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EXPLORE THE IMPACT OF RELIEFS & REBATE ON ITR FOR INDIVIDUALS: A QUALITATIVE STUDY

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Abstract:
The tax revenue is very crucial for the government to undertake development projects and operation of the nation smoothly. The taxpayer directly influenced and impacted their living level through the policy of taxation. The present paper mostly focus on the Impact of Reliefs and rebates on ITR for individuals during a specific period. The study has the main object of identifying the impact as well as the significance of the model that explored to effect of predefined variables on the dependent variables. The study identified significant associations among the selected variables as well as also the significance of certain patterns and structures with selected data under the variables. The logistic regression model also identifies the effect of income as most significant on the Relief-Rebate Positive Impact on ITR rather than such variables as profession, salary and exemption.

Key Words: Impact, Relief, Rebate, ITR, Individual, Qualitative

1) Introduction:

Tax policy is a major challenge for developing countries where tax complexity in legislation, administrative inefficiencies, the tax structure for the majority economy depending on informal sectors, etc. are considered major issues. The multiple tax structure, **(Ghuge: 2015)** like India, has not encouraged the individual at various levels. The previous study indicated that better income levels have a direct relationship with the ITR on specifically individual Taxpayers. The policy regarding tax is directly related to the economic policy with employment, inflation, interest rate, development rate and welfare of the state too. So tax taxpayer is the cause of the overall economic policy and that consequence needs to be changed at various levels to achieve better tax revenue for the welfare of the taxpayer.

2) Objectives:

- Identify the Impact of the Rebate and Relief on ITR
- Explore the Impact of Income, Profession, and Salary on Rebate & Relief.

3) Research Methodology:

The present research paper undertook a primary research approach to achieve predetermined research objectives. There are mainly six variables considered for the research study namely Profession, Income, Salary, Deductions that play a major Role in Financial Planning, Exemption Impact on ITR, and Rebate & Relief positive Impact on ITR. Here, profession, income and salary are major variables of independent while remaining dependent variables in the present research. Descriptive statistics, Logistic regression, Run Test and Chia-Square major statistical tools for the significance of the study. Moreover, graphical presentation is also one of the tools utilized for the representation of data analysis in the study.

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4) Literature Review:

Puttaswamy (2018) studied "Income Tax Reforms in India A Study Based on Perceptions of Income Tax Assesses and Authorities", revealed that ITR through "SARAL" had been very significant for small and medium taxpayers. Moreover, the direct tax increased in the composition of the tax revenue during the period. The tax GDP ratio of India is still down against countries like Brazil, China, and Russia etc. The study also concluded that the middle-income group had increased personal tax gradually compared to higher-income groups. Under the state-wise share of income tax revenue, the Maharashtra state's contributed the highest 38 percent income tax revenue first in India while Delhi, Karnataka followed them.

The prospects theory focuses on analyses of the decision under the risk which was developed by **Kahneman Denial., & Tversky Amos (1979).** Here, psychology and economics combined help to understand the phenomenon of cognitive biases-heuristics influence tax behaviour with integration. Under this theory, authors emphasise gains and losses relative to certain reference points, which become trigger points for making decisions. People are more sensitive to losses than gains so the prospect theory accounts for decision weights. The decision weights reflect that low probabilities are more affected by the choice of insurance gambling with low probabilities.

C.Chitteebabu (2023) studied the awareness and perception of tax saving instruments in the Bengaluru geographical area which contains 110 salaried individuals undertaken in their primary study. The main object of this study was to understand tax planning of salaried assesse as well as explore the suitable tax saving instrument used in saving tax. The main output focus on the 60 percent of salaried individuals satisfied with tax saving instruments while 18 percent were highly satisfied. It was only 9 percent of individuals underlying the dissatisfied groups overall.

5) Final Output:

A-Descriptive Statistics Exploration:

The output of the present research study is allocated into four parts and the descriptive part is presented in this section. **Table: 1** shows the primary analysis of the included variables with their mean, standard deviation and min-max. An aggregate of 500 samples has been included in the descriptive exploration. The Income and Salary were included as continuous variables against qualitative properties of deduction, exemption impact and rebate-relief impact.

