A STUDY ON FINANCIAL PLANNING FOR SALARIED EMPLOYEES AND STRATEGIES FOR TAX SAVINGS

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ABSTRACT:

Tax is any shape charge levied on someone or a group through a governing body or its equal such that defaulted payment is punishable by means of law. The imposition of taxes and the organization of taxing is as antique as civilization itself cutting across faith, race and continental borders. Prompt tax payment and reduced tax evasion is always a primary goal of the government in most civilizations that exist nowadays. The problem of tax evasion has confirmed to be a tough exercise to lessen even in international locations with a proper database of its citizenry and the contemporary mode of tax price is redundant and tense as ascertained through a survey of our case look at.

Keywords: Tax, Financial Planning

I. INTRODUCTION:

The usage of computerized structures has been established to be able to introducing massive efficiencies to commercial enterprise tactics at a minimal fee (Wasao,2014), due to the bureaucratic shape of government which is costly to manage with little or no end result, tax authorities as an agency of presidency are turning to e-government led answers like digital tax submitting (e-submitting) (Amabali,2009), based totally at the arguments that it enhances the delivery of public offerings and fiscal profundity with incurring steeply-priced habitual overheads (Harrison & Nahashon,2015). United international locations stated that e-taxation is a procedure wherein tax documents or tax returns are submitted through the internet, normally without the want to submit any paper go back; it encompasses the usage of internet generation, the global net and software program for a huge range of tax management and compliance functions.

II. STATEMENT OF THE PROBLEM:

Profits tax draws mass attention in India. Income tax is direct Tax and a critical source of revenue of union government of India. Consequently, income tax is commonly the maximum seen and discussed the factor of India's tax system. In the year 1991 in India, the share of earnings tax to gross tax revenue (GTR) (inclusive of different taxes) of union government became 19.1 percent. It has accelerated to 55.9 percent in 2013-14.
III. OBJECTIVES OF THE STUDY:

- To look at the typical boom of profits-tax consultancy as a profession.
- To identify the elements of income and savings of the selected respondents of the study.
- To have a look at the difficulties of the diverse styles of assesses in getting the services from earnings-tax consultants.
- To study the pattern of tax planning by individual
- To make appropriate suggestion and conclusion.

IV. REVIEW OF LITERATURE:

1. Belinga V. & Others (2014) Tested to tax buoyancy inside the lengthy and inside the brief run in 34 OECD countries for the period 1965-2012 Via the use of unmarried mistakes correction model. His result recommended that lengthy run buoyancy isn't always significantly distinct from one in approximately half of the OECD countries.

2. Suresh and Khan (2011) Suresh & Khan Studied subject matter "trends and Tax buoyancy in organization Tax in Pre and put a up Liberalization intervals in India," and concluded that the company interest and corporate earnings tax have drastically increased after liberalization.


4. Sarkar (1997) tested to responsiveness of company tax to profits in India with the intention to assessing the justification for the imposition of the minimal alternative tax (MAT). His research divided in two parts.

5. The research conducted by Thulasipriya (2014), aimed to find the saving pattern and investment preferences of households, education level, age number of dependents in the family etc. are the factors influencing investment decisions and the main purpose for saving is to secure the family from future contingencies, for children education and marriages.

V. RESEARCH METHODOLOGY:

A. RESEARCH DESIGN:

The research design of this project is a quantitative research. The method of research used here is a simple survey created using google forms.

B. SAMPLING TECHNIQUE:

The sampling technique used here is convenience sampling.

C. SOURCE OF DATA:

PRIMARY DATA:

The primary data for this study is collected through questionnaire consisting of multiple-choice questions.

<table>
<thead>
<tr>
<th>Group Statistics</th>
<th>Educa<strong>n</strong> Level</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason for filling the first return</td>
<td>Doctorate</td>
<td>20</td>
<td>2.90</td>
<td>1.071</td>
<td>0.240</td>
</tr>
<tr>
<td>Graduat<strong>e</strong></td>
<td>91</td>
<td>2.68</td>
<td>1.246</td>
<td>0.131</td>
<td></td>
</tr>
</tbody>
</table>

SECONDARY DATA:

The secondary facts for the observe become accumulated from websites, internet, magazines.

