

Perceptions and Attitudes Toward the Indian Income Tax System: A Study of Delhi/NCR Assesseees

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Abstract

Introduction: In India, the income tax system plays a crucial role in shaping the nation's economic landscape. As taxpayers are the key contributors to this system, understanding their perceptions and attitudes towards it is of paramount importance. Tax compliance is also influenced by individual perceptions of fairness, simplicity, and the overall efficacy of the tax regime. A positive perception can foster voluntary compliance and strengthen the revenue collection, while a negative perception might lead to tax evasion, reducing the government's capacity to address the needs of its citizens.

Purpose: This research paper aims to delve into the perspectives of income tax assesseees in the Delhi/NCR region, one of India's most economically significant areas. By conducting an in-depth analysis, we seek to uncover the underlying sentiments, beliefs, and opinions of taxpayers towards the income tax system in India.

Design/ Methodology/ Approach: This study employed a primary data analysis approach to accomplish its research objectives. The investigation concentrated on collecting primary data from 525 respondents residing in the Delhi NCR region, which includes Delhi, Faridabad, Gurugram, Noida, and Ghaziabad. Quantitative data analysis techniques were utilized to describe and examine the study's outcomes. Specifically, the researchers conducted ANOVA and regression analysis on the collected data using SPSS software to analyze the perceptions of income tax assesseees.

Findings: The study reveals that perceptions of tax burden and provisions are relatively similar across income groups, influenced by overall tax policy and regulations rather than individual income levels. Higher-income individuals encounter more complex administrative processes, leading to distinct perceptions in 'Taxation and Compliance' and 'Administrative Issues'. However, no significant differences are observed for 'Tax Burden and Provisions', 'Documentation and Deductions', and 'Tax Loss Utilization and Tax Rate Equality', suggesting limited influence of income on perceptions in these aspects. Respondents recognize government efforts, acknowledge recent tax reforms' impact, and consider income taxation highly significant in business decisions.

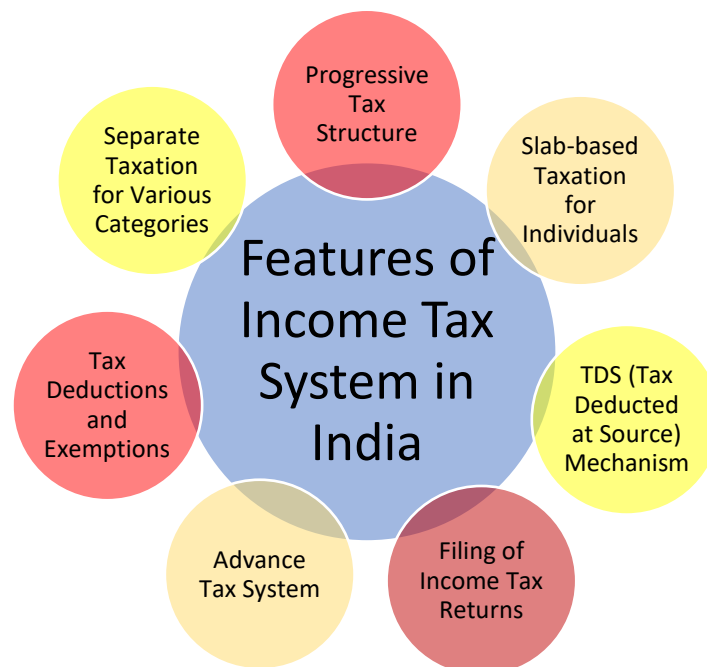
Originality/ Values: The originality of this study lies in its specific focus on the perceptions of income tax assesseees in the Delhi NCR region towards India's income tax system. While there have been studies on taxpayer behaviour and perceptions in various contexts, conducting an in-depth analysis dedicated to this specific region (Delhi/NCR) and its unique socio-economic dynamics adds originality to the research.

Additionally, the use of primary data collected from a substantial sample size of 525 respondents further enhances the originality of the study. By employing both quantitative data analysis techniques like ANOVA and regression analysis, the research provides a robust and comprehensive examination of the assessee's perceptions and attitudes.

