



The awareness of income tax saving schemes among the employees of SHUATS Allahabad, Uttar Pradesh, India

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Abstract

The present study examines “The awareness of Income tax saving schemes among the employees of SHUATS Allahabad”. It has analyzed the awareness of income tax saving schemes and comparison between teaching and non-teaching in Sam Higginbottom University of Agriculture, Technology and sciences, Allahabad. For the awareness of income tax saving schemes, primary data has been collected for the period of August to November 2017. For studying the awareness of income tax saving schemes, data has been collected from the employees of SHUATS in Allahabad, Uttar Pradesh - India. The study found that the awareness of income tax saving between teaching and non-teaching employees of SHUATS. By the questionnaire survey among them it has analyzed tax saving schemes like PPF, LIC policy, NSC, Mutual funds, Health insurance pension plans etc. Tax planning is an essential part of our financial planning. Efficient tax planning enables us to reduce our tax liability to the minimum. This is done by legitimately taking advantage of all tax exemptions, deductions rebates and allowances while ensuring that your investments are in line with their long-term goals. The purpose of the study is to find out the most suitable and popular tax saving instrument used to save tax and also to examine the amount saved by using that instrument. Over all findings reveals that the most adopted tax saving instrument is Life Insurance policy, which got the first rank in this study and the second most adopted tax saving instrument is Provident Fund.

Keywords: awareness of income tax saving schemes, tax saving instruments, comparison between teaching and non-teaching

Introduction

The Government supposed to play an important role in all development plans of society and community in new and fresh era. It has not done only to take out it some work (defense, maintenance of law and order). But also have to do beneficial development panning water supply and electricity etc. It has also issue for it office work. All these working opportunities require a good and well known public finance. Taxes incorporate the foundation sources of public finance the Government has to enhance the public expenses. Taxes are divided in to two parts, direct taxes and indirect taxes. Direct taxes are those taxes which have to be paid by a person on whom is levied. Indirect taxes are those taxes which have to be paid by another person indirectly. In all direct taxes the income tax is pretty crucial with the use of development rat of schedule, gives of free limit and income tax in India was controlled by the income tax act i.e 1961. The income tax first time imposed on 1-4- 1962 income tax solve of taxable income. The assessment appealed is given by the tax amount, penalties and obey. The reforms are brought by the finance

every year. To consist of income tax are 298 and its parts are XIV schedules. Income tax has to be paid by people who earn the money in current relevant and previous year. Actually the income tax is tax which applied on person or being taxpayer the taxes are different from its nature respectively. Many authorities want to income tax on business entities as organization, industries and tax corporate. Commonly the partners are not taxed but the partner will be taxed on their share partnership item. Well the tax will be imposed on the both country and subdivision. Many authorities free local area's organization from their tax. The income tax is calculated as an outcome of tax rate time's taxable income. With increasing or enhancing taxable income tax rate will be also enhance. Taxations are different by their nature and characteristics. Capital profitability might be taxed more compare to other income taxes.

Objectives of the study

1. To study the awareness of income tax saving schemes among the employees of Sam Higginbottom University of

6. Annual income

- a.) Less than Rs 2 lakhs
- b) Rs 2-5 lakhs
- c) Rs 5-10 lakhs
- d) above Rs 10 lakhs

Table 6

Particulars	Number of Respondents
Less than 2 lakhs	10
2- 5 lakhs	26
5- 10 lakhs	40
Above 10 lakhs	24

The above table shows that 10% of employee’s annual income are (less than 2 lakhs), 24% of employee’s annual income are (2-5 lakhs), 40% of employee’s annual income are (5-10 lakhs) and 26% of employee’s annual income are (above 10 lakhs).

7. Details of saving products that saves income tax

- a.) PPF b) LIC policy c) NSC d) Mutual funds e) Health insurance policy f) Pension plans g) Fixed deposit above 5 years h) All of the above

Table 7

Particulars	Number of Respondents
PPF	25
LIC policy	27
Mutual funds	18
Health insurance policy	20
Pension plans	10

9. Specific motive of respondents to invest in tax saving schemes

- a.) Income tax rebate b) Assured return c) Less risky d) Meeting specific target e) Other

Table 9

Particulars	Number of Respondents
Income tax rebate	40
Less risky	34
Meeting specific target	26

In the study, we found that 40% of respondent said they have invested for the rebating of income tax, 34% of respondent

invested in tax saving scheme because it is less risky and 26% respondent invested for meeting some specific target.

10. View of respondents in selection of the most expedient scheme to invest for saving income tax

- a.) PPF b) NSC c) LIC policy d) Any other

Table 10

Particulars	Number of Respondents
PPF	45
LIC policy	33
Any other	22

In the study, it is found that 45% of respondents considerate is the most convenient to invest in PPF to save their income tax, and 33% of respondents said that LIC policy is convenient and

22% of the respondents said mutual fund, health insurance etc. are convenient.

