

A Study on Tax Savings Schemes Adopted by Salaried Assesses in Mumbai City

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Abstract: *The act of organising one's finances in such a way as to take full advantage of all exemptions, deductions, concessions, rebates, allowances, and other tax-related benefits while remaining within the bounds of the law in order to reduce one's tax liability is known as tax planning. The exclusions, deductions, refunds, and relief provisions have been established by legislation to achieve particular social and economic objectives as well as to encourage saving and investments for the growth of the country's economy. The assesses' investment practices are proper and reasonable for their income. Assesses can reduce their tax liabilities by investing their money wisely and taking advantage of the several tax-saving investment initiatives put forth by the government. Salary people face problems with tax planning, and factors influencing investment behaviour are identified.*

Keywords: Tax

I. INTRODUCTION

Planning your taxes in a way that the assessors benefit is an important financial decision. Tax planning is the legal arrangement of one's financial affairs in such a way as to best utilise exemptions, deductions, and other tax breaks in order to minimise one's tax liability. Tax planning requires a thorough understanding of tax legislation in order to come up with the best solution to lower tax payments.

The act of organising one's finances in such a way as to take full advantage of all exemptions, deductions, concessions, rebates, allowances, and other tax-related benefits while remaining within the bounds of the law in order to reduce one's tax liability is known as tax planning. As a result, tax planning may be understood as a method of judiciously putting professional knowledge to use when organising one's operations in order to obtain the tax benefits that are specifically provided based on national priorities and in accordance with legislative and judicial opinion.

II. REVIEW OF LITERATURE

Dr. Dhakshayini KN and Mr. Chittibabu (2023) Tax planning involves looking at a scenario or financial strategy from a tax standpoint. The ability of a salaried person to accept risk affects the choice of investment strategy. Salaried workers are frequently perplexed while choosing the best savings plan. A salaried worker needs to be guided by appropriate authorities so they may make the right decision at the right moment.

Dr. Harish Kumar (2022) The study focuses on how each assesses behaves when making tax payments and choosing appropriate tax-saving strategies. Effective financial planning enables the assesses to lower their tax obligation and utilise the exclusions, rebates, and deductions the income tax department has to offer. In this study, the researcher sought to identify numerous widely used saving plans that assesses consistently adopted.

Dr. Sahail Imran Khan (2021) Financial planning is to create a roadmap to save tax and derived benefits from that for long period. Proper financial planning guide the salaried person at the time of decisions about finance. Assesses must study the all available options to save tax and generate savings.

Ana Brochado And Victor Mendes (2021) Financial education is a prerequisite for financial literacy, including its assessment, correlations, types of saving, and related behaviours. Savings and financial awareness go hand in hand for people who have jobs. Financial education is influenced by the investors' psychographic makeup and financial literacy.

Sidharth Dhongde (2020) Tax management is a process used by tax payers to minimise their tax obligations and make the best use of all available credits and deductions. Financial planning is the best method to employ when making long-term financial plans. According to the findings of this study, employees priorities PPF as their primary investment, followed by children's education, LIC, home loans, NPS, medical insurance, national savings certificates, fixed deposits, and ELSS.

2.1 Scope of the study

Savings in a various schemes is a necessary to generate finance. Finance plays an important role for individual growth as well as economic growth of a country. In our country various schemes utilized for saving. This study help to salaried assesses to increase saving.