Keywords: Income Tax System, Perception, Attitude, Tax Compliance, administration

INTRODUCTION

The Income Tax System in India is a fundamental pillar of the country's fiscal framework, designed to raise revenue for the government and ensure socio-economic development. It is a direct tax levied on the income earned by individuals, businesses, and other entities within the country's borders. The system is governed by the Income Tax Act, 1961, and administered by the Central Board of Direct Taxes (CBDT), which operates under the purview of the Ministry of Finance, Government of India.



IMPORTANT DEFINITION

SEC 2(24)	• Income
Sec 2(31)	• Person
Sec 2(7)	• Assessee
Sec 2(9)	• Assessment Year
Sec 3	• Previous Year

INCOME U/S 2 (24)

Income tax is levied on the earning of a person. This term has not been defined in the Income Tax Act, except that it states as to what included in income

The taxpayer has to pay tax on what he gets or earns or receives. It is not necessary that every receipt be treated as income

PERSON [2(31)]

There are seven categories of person on whom tax is levied. All taxes are collected through persons. It includes:

S.No	Person	Definition	Who has control and management of business
1	Individual	Natural person, living person, minor, person of unsound mind, trustees of a discretionary trust	Individual
2	Hindu Undivided Family	Lineally descended from a common ancestor(family means a group of persons related by blood or marriage)	Karta or its co-pensioners
3	Company	Artificial person, registered under companies act,1956	Board of directors
4	Firm	A separate legal entity from his partners	Partners
5(a)	Association of Persons	Two or more persons joining for the common purpose for the purpose of earning income	Principal officer
5(b)	Body of Individuals	It means conglomeration of individuals, who comes together by chance, e.g. by birth or testamentary dispositions	Principal officer
6	Local Authority	Separate unit of assessment municipality, corporation, district board	Principal officer/ Board
7	Other Artificial judicial person	Every artificial judicial person not falling within any of the preceding categories. E.g. Mandir, Gurudwara, Mosque	Principal officer/ Board

ASSESSEE u/s 2(7)

Assessee means a person Who is liable to pay tax Liable to pay any other sum of money (interest, penalty etc.) is payable under this Act Every person in respect of whom any proceeding under the income tax Act has been taken for the assessment of A deemed assessee (a person is treated as assessee only in the eyes of law)

Assessment Year (2(9):

Assessment year means twelve months period of starting from 1st April of every year and ending on 31st March of the next year. For example our **current assessment year is 2020-21** which commenced on 1st April 2020 and ends on 31st March 2021. The period of assessment year is statutorily **stable** and cannot be change.

Previous Year: 3

Income earned in a year is taxable in succeeding year. The year in which income is earned is known as previous year and the next year in which the income is taxable is known as Assessment year. In other words, previous year means the financial year immediately preceding the assessment year. For example, for the assessment year 2020-21, previous year shall be 2019-20 (starting from 1st April 2019 to 31st March 2020)

OBJECTIVES OF TAXATION**REVIEW OF RELATED LITERATURE**

India, as an emerging nation, holds a crucial position in the global economy. Its rise in prominence is not only evident among other emerging countries but also within the international economic landscape. However, the country's tax environment has often been perceived as complex, marked by multiple indirect taxes, burdensome litigations, and a lack of predictability. To foster economic growth and attract both international and domestic investments, India needs a robust tax policy. This becomes particularly vital as the country faces a significant fiscal deficit, making revenue generation a top priority. (George, 2015)

Inclusive growth in any country should take into account the dynamics of the middle class, which plays a significant role in economic development. By focusing on policies that promote the well-being and economic mobility of the middle class, countries can create a more stable and sustainable foundation for long-term growth. Empowering the middle class can stimulate consumer demand, encourage entrepreneurship, and drive economic progress, contributing to inclusive growth on a broader scale. While pro-poor growth has been a key focus in development economics, the concept of inclusive growth should evolve to encompass the middle class's economic role. By adopting policies that uplift the middle class, countries can foster more comprehensive and sustainable economic development, ultimately benefiting the entire population and promoting long-term growth. (Birdsall, 2010)