Table: 1 Descriptive Exploration of Variables

Statistics

	Income	Salary	Deduction	Exemption_Impact_on_ITR	Application_Rebate_Relief_Imapct_ITR
N Valid	500	500	500	500	500
Missing	1	1	1	1	1
Mean	2.45	.72	2.46	2.32	.21
Std Dev	1.42	.45	1.04	1.05	.41
Minimum	1.00	.00	1.00	1.00	.00
Maximum	6.00	1.00	4.00	4.00	1.00

Moreover, all five variables having included an equal 500 cases as respective to individual taxpayers. The highest mean value goes to deduction variables while the lowest goes to the Impact ITR variable during the period. The highest standard deviation has been found in to income variable while the lowest has been found in to impact ITR variable.

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Table:1.1 Profession

Profession

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.	1	.2%	.2%	.2%
	1.00	79	15.8%	15.8%	16.0%
	2.00	218	43.5%	43.5%	59.5%
	3.00	145	28.9%	28.9%	88.4%
	4.00	58	11.6%	11.6%	100.0%
Total		501	100.0%		

Table: 1.2 Income

Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	151	30.1%	30.2%	30.2%
	2.00	150	29.9%	30.0%	60.2%
	3.00	104	20.8%	20.8%	81.0%
	4.00	47	9.4%	9.4%	90.4%
	5.00	14	2.8%	2.8%	93.2%
	6.00	34	6.8%	6.8%	100.0%
Missing	.	1	.2%		
Total		501	100.0%		

Table:1.3 Salary

Salary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	138	27.5%	27.6%	27.6%
	1.00	362	72.3%	72.4%	100.0%
Missing	.	1	.2%		
Total		501	100.0%		

Table: 1.4 Deduction

Deduction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	117	23.4%	23.4%	23.4%
	2.00	124	24.8%	24.8%	48.2%
	3.00	169	33.7%	33.8%	82.0%
	4.00	90	18.0%	18.0%	100.0%
Missing	.	1	.2%		
Total		501	100.0%		

Table:1.5 Exemption

Exemption_Impact_on_ITR

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	148	29.5%	29.6%	29.6%
	2.00	116	23.2%	23.2%	52.8%
	3.00	165	32.9%	33.0%	85.8%
	4.00	71	14.2%	14.2%	100.0%
Missing	.	1	.2%		
Total		501	100.0%		

Table: 1.6 Rebate-Relief_Impact on ITR

Application_Rebate_Relief_Imapct_ITR

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	396	79.0%	79.2%	79.2%
	1.00	104	20.8%	20.8%	100.0%
Missing	.	1	.2%		
Total		501	100.0%		

In addition to descriptive exploration, the profession has the highest distribution into the 3rd category namely the 'Business-Self-employed" group around 33 percent and the lowest distribution noted by 14 percent into the 4th category namely "Housewife". The 2nd category namely "private sector salaried person' distributed by 23 percent and "salaried Government Person" group distributed by 29.6 percent during the period.

Under the income distribution, there has been the highest income distribution fall in below 5 lakh groups under the first category and then after 2nd category "5 lakhs to 7.5 lakhs" 29 percent distribution in all income categories. Moreover, categories 4, 5 & 6 combined to more than 10 lakhs to 20 lakhs having only 20 percent distribution shown.

Under the variable distribution of salary, the highest distribution falls under salaried individuals and reached at more than 72 percent during the study. In deduction variables, there is the highest distribution in the 3rd category of "moderate believe" by 33.8 percent whereas the "not recommended & less believe" category combined distributed by 48 percent. While believe categories have 52 percent aggregate distribution.

Under the variable of exemption income, the highest distribution by 33 percent in the 'Moderate Agree" category whereas the lowest distribution falls in the 'Strongly Agree by 14 percent. More than 52 percent distribution falls in the non-agree and somewhat agree narrative. Under the variable distribution of the "Rebate-Relief impact on ITR", most distribution fall under negative narration by 79 percent whereas the rest fall in positive believe of its impact on ITR narrative.

B-Association Among Selected Variables:

The present section focuses on the identified association among selected variables under the present research study. The Chi-Square has been performed to test the hypothesis of H0: No Association among Selected Variables, H1: Association among Selected Variables.