D. AREA OF RESEARCH:

Sample size: 205

Period of study: 6 months

Target people: both men and women

Target location: Chennai, Tamil Nadu

Type of industry: Accounts

E. ANALYTICAL TOOL:

1. T-TEST:

TABLE SHOWING THE SIGNIFICANT BETWEEN AGE AND SATISFACTION OF TAX CONSULTANT:

Hypothesis:

Null hypothesis (HO):

There is no significant difference between Satisfaction of tax consultant services and Gender.
Alternate hypothesis (H1):

Satisfaction of tax consultant services and Gender

<table>
<thead>
<tr>
<th>Satisfaction of tax consultant services</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>2.30</td>
<td>104</td>
<td>.811</td>
<td>0.080</td>
</tr>
<tr>
<td>Male</td>
<td>2.07</td>
<td>101</td>
<td>.919</td>
<td>0.091</td>
</tr>
</tbody>
</table>

RESULT:

The p-value is 0.015 which is lesser than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between Satisfaction of tax consultant services and Gender.

Education Level and Reason for filling the first return

RESULT:

The p-value is 0.014 which is lesser than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between Reason for filling the first return and Education level.

2. ANOVA:

TABLE SHOWING SIGNIFICANCE BETWEEN AGE AND SHOWING YEARS OF FILLING RETURN WITH THE CURRENT TAX CONSULTANT:

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>58.582</td>
<td>3</td>
<td>19.527</td>
<td>13.811</td>
</tr>
<tr>
<td>Within Groups</td>
<td>284.199</td>
<td>201</td>
<td>1.414</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>342.780</td>
<td>204</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

RESULT:

The p-value is .014 which is lesser than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between Gender and Pay alimony.
3. CORRELATION:

TABLE SHOWING SIGNIFICANCE DIFFERENCE BETWEEN AGE AND INCOME FROM INTEREST AND/OR DIVIDEND

Hypothesis:

Null hypothesis (H0):
There is no significant difference between Age and Income from interest and/or dividend.

Alternate hypothesis (H1):
There is a significant difference between Age and Income from interest and/or dividend.

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Education Level</th>
<th>Reason for filling the first return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education Level</td>
<td>Pearson Correlation</td>
<td>-183*</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.009</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>205</td>
</tr>
<tr>
<td>Reason for filling the first return</td>
<td>Pearson Correlation</td>
<td>-183*</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.009</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>205</td>
</tr>
</tbody>
</table>

RESULT:
The p-value is 0.009 which is lesser than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between Education Level and Reason for filling the first return.

VI. PERCENTAGE ANALYSIS:

TABLE 1. SHOWING AGE WISE CLASSIFICATION OF THE RESPONDENT'S

<table>
<thead>
<tr>
<th>Age</th>
<th>NO. OF RESPONDENTS</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 to 25</td>
<td>40</td>
<td>20%</td>
</tr>
<tr>
<td>25 to 35</td>
<td>61</td>
<td>30%</td>
</tr>
<tr>
<td>35 to 40</td>
<td>51</td>
<td>25%</td>
</tr>
<tr>
<td>Above 40</td>
<td>53</td>
<td>26%</td>
</tr>
<tr>
<td>Total</td>
<td>205</td>
<td>100%</td>
</tr>
</tbody>
</table>
FIG. 1 SHOWING CHART REPRESENT AGE WISE CLASSIFICATION OF THE RESPONDENT’S:

INTERPRETATION:
From the above table it is interpreted that 20% of the respondents are 8 to 25 years, 30% of the respondents are between 25 to 35 years, 25% of the respondents are between 35 to 40 years, 26% of the respondents are between Above 40 years.

INFERENCE:
Majority of the respondents are between 25 to 35 years.

TABLE 2. TABLE SHOWING GENDER OF THE RESPONDENTS

<table>
<thead>
<tr>
<th>Gender</th>
<th>NO. OF RESPONDENTS</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>101</td>
<td>49%</td>
</tr>
<tr>
<td>Female</td>
<td>104</td>
<td>51%</td>
</tr>
<tr>
<td>Total</td>
<td>205</td>
<td>100%</td>
</tr>
</tbody>
</table>

FIG 2. SHOWING WHAT SHOULD BE MY CUSTOMER STRATEGY

INTERPRETATION:
From the above table it is interpreted that 49% of the respondents are males and 51% of the respondents are females.

INFERENCE:
Majority of the respondents are females.