An examination of specific reasons driving taxpayers to seek professional assistance reveals that complexity and frequent changes in income tax laws are major concerns for Indian taxpayers. These findings underscore the need for implementing strategies to alleviate the compliance burden and improve the tax system's efficiency. The extending the use of withholding taxes involves deducting taxes at the source of income, thereby reducing the taxpayer's compliance burden. Additionally, implementing taxpayer education programs and simplifying tax laws are recommended measures to enhance taxpayer awareness and make the tax system more accessible and comprehensible. (Singh J. &, 2010)

The study's results indicate that e-taxpayers' behavioral intention towards the online tax-filing system is primarily influenced by their perceived ease of use and usefulness. Since the electronic tax-filing system adoption in India is voluntary, the findings suggest that a system that is easy to use, customizable, user-friendly, offers a range of services, is convenient, has easy payment options. (Haryani & Motwani, 2015) The paper provides an overview of the e-Filing system for Income Tax Returns (ITRs) in India, including its history and benefits for different stakeholders. The paper identifies shortcomings of the old e-Filing system for tax returns in India and highlights factors that led to the implementation of a new system. The paper explains the approach to executing the new e-Filing system, prioritizing reliability and availability, recommending features and facilities for different stakeholders. (Singh H. , 2013)

The study highlights the importance of effective policy and administrative measures in achieving successful property tax reforms. The findings of the study can be useful for policymakers and administrators in other cities in India and beyond, who are looking to implement similar reforms. (Bandyopadhyay, 2013)

There has been a continuous growth in tax revenues throughout the research period, which has been good news for both direct tax collection and the expense of direct tax collection. However, inconsistency has been noted based on the percentage change in the direct tax collection from year to year, once more using the base year of 2013–14. While direct tax revenue increased by 8.96% during the 2014–15 fiscal year, it decreased by 6.63% during the 2015–16 fiscal year, compared to the prior year. Direct tax collection, however, grew to 14.53% in 2016–17 and to 17.93% in 2017–18, representing a rise in both volume and rate. (Kadyan & Sobti, 2021)

From the above review of literature, it is found that many research studies on Income tax are on tax flexibility, tax structure, tax incentives, compliance cost and unaccounted income. These studies have highlighted the weaknesses and operational inefficiency of the tax department due to lack of sufficient staff and infrastructural facilities. Most of the studies are based on the secondary data source, and analyses were more of quantitative in nature. Recently, few studies were conducted on tax reforms and policy perspective based on the perception of assesseees and Tax professionals. These studies, however, restricted to particular states only. The scope of the studies was limited and the sufficient time has elapsed since the

research has done. No studies were found based on the perception of Income Tax payers especially in North India. Hence, the researcher has taken up the present research study.

RESESRCAH METHDOLODY

The methodological considerations involved in studying the perception of income tax assesseees and authorities in the Delhi-NCR region are deeply explained. The research methodology outlines the information to be gathered, the sources of data, the data collection methods employed, and the analytical techniques to be used. Selecting an appropriate research design and methodology is crucial for this study, and this chapter provides a directional focus for the research. This study aims to enhance the understanding of perception in the context of income tax and generate valuable insights.

OBJECTIVE OF THE STUDY

To study the perception of Income tax assesseees towards the income tax system in India.

Research Design of current study

a. Type of Research:	Descriptive Research and explorative research
b. Data Sources:	Primary data
c. Research Approach:	Survey Method
d. Research Instrument:	Questionnaire
e. Type of Questionnaire	Structured non-disguised
f. Sample Size:	Income Tax Aseeeseees: 525
g. Sampling Procedure:	Simple Random Sampling
h. Contact method:	Personal Interview / Google Form
i. Scaling:	Liker 5 Point Scale
j. Statistical Tool for Data Analysis:	Hypothesis testing will be conducted through factor analysis and ANOVA
k. Significance Level of Hypothesis:	5%
l. Software Using for Data Analysis	SPSS 25

HYPOTHESIS OF THE STUDY

Following hypothesis propose:

H₀: There is no significant difference in the mean perception of respondents regarding the income tax system.

