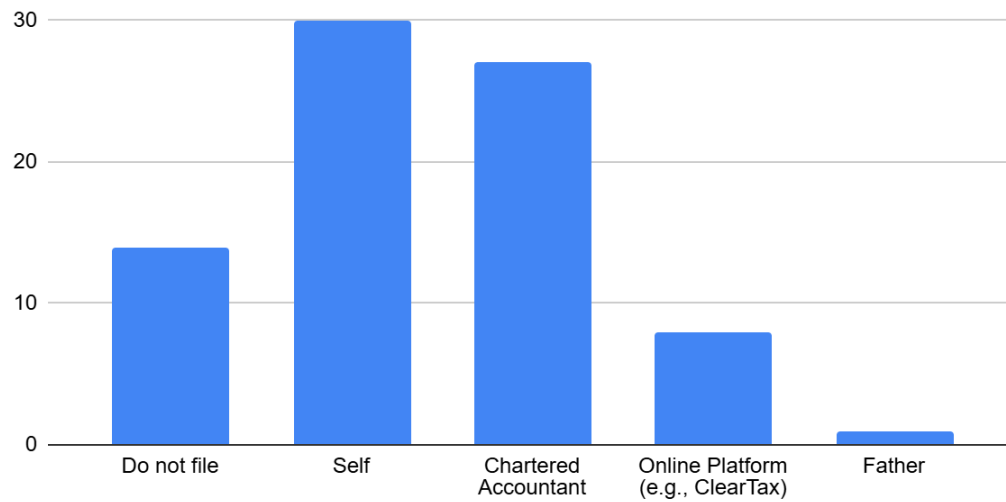
The above table discusses the frequency and percentage of the respondents' awareness of income tax rules and deductions. For those with Very Good awareness, the frequency is 23 and the percentage is 28.7%. For respondents with Average awareness, the frequency is 41 and the percentage is 51.2%. For respondents with Poor awareness, the frequency is 16 and the percentage is 20%.

6. Who handles your tax planning and filing?

	Frequency	Percent
Self	30	37.5%
Chartered Accountant	27	33.8%
Online Platform (e.g., ClearTax)	8	10%
Do not file	14	17.5%
Parents	1	1.2%
Total	80	100.0

Table: 4.6 Frequency and percentage of how respondents handle their tax planning and filing

Count of Who handles your tax planning and filing?



Count of Who handles your tax planning and filing?

Graph: 4.6 Graphical representation of how respondents handle their tax planning and filing

Analysis

The above table discusses the frequency and percentage of who handles the respondents' tax planning and filing. For those who handle it themselves, the frequency is 30 and the percentage is 37.5%. For those whose tax matters are handled by a Chartered Accountant, the frequency is 27 and the percentage is 33.8%. For respondents who use an Online Platform (e.g., ClearTax), the frequency is 8 and the percentage is 10%. For those who do not file taxes, the frequency is 14 and the percentage is 17.5%. For respondents whose Parents handle their tax filing, the frequency is 1 and the percentage is 1.2%.

7. Do you use/know any of the following deductions? (Select all that apply)

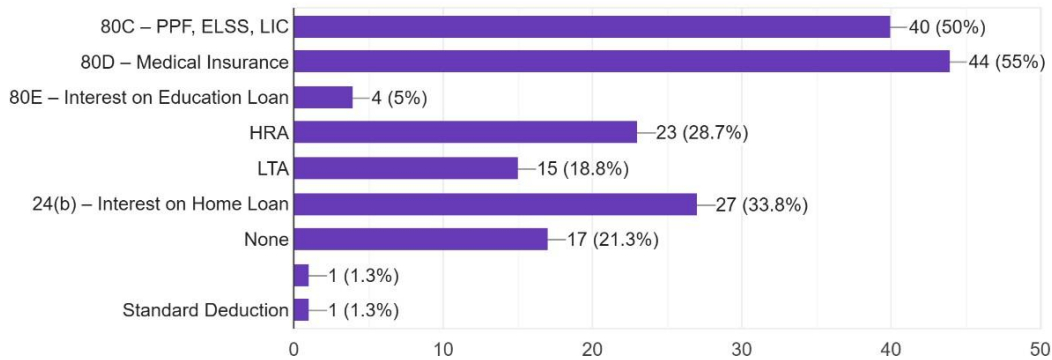
	Frequency	Percent

80C – PPF, ELSS, LIC	40	50%
80D – Medical Insurance	44	55%
80E – Interest on Education Loan	4	5%
HRA	23	28.7%
LTA	15	18.8%
24(b) – Interest on Home Loan	27	33.8%
None	17	21%
Other	2	2.6%