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Table: 2 Chi-Square Test for Association

Test Statistics

	Chi-square	df	Asymp. Sig.
Profession	125.23	3	.000
Exemption_Impact	41.01	3	.000
Deduction_Financial_planning	27.09	3	.000
Rebate_Reliefs_Positive_Impact_ITR	170.53	1	.000

Table: 2 Shows the Chi-square value for four selected variables, profession, exemption impact, deduction financial planning and rebate-relief positive impact on ITR where 125.23, 41.01, 27.09, & 170.53 Chi-Square values respectively. The respected variables were found with 0.000 p-value at a lower than 0.05 significance level. This is enough evidence for the rejected H0 hypothesis and here accept the H1 alternative hypothesis for the significance of association among all selected variables.

C-Runs Test for Randomness:

The significance of patterns and identification of randomness should be necessary for further investigation in the present research study. The chi-square provides significant association, evidenced by this Runs test presented in **Table: 3**.

Table: 3 Runs Test for Randomness

Runs Test

	Salary	Deduction_Financial_planning	Exemption_Impact	Rebate_Reliefs_Positive_Impact_ITR
Test Value (median)	1.00	3.00	2.00	.00
Cases < Test Value	138	241	148	0
Cases ≥ Test Value	362	259	352	500
Total Cases	500	500	500	500
Number of Runs	181	128	121	1
Z	-2.22	-11.00	-9.50	NaN
Asymp. Sig. (2-tailed)	.026	.000	.000	NaN

Here, the Runs test shows the test value by median where salary having 1 median and 3, logistic regression performing for the 2 & o median respectively present in deduction financial planning, exemption impact and rebate relief positive impact on ITR. An aggregate of 500 samples is included for each selected variable, where the highest negative z value is found to be -11 in the deduction planning variable. The overall two-tailed Runs test provides evidence of the significance of each variable by getting a lower p-value than 0.05. The indication of this test suggests a pattern or certain trends available in present data and that's cross evidence of the significance of Chi-square.

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D-Logistic Regression for Impact Analysis:

The logistic regression represents the effect of different variables on the dependent variables. The previous association and pattern significance found in the selected variables and further subject of investigation, the present logistic regression going into depth of impact analysis. **Table: 4** shows the Logistic Regression model where the likelihood of having a higher value is presented by 506.82. Income and Salary are the independent variables whereas Rebate-Relief Positive Impact ITR is calculated under dependent variables in the model.

Table: 4 Impact Analysis by Logistic Regression

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	506.82	.01	.01

Dependent Variable Encoding

Original Value	Internal Value
.00	.00
1.00	1.00

Classification Table

Observed		Predicted		
		Rebate_Reliefs_Positive_Impact_ITR		
		.00	1.00	Percentage Correct
Step 1	Rebate_Reliefs_Positive_Impact_ITR .00	396	0	100.0%
	1.00	104	0	.0%
	Overall Percentage			79.2%

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1	Income	-.18	.09	4.19	1	.041	.84
	Salary	-.13	.25	.27	1	.604	.88
	Constant	-.83	.31	6.95	1	.008	.44

The Classification model has a dependent variable with 79 percent of the correct percentage which indicates a higher explanation through this model. The equation model represents the overall model fit explanation where the highest beta value is contained by a constant whereas income by 0.18 and salary by 0.13 respectively. The standard error highest presents to constant whereas the lowest by 0.09 by income.

Moreover, the significance of the model explains income and constant rather than salary impact on the dependent variable. The model equation indicates that income is one of the effective variables that impact the dependent variable as rebate relief positively impacts ITR.

6) Conclusion:

The present research study identifies the specific association among the selected variables and also the significance of certain patterns and trends available in the data. The study also proved that professional, salary has no impact on the Rebate Relief ITR but its impact by the income level. Moreover, profession has also no specific significant impact on the dependent variable.