Table No. 7 shows that 27% of respondents take a benefit of LIC policy, 25% of respondents use PPF for saving their income tax and 20% of respondents use health insurance policy, 18% of respondents save their income tax by mutual funds and only 10% of respondents use pension plans.

8. Details of saving products that respondent have invested to save income tax

- a.) PPF b) LIC policy c) NSC d) Mutual fund e) ealth insurance policy f) Pension plans g) Fixed deposit above 5 years h) All the above i) any other

Table 8

Particulars	Number of Respondents
PPF	25
LIC policy	28
Health insurance	32
Fixed deposit above 5 years	6
Mutual funds	9

In the study, we found that 32% of respondents invested in LIC policy for saving the income tax, 23% of respondents invested in Health insurance policy to save income tax, 24% of respondents invested in PPF and 8 % respondent invested in mutual funds and 5% of respondents invested in fixed deposit Above 5 years.

11. Sum of money that respondent invests in tax saving schemes annually

- a) Nil b) Less than RS 50000 c) RS 50000-100000 d)100000-150000 e) More than 150000

Table 11

Particulars	Number of Respondents
Nil	2
Less than 50000	35
50000- 100000	40
100000-150000	15
More than 150000	8

In the study, we found that 40% of respondents said that they have invested in tax saving scheme between 50000- 100000 and 35% of respondents invested less than 50000 and 15% of respondents invested 100000 – 150000 and 8% invest more than 150000 and only 2% of respondent did not invest.

12. Major concerns of respondents about tax saving scheme

- a) Less return b) Lack of awareness c) Liquidity d) Others

Table 12

Particulars	Number of Respondents
Less return	24
Lack of awareness	36
Liquidity	40

In this study, found that 40% of respondents said liquidity and 36 % of respondents said that the major concern about tax saving scheme is less return and 24% said that lack of awareness.

13. Comparison between Teaching and Non – Teaching Employees

Annual income Specifications

- a) Less than RS 2 lakhs b) 2 – 5 lakhs
b) c) 5 – 10 lakhs d) above 10 lakhs

Table 13

Particulars		Number of Respondents	
Teaching	Non-teaching	Teaching	Non-teaching
Less than 2 lakhs	Less than 2 lakhs	4	6
2 – 5 lakhs	2 – 5 lakhs	10	16
5 – 10 lakhs	5 – 10 lakhs	20	20
Above 10 lakhs	Above 10 lakhs	16	8

In the study the comparison between (teaching and Non-teaching) is described as follow.

Annual income of teaching: Annual income of non-teaching:
(Less than 2 lakhs) – 4% (Less than 2 lakhs) – 6%
(2 – 5 lakhs) – 10% (2 – 5 lakhs)–16%
(5 – 10 lakhs) – 20% (5 – 10 lakhs) – 20%
(Above 10 lakhs) – 16% (Above 10 lakhs) – 8%

14. Details of saving products that were invested to save income tax

- a.) PPF b) LIC policy c) NSC d) Mutual funds e)Health insurance f) Pension plans g) fixed deposit above 5 years h) all of the above i) Any other

Table 14

Particulars		Number of Respondents	
Teaching	Non-teaching	Teaching	Non-teaching
PPF	PPF	14	11
LIC policy	LIC policy	13	15
Health insurance	Health insurance	12	20
Fixed deposit above 5 years		6	
Mutual funds	Mutual funds	5	4

In this study the comparison of teaching and non - teaching staffs are as below.

Teaching Non-teaching

PPF 14% PPF 11%

LIC policy 13% LIC policy 15%

Health insurance 12% Health insurance 20%

Fixed deposit above 5 years 6% Mutual funds 4%

Mutual funds 5%

15. Sum of money that respondent invests in tax saving schemes annually

- a) Nil b) Less than 50000 c) 50000 – 100000 d) 100000 – 150000 e) more than 150000

Table 15

Particulars		Number of Respondents	
Teaching	Non-teaching	Teaching	Non-teaching
Nil	Nil		2
Less than 50000	Less than 50000	20	15
50000 – 100000	50000 – 100000	15	25
100000 – 150000	100000 – 150000	10	5
More than 150000	More than 150000	5	3

In our study the comparison of teaching and Non-teaching are given as below.

Teaching

Less than 50000 20%

50000 – 100000 15%

100000 – 150000 10%

Above 150000 5%

Non-teaching

- Nil 2%

Less than 50000 15%

50000 – 100000 25%

100000 – 150000 5%

Above 150000 3%

Conclusion

Generally, the respondents were busy in their work and were not interested in responding.

Respondents were reluctant to disclose complete and correct information about themselves and their organization.

Most respondents were reluctant to provide exact information as why they preferred particular company's car.

The research was conducted in present prevent prevailing conditions. There can be some fluctuations in the market which can offset the finding.

The sample size was also 100 respondents.

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