Table: 4.7 Frequency and percentage of respondents using/knowing any income tax deductions

Do you use/know any of the following deductions? (Select all that apply)

80 responses



Graph: 4.7 Graphical representation of respondents using/knowing any income tax deductions

Analysis

- The **most widely known and used deductions** are under **Section 80D (Medical Insurance)** with **55%** of respondents claiming awareness or use, closely followed by **Section 80C (PPF, ELSS, LIC, etc.)** at **50%**.

→ This highlights that medical expenses and basic investment instruments are well-known tax-saving avenues among individuals.

- **Interest on Home Loan under Section 24(b)** is utilized/known by about **33.8%** of respondents, suggesting that home ownership is an important tax planning strategy for many.

- House **Rent Allowance (HRA)** is availed by **28.7%** of individuals, which indicates that a significant number of taxpayers are salaried employees living in rented accommodations.

- Leave **Travel Allowance (LTA)** is less popular, with only **18.8%** of individuals utilizing it, possibly due to the restrictive conditions under which LTA claims are permitted.

- Section **80E (Interest on Education Loan)** has the **lowest usage** at just **5%**, implying that a very small segment of taxpayers are currently repaying education loans and using this deduction.

- Alarmingly, **21%** of respondents selected "**None**," indicating that a significant proportion of individuals either:

- Do not claim any deductions at all, or
- Are unaware of the available tax-saving benefits.

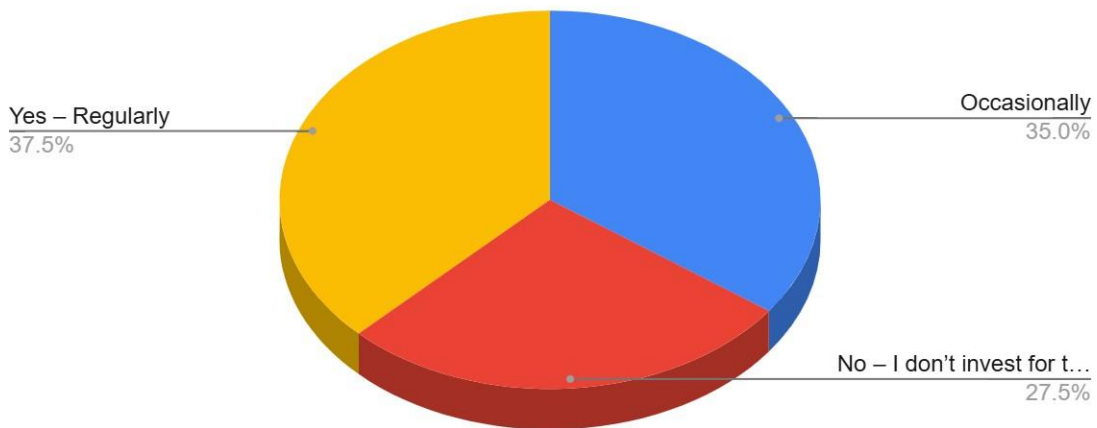
- The "**Other**" category had a **very minor share (2.6%)**, which might include newer deductions like Section 80EEA (home loan for affordable housing) or Section 80G (donations).

8. Do you actively invest to save tax under 80C and other provisions?

	Frequency	Percent
Yes – Regularly	30	37.5%
Occasionally	28	35%
No – I don’t invest for tax saving	22	27.5%
Total	80	100.0

Table: 4.8 Frequency and percentage of respondents actively investing to save tax under 80C and other provisions

Count of Do you actively invest to save tax under 80C and other provisions?



Graph: 4.8 Graphical representation of respondents actively investing to save tax under 80C and other provisions

Analysis

- **Regular Investors:**

About **37.5%** of respondents indicated that they **regularly invest** for the purpose of tax saving.

→ This reflects a strong level of awareness and discipline among a significant portion of individual assesseees regarding tax planning.

- **Occasional Investors:**

35% of respondents invest **occasionally** to save tax.