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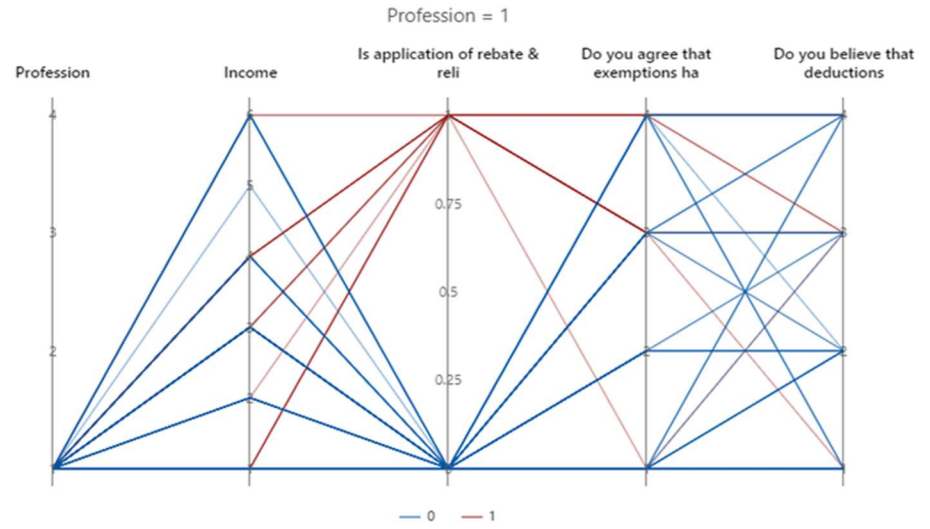
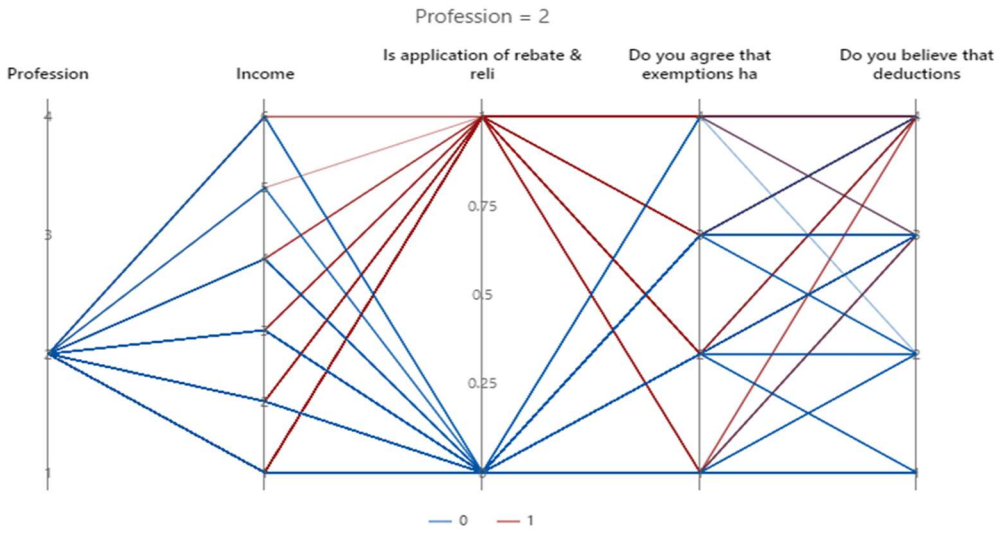
Appendix:





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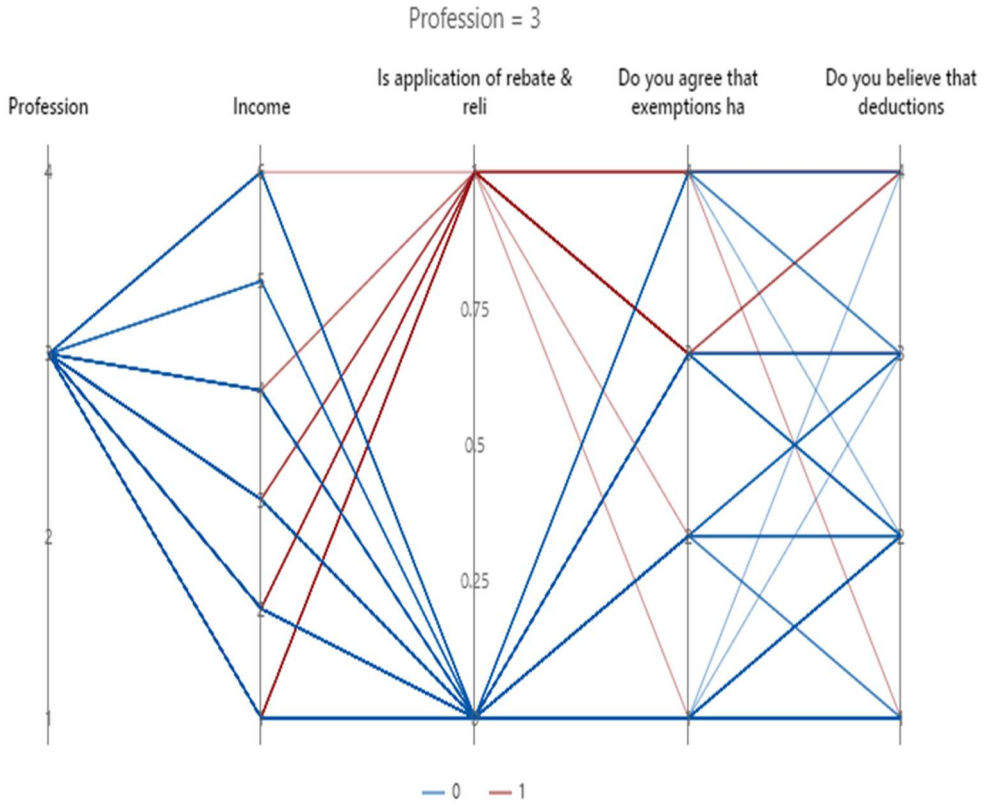

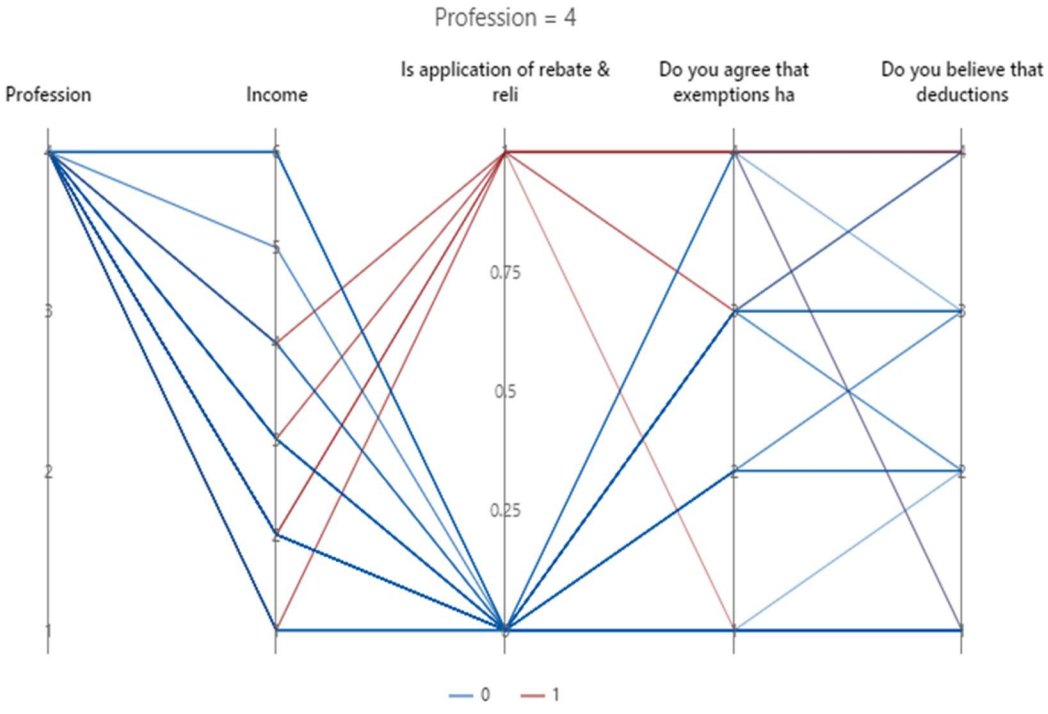

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