H₁: There is a significant difference in the mean perception of respondents regarding the income tax system.

Sample Design

The primary data was collected from the assesseees which include Individuals, HUF, Firm, Company, Firms and others such as AOP/ BOI, Local Authority who are covered within the jurisdiction of the study area.

Sample Size of Assessee

In India, tax payers are classified on the basis of geographic location and occupation (Dasgupta, 2003). Therefore, sample selection was planned on the basis of location of the tax payers. The study area chosen for the research was NCR Region, since NCR region has a diverse taxpayer base, ranging from salaried individuals to self-employed professionals, small and medium-sized businesses, and large corporations.

According to the records of the income tax department in these jurisdictions, the total number of assesses identified was 45,67,762, representing the population for the study. The researcher aimed to determine an appropriate sample size, taking into consideration the population size, the desired level of precision, the level of confidence or risk, and the variability in the attributes being measured, as discussed by (Taherdoost, 2017). It's important to note that without the actual values and parameters used in the Yamane formula, it is not possible to determine the precise sample size or the methodology employed. (Yamane, 1967)

Table 4.1 No. of Tax Filers in Sampling Area; Delhi NCR in 2021-22

Source: Data obtained from Income tax department of these jurisdiction

	Individual	HUF	Firm	Company	Others	Total
Delhi	3299417	67995	68495	137854	69589	3643349
Faridabad	160162	19565	19865	38769	19964	258325
Ghaziabad	92158	11446	11346	22296	11397	148643
Noida	60138	7469	7444	14549	7396	96996
Gurugram	262392	31636	33636	62067	30718	420449
Total	3874267	138111	140786	275535	139064	4567762

$$n = N / (1 + N(e^2))$$

Where: n = Sample size

N = Total population size

e = Desired level of precision (expressed as a proportion)

The researcher utilized the Yamane formula to determine the sample size for their study with a desired level of precision of 5% and a confidence level of 95%. The total population size considered for the study was 4,567,762 individuals. By applying the formula, the researcher arrived at a sample size of 400. Determining the appropriate sample size is not solely based on the population size and desired level of precision; it should also consider the statistical tools used for analysis. For rigorous impact analysis involving multiple regression, log-linear analysis, or ANOVA, a sample size of 200-500 is generally recommended. To account for potential non-response, it is common practice to add an additional 10% to 30% to the sample size. (Glenn, 1992)

Sample Size=

$$\left(\frac{\text{Size of sample}}{\text{Total Population}} \right) \times \text{Layer Size}$$

Table 4.2 Sample size Under Proportionate Random Method

	Individual	HUF	Firm	Company	Others	Total
Delhi	361	7	7	15	8	399
Faridabad	18	2	2	4	2	28
Ghaziabad	10	1	1	2	1	16
Noida	7	1	1	2	1	11
Gurugram	29	3	4	7	3	46

Total	424	15	15	30	15	500
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Due to the small sample sizes in some sub-classes, it was necessary to prevent bias in the study. To address this, the sample sizes in each stratum were calculated separately, giving equal weight to each stratum except for the individual data in Delhi. This decision was made because the number of tax filers in Delhi is significantly higher compared to other cities. As a result, the researcher opted for a disproportionate random sampling method to ensure adequate representation.

Table 4.3 Actual Sample size						
	Individual	HUF	Firm	Company	Others	Total
Delhi	240	5	5	10	5	265
Faridabad	40	5	5	10	5	65
Ghaziabad	40	5	5	10	5	65
Noida	40	5	5	10	5	65
Gurugram	40	5	5	10	5	65
Total	400	25	25	50	25	525

DATA ANALYSIS AND INTERPRETATION

To determine the suitability of the data for factor analysis, the Kaiser-Meyer-Olkin (KMO) measure is utilized.