2.2 Objectives of the study

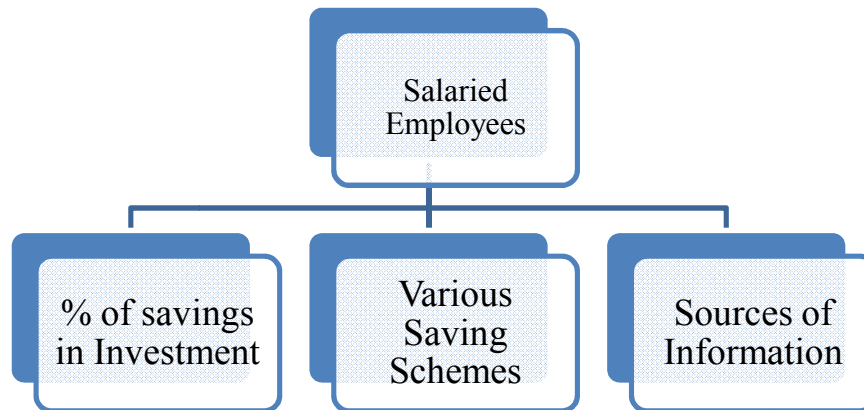
The objectives of study are as under

- To Study the ratio of saving in Investment of salaried employees in Mumbai city.
- To Study the various schemes of savings adopted by salaried assesses in Mumbai city
- To Study the sources of various schemes recommendation to aware the salaried assesses in Mumbai city.

III. RESEARCH METHODOLOGY

The study combines analytical and descriptive components. It makes use of both primary and secondary data. To collect primary information on the tax planning techniques and saving practices of the salaried class of income tax assesses, a structured questionnaire will be used. The study period for collecting primary data has been determined to be Assessment 2020–2021.

In order to gather secondary data, a variety of sources will be used, including the Reserve Bank of India Bulletin, books, journals, news paper reports, magazines, research papers published in national and international journals, reports from the departments of revenue and commerce and finance, reports from international financial organisations, websites, newspapers, and more. Sample Design



IV. DATA ANALYSIS & INTERPRETATION

Age of Respondent

Age of Resppndent	Frequency
18-30	10
31-40	30
41-50	25
51-60	35
Total	100

Table No.1

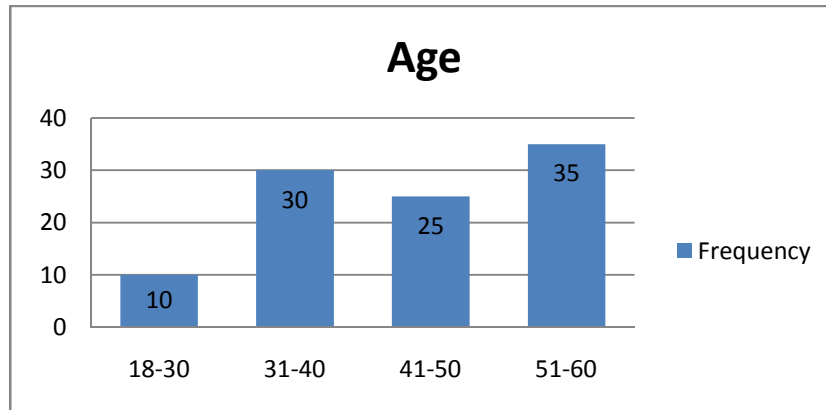


Fig. No. 1

There is total respondent is 100. In that has there are some types of Age of respondent such as 18-30 was having 10 frequencies. Secondly for the 31-40 was having 30 frequencies, then 41-50 was having 25 frequencies. After that 51-60 that was having 35 frequencies.

2. Gender

Gender	Frequency
Male	70
Female	30
Total	100

Table No.2

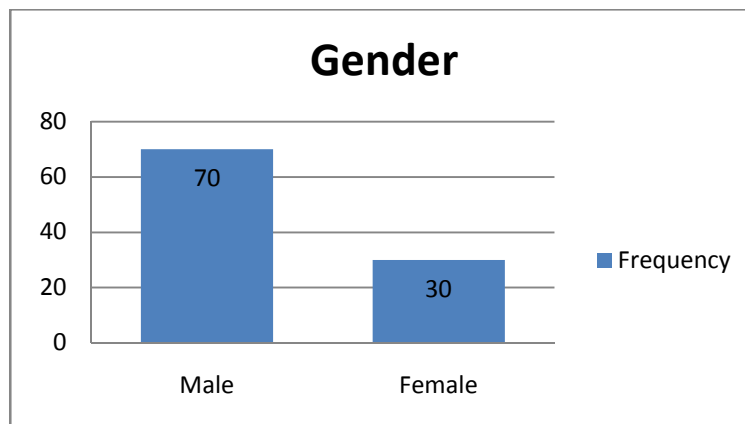


Fig. No.2

Interpretation

Total responded are the 100, that the responded are from the Gender females are 30 frequencies then males 70 frequencies.