→ This suggests that although they **are aware of tax-saving** benefits, their **investment** behaviour is more reactive (e.g., investing **at the end of the financial year**) rather than proactive.

- **Non-Investors:**

Alarmingly, **27.5%** of the respondents stated that they **do not invest at all for tax saving purposes**.

→ This highlights a critical gap where individuals either:

- Lack awareness about the benefits of tax-saving investments,
- Have insufficient surplus funds to invest,
- Or rely solely on salary deductions (like EPF, professional tax) without active tax planning.

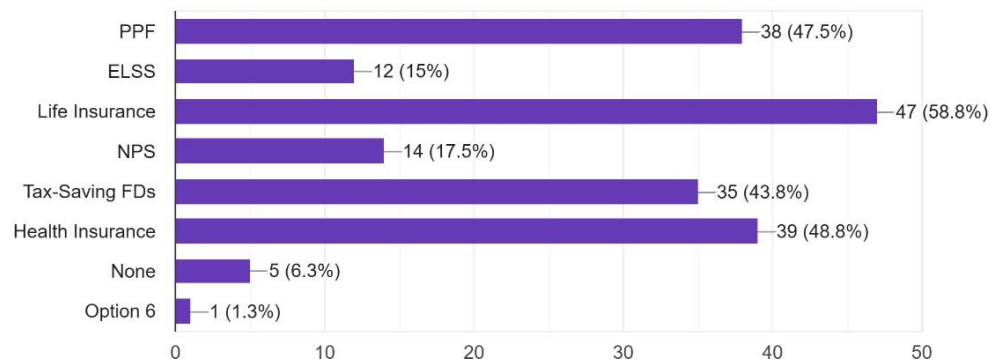
9. Which instruments do you prefer for tax-saving?

	Frequency	Percent
PPF	38	47.5%
ELSS	12	15%
Life Insurance	47	58.8%
NPS	14	17.5%
Tax-Saving FDs	35	43.8%
Health Insurance	39	48.8%
None	5	6.3%
Other	1	1.3%

Table: 4.9 Frequency and percentage of tax-saving instruments preferred by respondents

Which instruments do you prefer for tax-saving?

80 responses



Graph: 4.9 Graphical representation of tax-saving instruments preferred by respondents

Analysis

• **Life Insurance (58.8%)** is the **most preferred** tax-saving instrument among respondents.

→ It suggests that individuals prioritize financial security along with tax benefits.

- **Health Insurance (48.8%)** and **PPF (47.5%)** are the next most preferred options.
→ This shows that people value both health security and safe, long-term investments.

- **Tax-Saving Fixed Deposits (43.8%)** are also quite popular due to their guaranteed returns and low-risk nature, especially among conservative investors.

- **National Pension Scheme (17.5%)** and **ELSS Funds (15%)** have relatively lower preference rates.
→ This could be because:
 - NPS has longer lock-in periods till retirement.
 - ELSS, being linked to equities, carries higher risk, which some individuals may wish to avoid.

- **None (6.3%)** indicates a small percentage of individuals who either do not engage in active tax-saving investments or are unaware of their options.

- **Other instruments (1.3%)** likely include less commonly known options like Sukanya Samriddhi Yojana, NSC (National Savings Certificate), or deductions under Section 80G for donations.

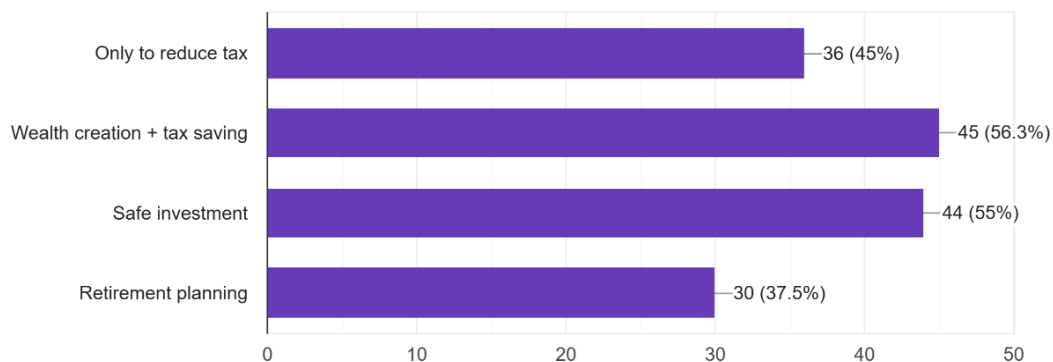
10. Main motivation behind tax-saving investments:

	Frequency	Percent
Only to reduce tax	36	45%
Wealth creation + tax saving	45	56.3%
Safe investment	44	55%
Retirement planning	30	37.5%

Table: 4.10 Frequency and percentage of respondent's main motivation behind tax-saving investments

Main motivation behind tax-saving investments:

80 responses



Graph: 4.10 Graphical representation of respondent's main motivation behind tax-saving investments

Analysis

- **Wealth Creation + Tax Saving (56.3%)** is the **top motivation** behind tax-saving investments.
→ This reflects a positive trend where individuals are not only focused on reducing taxes but also on building wealth over the long term.
- **Safe Investment (55%)** is almost equally important.
→ Many individuals prefer low-risk investment avenues, underlining a conservative investment mindset.
- **Only to Reduce Tax (45%)** shows that for a significant proportion of taxpayers, the primary goal is still **immediate tax savings** without a long-term financial strategy.
- **Retirement Planning (37.5%)** is considered by a little over one-third of respondents.
→ This suggests that while awareness about retirement planning is growing, it still needs to be more widely encouraged among individuals.

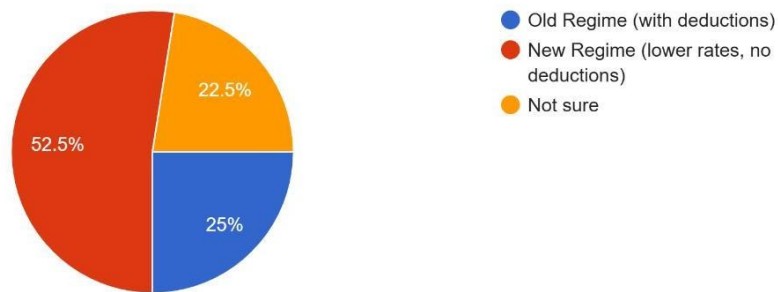
11. Which tax regime do you follow/prefer?

	Frequency	Percent
Old Regime (with deductions)	20	25%
New Regime (lower rates, no deductions)	42	52.5%
Not sure	18	22.5%
Total	80	100.0

Table: 4.11 Frequency and percentage of preferred tax regime by respondents

Which tax regime do you follow/prefer?

80 responses



Graph: 4.11 Graphical representation of preferred tax regime by respondents

Analysis

Old Regime (with deductions):

- Frequency: 20
- Percentage: 25%

- Analysis:** A quarter of the respondents prefer the **Old Regime (with deductions)**. This indicates that a significant portion of the population values the deductions and exemptions offered under this regime, likely because it can reduce their taxable income and potentially lower their overall tax burden.

New Regime (lower rates, no deductions):

- Frequency:** 42
- Percentage:** 52.5%
- Analysis:** The New Regime (lower rates, no deductions) is the most preferred choice, with more than half (52.5%) of the respondents selecting it. This suggests that the simplicity and the lower tax rates of the new regime are appealing to the majority of people, even though they have to forgo deductions and exemptions.

Not Sure:

- Frequency:** 18
- Percentage:** 22.5%
- Analysis:** A notable 22.5% of respondents are unsure about which tax regime to choose. This could reflect confusion about the trade-offs between the old and new tax regimes or a lack of clear understanding of how each one applies to their individual financial situation.

12. What challenges do you face in tax planning?

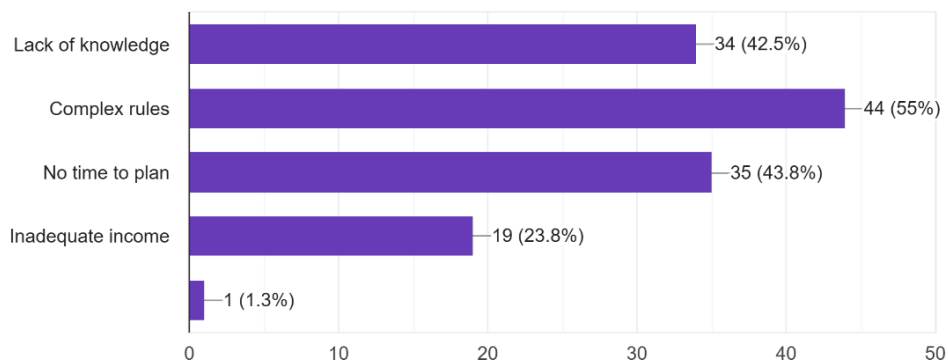
	Frequency	Percent
Lack of knowledge	34	42.5%
Complex rules	44	55%
No time to plan	35	43.8%

