

# Impact of Simplification of Taxation on the Economy: Evidence from Recent Reforms and Global Experiences

**Dr. Priyanka Mohan**

Head of the Department, Accountancy

SIES (Nerul) College of Arts, Science and Commerce (Autonomous), Mumbai, India

**Abstract:** *Tax simplification has emerged as a key driver for improving economic productivity, compliance, and investment climates. This paper examines theoretical foundations and empirical evidence linking simpler tax structures to macroeconomic outcomes. Using policy reforms such as India's 2025 Income-Tax Bill and cross-country data on compliance efficiency, the study finds that clarity in tax laws enhances voluntary compliance, reduces administrative costs, and stimulates investment without significantly compromising fiscal stability. Regression-based assessments from global panel datasets affirm that tax simplification positively correlates with GDP growth and tax-to-GDP ratios when accompanied by robust digital governance and anti-corruption frameworks.*

**Keywords:** Tax simplification