3. Marital status

Marital status	Frequency
Unmarried	26
Married	74
Total	100

Table No.3

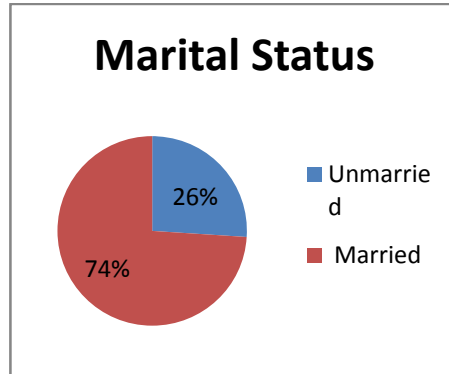


Fig. No. 3

Interpretation

Total responded are the 100, that the responded are from the unmarried they are 26 frequencies then married 74 frequencies.

4. Service in completed years:

Service in completed years	Frequency
1-10	10
11-20	30
21-30	40
Above 30 years	20
Total	100

Table No. 4

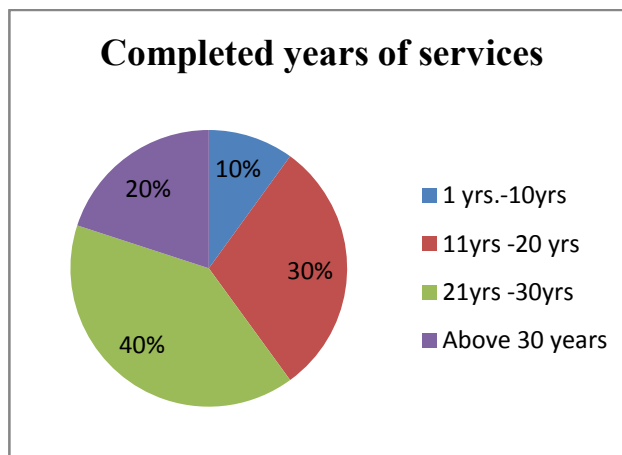


Fig. No. 4

Interpretation

Total responded is 100, we need to describe firstly the 1-10 they have 10 Frequency. Secondly 11-20 they have 30 Frequency. After that 21-30 they have 40 Frequency. Finally, above 30 years they have 20 Frequencies.

5. Annual Salary Income for the Financial Year 2022-23

Annual Salary Income	Frequency
Above 10,00,000	30
Below Rs. 250,000	5
Rs. 250,000 to Rs. 500,000	25
Rs. 500,000 to Rs. 10,00,000	40
Total	100