TABLE 3. SHOWING EDUCATIONAL QUALIFICATIONS

<table>
<thead>
<tr>
<th>Education level</th>
<th>No of Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctorate</td>
<td>20</td>
<td>10%</td>
</tr>
<tr>
<td>Post graduate</td>
<td>82</td>
<td>40%</td>
</tr>
<tr>
<td>Graduate</td>
<td>91</td>
<td>44%</td>
</tr>
<tr>
<td>Higher Secondary</td>
<td>12</td>
<td>6%</td>
</tr>
<tr>
<td>Total</td>
<td>205</td>
<td>100%</td>
</tr>
</tbody>
</table>

FIG 3. SHOWING WHAT IS THE MOST PREFERRED INVESTMENTS AMONG CUSTOMERS

Source: Primary data
INTERPRETATION:
From the above table it is interpreted that 10% of the respondents has completed Doctorate, 40% of the respondents has completed Post graduate, 44 % of the respondents are Graduate, 6% of the respondents are Higher Secondary.

INFERENCE:
Majority of the respondents are graduates.

TABLE 4: SHOWING INCOME PER ANNUM

<table>
<thead>
<tr>
<th>Income per Annum</th>
<th>No of responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above 10lakh</td>
<td>13</td>
<td>6%</td>
</tr>
<tr>
<td>7.5 lakh to 10lakh</td>
<td>63</td>
<td>31%</td>
</tr>
<tr>
<td>5 lakh to 7.5lakh</td>
<td>66</td>
<td>32%</td>
</tr>
<tr>
<td>Less than 5lakh</td>
<td>63</td>
<td>31%</td>
</tr>
<tr>
<td>Total</td>
<td>205</td>
<td>100%</td>
</tr>
</tbody>
</table>

FIG 4: SHOWING WHEN CAN CUSTOMERS BUY GOLD

Source: Primary

INTERPRETATION:
From the above table it is interpreted that 6% of the respondents are Above 10lakh, 31% of the respondents are 7.5lakh to 10lakh, 32 % of the respondents are 5lakh to7.5lakh, 31% of the respondents are taking less than 5lakh income per annum.

INFERENCE:
Majority of the respondents are 5lakh to 7.5lakh.

VII. SUMMARY OF FINDINGS:

- It is found that 30% of the majority respondents are between 25 to 35 years of age.
- It is found that 30% of the majority respondents are between 25 to 35 years of age.
- It is found that 51% of the majority respondents are Females.
- It is found that 44% of the majority respondents have completed their graduate degree.
- It is found that 32% of the majority respondents have 5lakh to 7.5lakh income per annum.
- It is found that 54% of the majority respondents are mention No to the question of receive income Form interest and/or dividends.
- It is found that 64% of the majority respondents are mention No to the question of receive a state tax refund.
- It is found that 53% of the majority respondents are mention No to the question of pay alimony.
- It is found that 61% of the majority respondents are mention No to the question of new loan pay points.
- It is found that 60% of the majority respondents are mention No to the question of U.S source income.
- It is found that 56% of the majority respondents are mention No to the question of Regular tax payer.
- It is found that 41% of the majority respondents are mention income from salary.
- It is found that 56% of the majority respondents are mention Yes to the question of government’s annual budget.

VIII. SUGGESTIONS:

- Income-tax is the primary source of revenue for any authorities. In India profits-tax is levied and gathered as in step with the policies, policies, and provisions of the ‘income-Tax Act, 1961’. This Act has its personal history.
- In 1922 the All India income-Tax Committee recommended and passed the Indian profits-Tax Act, 1922, which changed into built on

- Housing loans
- Loans for purchasing domestic appliance
IX. CONCLUSION:

Based totally on the findings of the examination, it's miles specifically concluded that statistics generation beautifies the extent of productiveness in tax collectivity and management. Specially; online submitting and remittance of tax returns via tax payers are inversely associated with tax making plans and implementation via tax administrative companies. The adoption of data generated inside the registration of eligible and capability tax payers portrays performance in tax planning and implementation which in flip guarantees ease collectivity of tax returns. its impact on tax administration within the states online tax remittance should be inspired. It is found that on overwhelming majority of the salaried employee’s opinion regarding direct tax imposed is high and very high. It is concluded that the salaried employees are reducing the tax liability.

REFERENCES:


WEBSITES

www.google.com

www.wikpedia.com