Table 5.1 KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.889
Bartlett's Test of Sphericity	Approx. Chi-Square	3614.485
	df	190
	Sig.	.000

Source: Primary Data

The KMO measure evaluates the degree of interrelatedness among the variables and determines if they are suitable for factor analysis. By assessing the variables' relationship, the KMO measure helps determine if they are appropriate for this type of analysis. The KMO measure ranges from 0 to 1, with higher values indicating better suitability. It ranges from 0 to 1, with values closer to 1 indicating better suitability. In this analysis, the KMO value of 0.889 suggests that the data is highly suitable for factor analysis. The associated p-value is 0.000, indicating that the correlation matrix is significantly different from an identity matrix. This suggests that the variables are indeed interrelated and suitable for factor analysis.

Table 5.2 Total Variance Explained									
Com pone nt	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.497	32.486	32.486	6.497	32.486	32.486	3.593	17.963	17.963

2	1.667	8.336	40.821	1.667	8.336	40.821	2.719	13.596	31.560
3	1.315	6.574	47.395	1.315	6.574	47.395	1.972	9.859	41.418
4	1.170	5.848	53.242	1.170	5.848	53.242	1.766	8.832	50.250
5	1.004	5.022	58.265	1.004	5.022	58.265	1.603	8.014	58.265
6	.971	4.855	63.119						
7	.862	4.312	67.431						
8	.763	3.814	71.245						
9	.738	3.692	74.937						
10	.692	3.462	78.400						
11	.600	2.998	81.397						
12	.567	2.836	84.234						
13	.507	2.533	86.767						
14	.462	2.309	89.075						
15	.450	2.250	91.325						
16	.420	2.102	93.427						
17	.406	2.030	95.458						
18	.338	1.692	97.149						
19	.305	1.524	98.673						
20	.265	1.327	100.000						
Extraction Method: Principal Component Analysis.									

Source: Primary Data

In Table 5.2, the analysis of the rotated component matrix reveals the presence of five dominant factors with eigenvalues greater than one. These factors account for a total variance of 58.265%. The individual variances explained by each factor are 17.963%, 13.596%, 9.859%, 8.832%, and 8.014%, respectively. The significant eigenvalues suggest that these five factors play a crucial role in explaining the diverse perceptions of the assesseees. Together, they contribute to more than half of the total variance in the dataset. This implies that these factors capture the key underlying dimensions of the assesseees' perceptions.

Table 5.3 Rotated Component Matrix^a

	Component				
	1	2	3	4	5
Taxation aspects are highly significant in business decision making	0.697				
Tax burden is more on middle income people than the higher income group.	0.582				
The present Tax rates are high for all Assesseees.	0.511				
Income tax law is still complex to understand even after the reforms.	0.438				
Income tax Reforms so far have been effectively changed the direction of the tax system in India	0.491				

Income tax compliance (procedure) has been simplified over the period of time.	0.772				
Further Reduction in tax rates brings better compliance	0.735				
There should be the same provisions under salary head for private, public or Government employees.		0.733			
Irrelevant tax provisions must be changed or wiped off immediately		0.618			
Appealed cases are pending for long period.		0.628			
The age of super senior citizen should be fixed at 70 years.		0.313			
I could not produce the required documents properly to claim exemptions and deductions.			0.624		
Number of Exemptions and Deductions should be minimized and simplified for individual Assessee's and replaced by standard deductions.			0.589		
There should be only two types of residential status (Resident and Non-Resident)			0.515		
E-filing of IT return and quarterly TDS returns are difficult			0.458		
Tax credit mismatch exist between actual TDS & TRACES TDS u/s 26AS				0.61	
I find it difficult to file the tax returns within the prescribed time limit				0.763	
I am not aware of Tax payer education and motivation programme of IT Department for voluntary compliance				0.621	
All losses carried forwarded should be allowed to be set off under any head.					0.505
Income Tax rate for domestic companies and foreign companies should be the same.					0.711

Source: Primary Data

The factor loadings shown in table 5.3, represent the relationship between each variable and the factors, can be found in the provided table. The factor loading analysis was conducted using the principal component matrix with variable maximization and Kaiser normalization.