Inadequate income	19	23.8%
Other	1	1.3%

Table: 4.12 Frequency and percentage of challenges faced by respondents in tax planning

What challenges do you face in tax planning?

80 responses



Graph: 4.12 Graphical representation of challenges faced by respondents in tax planning

Analysis

- **Complex Rules (55%)** are the most commonly cited challenge.
 - This shows that the intricate and technical nature of India's tax laws creates significant confusion among individual taxpayers.
- **No Time to Plan (43.8%)** and **Lack of Knowledge (42.5%)** are also major hurdles.
 - This indicates that many individuals either:
 - Are not able to dedicate sufficient time for structured tax planning, or
 - Lack sufficient information about the schemes, deductions, and optimal strategies available.

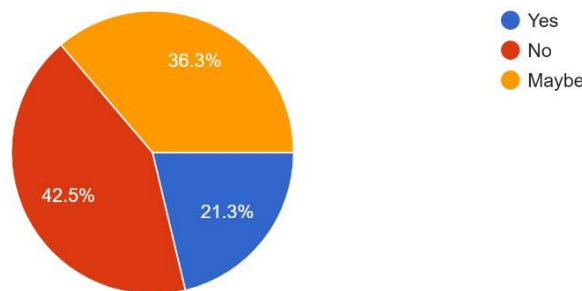
- **Inadequate Income (23.8%)** is a concern for nearly one-fourth of the respondents.
→ It suggests that lower-income groups find it difficult to allocate funds specifically for tax-saving investments, prioritizing basic needs over financial planning.
- **Other (1.3%)** responses are negligible but might include unique personal challenges like distrust in financial advisors, procrastination, or sudden life events impacting planning.

13. Do you think government awareness programs/tools are sufficient for individual taxpayers?

	Frequency	Percent
Yes	17	21.3%
No	24	42.5%
Maybe	29	36.3%
Total	80	100.0

Table: 4.13 Frequency and percentage of respondents think government awareness programs/tools are sufficient for individual taxpayers

Do you think government awareness programs/tools are sufficient for individual taxpayers?
80 responses



Graph: 4.13 Graphical representation of respondents think government awareness

programs/tools are sufficient for individual taxpayers

Analysis

- **No (42.5%)** is the most frequent response.
 - A large proportion of individuals feel that **government initiatives are currently inadequate** to fully educate and assist taxpayers.
- **Maybe (36.3%)** shows that many respondents are **uncertain or neutral**.
 - They might acknowledge some efforts by the government but believe that they are either inconsistent, poorly communicated, or insufficiently detailed.
- **Yes (21.3%)** indicates that only a small segment of respondents believe that government awareness efforts are satisfactory.

14. Any suggestions to improve tax planning or awareness among individual taxpayers?

- Govt can appoint Chartered Accountants to spread awareness of Tax planning
- More clarity on rules
- Easy access to govt provided CAs
- Regular awareness seminars or workshops
- Promote tax awareness through workshops is one of the ways awareness can be created. User-friendly apps, online tools, etc can also improve planning. Incentivize early filing, partner with employers, and use social media to simplify concepts and encourage compliance.
- Simple taxation
- Just remove BJP

FINDINGS

1. Demographics:

- A majority (38.8%) of respondents are **below 25 years**, indicating a young, potentially less experienced taxpayer base.
- **52.5% are female** respondents, and most participants (55%) are **private sector salaried individuals**.
- A substantial proportion (30%) earn between **₹5–₹10 lakhs annually**, while only 10% earn **above ₹25 lakhs**.

2. Awareness of Tax Rules:

- Over half (51.2%) have only **average awareness**, and **20% report poor awareness** of income tax rules and deductions.
- Despite this, **37.5% manage their own taxes**, while others rely on **CAs (33.8%)** or **online platforms (10%)**.