Table No. 5

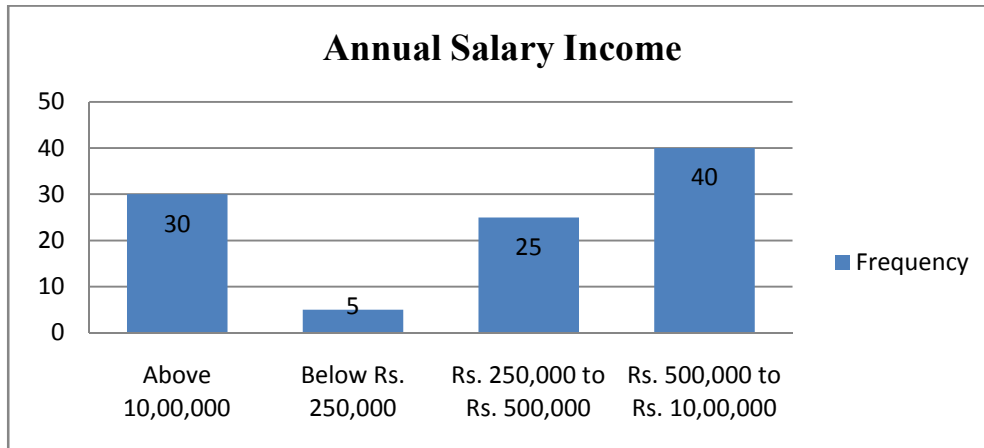


Fig. No. 5

Interpretation

Annual Salary is mentioned in the table. To begin with the Above 10,00,000, they have 30 Frequency. Then secondly Below Rs. 250,000 they have 5 Frequency. Then Rs. 250,000 to Rs. 500,000 they have 25 Frequency. Rs. 500,000 to Rs. 10,00,000 they have 40 Frequency.

6. How much of your income in a year is saved in investments?

Income saved in a year	Frequency
Up to 10%	35
10-20%	30
20-30%	20
30-40%	10
Above 40%	5
Total	100

Table No.6

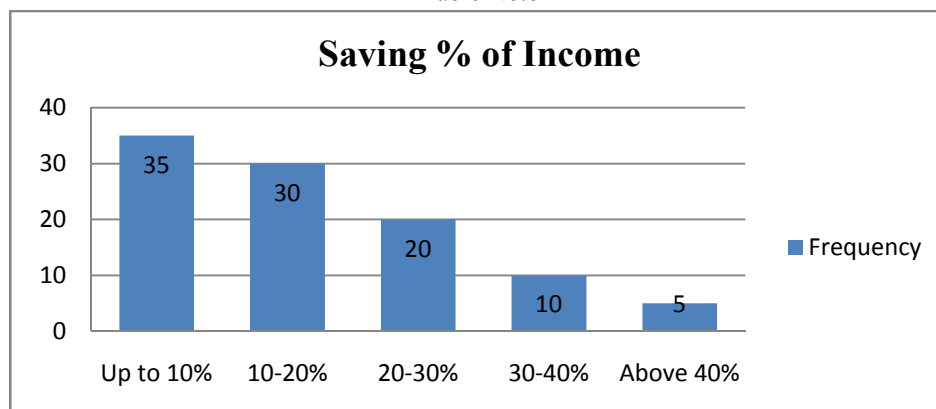


Fig. No. 6

Interpretation

There is total respondent is 100. In that has there are some types of How much of your income in a year is saved in investments of respondent such as 10-20% was having 35 frequencies. Secondly for the 20-30% was having 20 frequencies, then 30-40% was having 10 frequencies. After that Above 40% that was having 5 frequencies, and lastly Up to 10% was having 35 frequencies.

7. What is the tax planning for salaried person?

Tax planning for salaried person	Frequency
Employees' Provident Fund (EPF)	19
Public Provident Fund (PPF)	15
ELSS	37
Tax Saving FD	29
Total	100

Table No.7

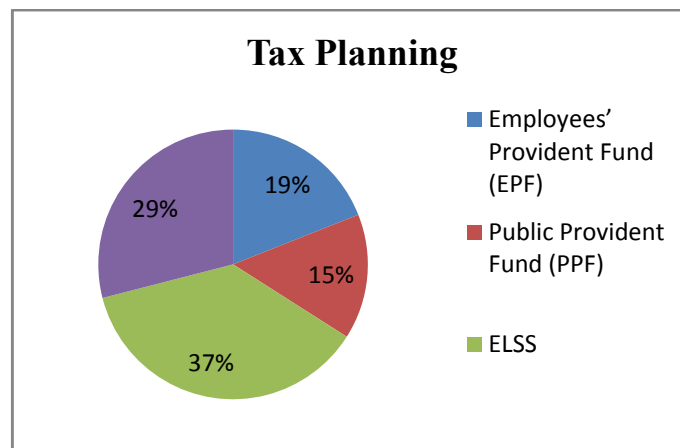


Fig. No.7

Interpretation

There is total respondent is 100. Listed as Employees' Provident Fund (EPF), Public Provident Fund (PPF), ELSS, Tax Saving FD. To begin Employees' Provident Fund (EPF) was having 19 Frequency. Then Public Provident Fund (PPF) was having 15 Frequency. After ELSS was having 37 Frequency. and lastly Tax Saving FD was having 29 Frequency