It can be identified from the above table that the first factor comprises seven variables which explains 8.336 % of the variables. This component reflects the perception that taxation aspects play a highly significant role in business decision making. Assessee's believe that income tax compliance procedures have been simplified over time, and they support further reduction in tax rates to enhance compliance. Therefore, this factor can be termed as **Taxation and Compliance**.

Assessee's express concerns about the tax burden being higher on middle-income individuals compared to higher income groups. They advocate for equal provisions under the salary head for various types of employees and emphasize the need to eliminate irrelevant tax provisions. It can be termed as **Tax Burden & Provisions**

The third factor explained by 4 variables with 6.574 % of the total variables. This component highlights administrative issues faced by assessee's. They perceive that appealed cases remain pending for a long

period, find it difficult to e-file their IT returns and quarterly TDS returns, and suggest fixing the age of super senior citizens at 70 years. It can be termed as **administrative issues**.

The fourth factor explained by three variables with 5.848 % of the total variables. This component captures the challenges faced in e-filing tax returns and quarterly TDS returns, as well as the difficulties in producing the required documents for claiming exemptions and deductions. It represents the obstacles encountered in electronic filing processes and meeting documentation requirements. It can be termed as **Documentation and Deductions**.

The fifth factor explained by two variables with 5.022 % of the total variables. Assesseees indicate challenges in producing required documents to claim exemptions and deductions accurately. They believe that the number of exemptions and deductions should be minimized and simplified, replaced by standard deductions for individual assesseees. It can be termed as **Tax Loss Utilization and Tax Rate Equality**. Hypothesis was tested to know the difference in the mean perception of respondent. One way Analysis of variance (ANOVA) has been computed for this purpose.

TESTING OF HYPOTHESIS

H₀: There is no significant difference in the mean perception of respondents regarding the income tax system.

H₁: There is a significant difference in the mean perception of respondents regarding the income tax system.

Table 5.4 Analysis of Variance (ANOVA) of perception of assesseees towards Income Tax System								
			Sum of Squares	df	Mean Square	F	Sig.	Results
Taxation and compliance	Between Groups	(Combined)	13.596	2	6.798	6.952	.001	Null Hypothesis is rejected
	Within Groups		510.404	522	.978			
	Total		524.000	524				
Tax Burden and Provisions	Between Groups	(Combined)	1.168	2	.584	.583	.558	Failed to reject Null Hypothesis
	Within Groups		522.832	522	1.002			
	Total		524.000	524				
Administrative Issues	Between Groups	(Combined)	7.055	2	3.527	3.562	.029	Null Hypothesis is rejected
	Within Groups		516.945	522	.990			
	Total		524.000	524				
Documentation and Deductions.	Between Groups	(Combined)	.089	2	.044	.044	.957	Failed to reject Null Hypothesis
	Within Groups		523.911	522	1.004			
	Total		524.000	524				
Tax Loss Utilization and	Between Groups	(Combined)	1.444	2	.722	.721	.487	Failed to reject Null Hypothesis
	Within Groups		522.556	522	1.001			

Tax Equality	Rate	Total	524.000	524				
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Grouping Variable : Annual Income

Table 5.4 presents the ANOVA results analyzing the perception of assessee towards the five dominant factors in the income tax system, namely Taxation and Compliance, Tax Burden and Provisions, Administrative Issues, Documentation and Deductions, and Tax Loss Utilization and Tax Rate Equality. The respondents are divided into four groups based on their Annual Income of Assessee. Thus, we can conclude that income does not significantly impact individuals' perceptions related to Tax Burden and Provisions, Documentation and Deductions, and Tax Loss Utilization and Tax Rate Equality.