3. Popular Deductions:

- The most commonly claimed deductions are **Section 80D (Medical Insurance)** at 55%, and **Section 80C (PPF, ELSS, LIC)** at 50%.
- A significant **21% of respondents claim no deductions**, reflecting a major awareness or accessibility gap.
- **Section 80E (Education Loan Interest)** is least used (5%), suggesting limited student loan repayment among respondents.

4. Tax-Saving Investment Behaviour:

- **37.5% regularly invest** for tax saving, while **27.5% do not invest at all**, indicating a lack of proactive financial planning.

- The most preferred instruments are **Life Insurance (58.8%)**, **Health Insurance (48.8%)**, and **PPF (47.5%)**, showing a bias toward safer, low-risk options.
- Instruments like **NPS (17.5%)** and **ELSS (15%)** remain underutilized, likely due to perceived risk or long lock-in periods.

5. Motivation Behind Tax Planning:

- The top motivators are **wealth creation (56.3%)** and **safe investments (55%)**, showing a dual focus on returns and security.
- **45% invest only to reduce tax**, suggesting a short-term view among a sizable segment.
- **Retirement planning (37.5%)** is still relatively low in priority for most individuals.

6. Choice of Tax Regime:

- **52.5% prefer the New Regime (lower tax rates, no deductions)**, valuing simplicity over exemptions.
- **25% still favor the Old Regime** for its **tax-saving** benefits.
- A concerning **22.5% are unsure** which regime to choose, indicating confusion or lack of personalized advice.

7. Challenges in Tax Planning:

- **Complexity of tax rules (55%)** is the biggest hurdle.
- Other major challenges include **lack of time (43.8%)** and **knowledge (42.5%)**.
- **Inadequate income (23.8%)** hinders the ability to save and plan taxes, especially among lower-income groups.

8. Awareness Programs by the Government:

- A significant **42.5%** feel government awareness efforts are insufficient, while only **21.3%** find them satisfactory.
- **36.3% are unsure**, pointing to a lack of visibility or clarity in current outreach efforts.

RECOMMENDATIONS

1. Enhance Tax Awareness through Targeted Education:

- Launch more **interactive, youth-focused campaigns** explaining tax deductions and planning strategies.
- Integrate **tax education into college curricula** or through government-certified online courses for working professionals and students.
- Promote use of **official government tools (e.g., Income Tax Portal calculators)** with tutorials.

2. Simplify Communication of Tax Regimes:

- Develop a **side-by-side comparison tool** to help individuals easily decide between **Old and New tax regimes based on their income and deductions.**
- Provide examples and real-case illustrations through media and finance influencers.

3. Encourage Use of Digital Filing Platforms:

- Promote **government-endorsed e-filing platforms** (like ClearTax, IncomeTax.gov.in) with user guides for self-filers.
- Offer **subsidized filing support for lower-income groups** to improve compliance and planning.

4. Promote Underutilized Tax-Saving Instruments:

- Increase awareness of **ELSS and NPS**, emphasizing their long-term benefits despite lock-ins.
- Share real-life success stories on platforms like YouTube, LinkedIn, etc., to reduce risk perception.

5. Improve Access to Financial Advisors:

- Offer **certified financial helpdesks** during the tax season in public and private institutions.
- Build partnerships with banks to provide **basic tax planning advice for free** to account holders.

6. **Tailored Government Schemes for Low-Income Groups:**

- Launch **low-ticket tax-saving schemes** with low minimum investment and short lock-in for those with inadequate income.
- Offer **incentives for salaried workers** to opt into NPS, especially in private companies.

7. **Upgrade Government Awareness Campaigns:**

- Government campaigns should be made **more relatable, regular, and multilingual** using television, mobile apps, and social media.
- Collaborate with influencers or finance content creators to **disseminate simple tax tips**.

8. **Encourage Retirement and Long-Term Financial Planning:**

- Conduct webinars or workshops on **retirement readiness** in collaboration with employers and universities.
- Provide tax benefits for subscribing to **financial literacy programs** or certified planning workshops.

LIMITATIONS OF THE STUDY

1. Limited **Sample Size** and Scope:

- The survey was conducted among a relatively small group of 80 respondents, which may not represent the diverse demographic and economic profiles of taxpayers across India.
- The findings are primarily based on urban or semi-urban respondents, limiting generalizability to rural populations.