8. Source of income tax information

Source of income tax information	Frequency
Newspaper	39
Business Journals	17
Internet	12
Tax Consultants	13
Friends And Relatives	19
Total	100

Table No. 8

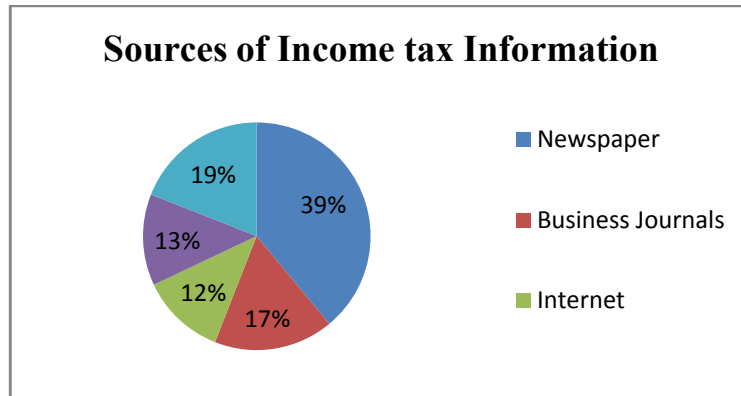


Fig. No.8

Interpretation

There are total respondents is 100. Firstly the Newspaper they have 39 Frequency. Then Business Journals they have 17 frequencies. Form Internet they are having 12 Frequency. For Tax Consultants they are having 13 Frequency. Finally, Friends and Relatives 19 frequency.

9. Professional Advice for Making Tax Saving Investments

Professional Advice for Making Tax Saving Investments	Frequency
Always	10
Occasionally	42
Rarely	16
Never	32
Total	100

Table No.9

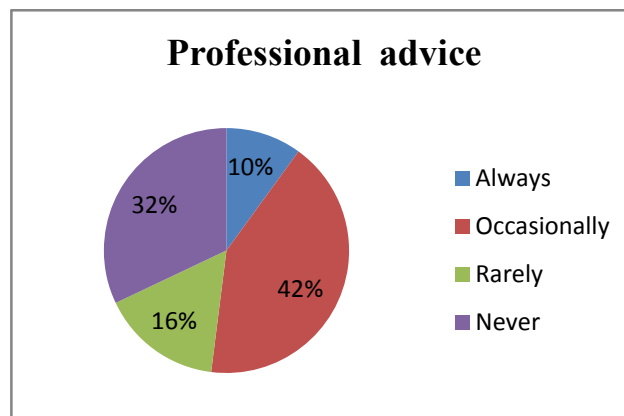


Fig. No. 9

Interpretation

To describe the survey of Professional Advice for Making Tax Saving Investments. There is total respondent is 100.. To begin Always they have 10 Frequency. Then occasionally they have 42 Frequency. Then Rarely was having 16 Frequency. For Never was having 32 Frequency.

V. CONCLUSION

1. The assesses' investment habits are appropriate for their income and proper.
2. The assesses' select the options of saving schemes are EPF, PPF, ELSS and tax saving FD.

3. The assesses' still use the sources of awareness is newspaper on majority basis after that they depends upon the suggestions given by the friends and relatives which unprofessional.

VI. SUGGESTIONS

This study's objective is to examine the impact that tax planning has had on the saving and investing habits of salaried people who have been selected for the study's evaluation. The assesses' not taken professional advice while making investment which effect their tax saving planning. The assesses' must guide by proper authority for how much amount they inest, when they get benefits and various tax saving schemes available for them.

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