FINDINGS OF THE STUDY

- The perception of tax burden and provisions may be relatively similar across income groups due to overall tax policy and regulations, rather than individual income levels.
- Variation in perception might stem from differences in interactions individuals from each income group have with tax administration. Higher-income individuals may encounter more complex administrative processes and have different experiences when dealing with tax authorities.
- Perception of tax loss utilization and tax rate equality may be primarily driven by concepts of fairness and equity rather than income group differences, leading to similar views across income groups.
- Significant differences in mean perception scores are observed between income groups for 'Taxation and Compliance' and 'Administrative Issues'. Higher-income individuals may have higher tax liabilities and encounter more complex tax issues, leading to distinct perceptions in these areas.
- No significant differences are observed for 'Tax Burden and Provisions', 'Documentation and Deductions', and 'Tax Loss Utilization and Tax Rate Equality', indicating income may have limited influence on perceptions in these aspects of the income tax system.
- Respondents generally recognize the efforts of the government, agree that recent tax reforms have changed the direction of the taxation system, and perceive income taxation as highly significant in business decisions.

RECOMMENDATIONS/ SUGGESTIONS:

Based on the findings and analysis of the respondents' perceptions towards the income tax system, the following recommendations and suggestions can be made to improve the tax system and address the issues identified:

- Enhance Taxpayer Education Programs: To bridge the gap in perceptions between different income groups, the government should invest in taxpayer education programs. These programs can help individuals understand their tax obligations, deductions, and benefits, thus promoting better compliance and reducing misconceptions about the tax system.
- Simplify Taxation and Compliance Procedures: The significant differences in perceptions related to 'Taxation and Compliance' and 'Administrative Issues' suggest the need for simplifying tax procedures and making them more user-friendly. Streamlining administrative processes and providing clear guidance can reduce the burden on taxpayers and improve their overall experience with tax authorities.
- Improve Transparency and Communication: Transparency in tax policies and communication from tax authorities can enhance trust and understanding among taxpayers. Providing clear and accessible

information about tax rates, deductions, and utilization of tax revenue can address misconceptions and improve perceptions about the fairness and effectiveness of the tax system.

- **Implement Progressive Taxation:** Since the perception of tax burden and provisions seems relatively similar across income groups, introducing progressive tax rates that ensure higher-income individuals contribute proportionally more can enhance perceptions of fairness and equity in the tax system.

FUTURE SCOPE OF THE STUDY:

The present study has provided valuable insights into the perceptions of taxpayers towards the income tax system, particularly focusing on the impact of income levels on these perceptions. While the findings offer a comprehensive understanding of how income groups perceive various aspects of taxation, there are several potential avenues for future research to expand and enrich our understanding further. The future scope of the study could include:

- **Comparative Analysis:** Extending the study to include a comparative analysis with other countries can provide valuable cross-country insights into taxpayers' perceptions of the income tax system. Comparing perceptions and tax compliance behaviors across different socio-economic contexts can shed light on the universality of the findings and the impact of cultural and institutional factors.
- **In-depth Qualitative Analysis:** Complementing the quantitative analysis with qualitative research methods, such as interviews or focus group discussions, can offer deeper insights into the reasons behind taxpayers' perceptions. Understanding the underlying beliefs, experiences, and attitudes towards taxation can provide a more nuanced understanding of how income levels influence perceptions.
- **Online Perception Surveys:** Utilizing online surveys and digital platforms to conduct perception surveys can increase the study's reach and participation, allowing for a more diverse and extensive dataset.

CONCLUSION

In conclusion, this study has provided valuable insights into the perceptions of taxpayers towards the income tax system, particularly focusing on the influence of income levels on these perceptions. The findings reveal that while there are significant differences in perceptions regarding 'Taxation and Compliance' and 'Administrative Issues' across income groups, perceptions related to 'Tax Burden and Provisions', 'Documentation and Deductions', and 'Tax Loss Utilization and Tax Rate Equality' appear to be relatively similar. The study highlights the importance of considering income-related factors when analyzing individuals' perceptions, as varying tax burdens and interactions with tax administration based on income levels can shape how taxpayers view the tax system.