2. **Self-Reported Data:**

- The responses are based on participants' self-assessment, which may be subject to **biases, misreporting, or lack of awareness**.
- Some respondents may have selected options based on assumptions rather than actual practice, especially regarding deductions or investment instruments.

3. **Lack of Professional Tax Knowledge:**

- Many respondents may not have had sufficient knowledge or expertise in income tax planning, resulting in **superficial or incomplete answers**.
- The interpretation of certain terms (like "investment" or "deductions") may vary among individuals.

4. **Static Data Collection:**

- The study captures **a single time frame** and does not consider changes in behavior over time or during different stages of the financial year (e.g., end-of-year rush for tax-saving investments).

5. **Unaccounted Regional and Policy Differences:**

- The study does not account for **regional differences in tax planning awareness** or the **impact of state-level schemes or incentives**.
- Recent **policy changes or updates in tax rules** during the survey period might not have been reflected accurately in the responses.

6. **Time and Resource Constraints:**

- The study was conducted under limited time and academic constraints, restricting the scope of in-depth interviews, follow-ups, or expert validations of the data

5. CONCLUSION

7 The study on Income Tax Planning with Respect to Individual Assessee highlights while a significant portion of individuals are aware of basic tax-saving instruments like Life Insurance, Health Insurance, PPF, and Section 80C deductions, there remains a noticeable gap in comprehensive tax planning knowledge and execution. Many individuals continue to invest primarily to reduce their immediate tax liability, rather than as part of a broader wealth creation or retirement planning strategy.

8 The findings reveal that although there is growing awareness about different investment avenues, complex tax regulations, lack of time, and inadequate financial literacy remain major barriers to effective tax planning. A considerable number of respondents prefer the New Tax Regime for its simplicity, yet a sizable portion still values the deductions and exemptions under the Old Regime.

The survey also indicated that government awareness programs and tools are often perceived as insufficient by taxpayers, signaling a need for more accessible, widespread, and simplified tax education initiatives.

4 Overall, the study emphasizes the importance of proactive tax planning, greater dissemination of knowledge about deductions and investment options, and the need for simplified tax laws to make tax compliance more taxpayer-friendly. Encouraging financial literacy and planning from an early stage can help individuals not just save taxes but also achieve long-term financial security.

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QUESTIONNAIRE

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1. **Age Group:**

- Below 25
- 26–30
- 31–35
- 36–40
- 41–45
- 46–50
- Above 50

10

2. **Occupation Type:**

- Salaried – Private
- Salaried – Government
- Self-employed
- Business Owner
- Retired

24

3. **Annual Income (₹):**

- Below ₹5 Lakhs
- ₹5 – ₹10 Lakhs
- ₹10 – ₹15 Lakhs
- ₹15 – ₹20 Lakhs
- ₹20 – ₹25 Lakhs
- Above ₹25 Lakhs

4. **How would you rate your awareness of income tax rules and deductions?**

- Very Good
- Average
- Poor

5. **Who handles your tax planning and filing?**

- Self
- Chartered Accountant
- Online Platform (e.g., ClearTax)

- Do not file

7 **6. Do you use any of the following deductions? (Select all that apply)**

- 80C – PPF, ELSS, LIC
- 80D – Medical Insurance
- 80E – Interest on Education Loan
- HRA
- LTA
- 24(b) – Interest on Home Loan
- None

91 **7. Do you actively invest to save tax under 80C and other provisions?**

- Yes – Regularly
- Occasionally
- No – I don't invest for tax saving

8. Which instruments do you prefer for tax-saving? (Multiple choice)

- PPF
- ELSS
- Life Insurance
- NPS
- Tax-Saving FDs
- Health Insurance
- None

9. Main motivation behind tax-saving investments:

- Only to reduce tax
- Wealth creation + tax saving
- Safe investment
- Retirement planning

62 **10. Which tax regime do you follow/prefer?**

- Old Regime (with deductions)
- New Regime (lower rates, no deductions)
- Not sure

6 **11. What challenges do you face in tax planning?**

- Lack of knowledge
- Complex rules
- No time to plan
- Inadequate income

12. Do you think government awareness programs/tools are sufficient for individual taxpayers?

- Yes
- No
- Not sure

13. Any suggestions to improve tax planning or awareness among individual taxpayers?