

“Study Of Tax Planning Of Individual Assessee And Huf”

Dr . Rishikaysh Kaakandikar

(Associate Professor. Department Of Management, Zeal College Of Engineering and Research,
Narhe, Pune.)

And

Ms. Mukta Ghongade

(PG Student, Department Of Management, Zeal College Of Engineering and Research, Narhe,
, Pune.)

ABSTRACT

This paper analyze the Tax saving is one of the important goal of every individual ,HUF and business person .they want to save the tax using different technique like life insurance, mediclaim student education this are the some of the examples of the Tax saving.to paying tax is big advantage of the country people as well as government. Every individual as well as business person need to pay the tax for social welfare as well as economic growth . many exemption's are also available in tax saving like agriculture income ,income of Politian's in some percentage.

INTRODUCTION

In Every country taxation is useful for its economic development. This policy is guided by the aspirations and goals of the people. It is recognized that taxation is a multi-purpose instrument. To collect Revenues to finance development and non-development expenditure is the major objective of taxation. In such a way that it encourages greater production, larger employment and better income and wealth distribution.

Taxation as an instrument of distributive justice. Since taxation is a powerful incentive or disincentive weapon to stimulate economic growth it has to be used with direction and judgment in the larger interest of overall rapid development of the country.

OBJECTIVES OF THE STUDY

1. To Study and Understand the Tax Structure in India.
2. To Study the Tax Planning of Individual Assessee and HUF.

RESEARCH METHODOLOGY

The following methodology has been used in this study .

Type Of Research:

Descriptive Research:

Descriptive research is defined as a research method that describes the characteristics of the tax saving of individual assessee and HUF is being studied. A descriptive study is one in which information is gathered from the group of people without changing the surroundings. It is used to acquire information concerning current state. It is also called as survey research, which points at characterizing situation and identifying alliance among selected variables.

Convenience Sampling:

Convenience sampling is a type of non probability sampling method where the sample is taken from a group of people. It is also known as grab sampling, accidental sampling or opportunity sampling. This type of sampling is most useful for pilot testing. It is a type of non probability sampling method where the sample is taken from a majority of people. This type of sampling is most useful for pilot testing.

DATA COLLECTION

The purpose of research was explained to the employees and questionnaire was administered to them.

1) **PRIMARY DATA:** The data is gathered from first hand information source, this data collected from employee form 16, ITR of the businessman etc. by conducting the questionnaire having one on one interaction with employees.

SAMPLING SIZE: A survey of 10 employees working in the organization provided the data base for this study .

ANALYSIS AND INTERPRETATION OF DATA

Report of Respondent:-

“A study of Tax planning of Individual assesses and HUF to study this subject it is necessary to collect the information of the peoples who were paying the tax. Hence, I survey over the primary School, medical practitioner, Huffs & Business Man who was paying the tax and I had found sufficient information about tax planning. i.e. how many tax they are paying and what's benefit they could get by paying the tax what are rules of their investment how much investment they have made this and other more information I have collected by interview.

There are several peoples who were paying the tax, but I choose only 10 peoples for my study of tax planning. Out of 10 peoples 2 are the serviceman and 8 are Businessman. Total of their income is Rs.4,415,613.00 and the total of their tax is Rs.111877.00. Maximum income out of 10 people is Rs.630553.00 and the person paying tax is Rs.38022.00 per year. He has a serviceman, & Businessman he is get tax deduction U/s.80C for paying tax. After that category the minimum income is accordingly Rs.198522.00 and they have not paid tax these are the Huffs. They also gets deduct U/s. 80C.

All the ten persons (INDIVIDUAL AND HUF) calculation of tax is as follows:

1) Mr. Shrirang Nanabhau Mandge is clerk in The new india assurance co., His gross salary is Rs.504911.00 He gets deduction U/s. 80C of Rs.120000.00 after deduction all the investment his total taxable income is Rs.337860.00 & tax is Rs. 3900.00

2) Mr. Nivrutti Prabhakar Gopale he is a Teacher in Modern High school , Shivaji Nagar Pune. His gross salary is Rs.461003.00 he get deduction U/s 80C of Rs.125000.00 deduction us 80DD (physical Handicap) Rs. 75000 so total taxable income is Rs.261000.00 and total tax paid Rs..55 .tax rebate us 87 (2500.00)

3) Mr. Murad Salim Momin he is a Wireman in Kohinde. His gross income is Rs.750000.00 He get deduction U/s. 80C To 80U of Rs.65000.00 after deduction all the investment his total taxable income is Rs.68500.00 & tax is Rs. 49500.00. Education cess is Rs. 1980.00

4) Mrs. Kalpana Shashikant Kale he is a Business Women in kothrud , His gross total income is Rs.520654.00 he get interest on saving bank account deduction U/s 80TTA of Rs.10000.00 his gross total income of Rs.510654.00 He get deduction U/s. 80C 15000.00 after deduction all the investment his total taxable income is Rs.505650 & tax is Rs. 14630.00 & Education cess 585.00

5) Mr. Suhas Dadabhau Dukare he is a Business man in Kothrud, His total income is Rs.400000.00 his He get deduction U/s. 80C of Rs.125000.00 after deduction all the investment

his total taxable income is Rs.275000.00 after deduction total tax paid is Rs. nil Tax rebate US 87A 2500.00

6)Mr. Rajendra Balasaheb Takalkar he is a Businessman in Kothrud, His total income is 700000.00.00 He get deduction U/s. 80C of Rs.140000 (i.e. LIC Rs. 11765.00, 80TTA Rs.10000.00,) after deduction all the investment his total taxable income is Rs.550000.00 tax payable is Rs. 22500.00 Ded. tax payable 225000.00 & education cess 9000

7)Mr. Mahadev Prabhakar Gopale he is Engineer in JCB company at Talegoan, His gross total income is Rs.448992.00 & He get deduction U/s. 80C To 80U of Rs.150000.00, after deduction all the investment his total taxable income is Rs.298920.00 & tax is Rs.4892.00. ded. Us 87 tax rebate is Rs. 2500.00

8)Mr. Balasaheb Sitaram Jare. he is a Businessman his gross total income Rs.462731.00 He get deduction U/s. 80C of Rs.11022.00 (i.e. LIC Rs.11022.00)so total taxable income is Rs.451710.00 and total tax paid Rs.20171.00 Tax rebate 5000.00 us 87.& Education cess is Rs. 455.00 total tax 15626.00

9)Mr. Ganesh Jayawant Talekar is a Businessman in kothrud. Firms gross total income of Rs.2500000 he have no deduction and tax also nil.

10)Mrs. Poonam Rahul Kamble is A Business women. his gross total income is Rs. 278670.00. She has no deduction & tax is also nil.

Out of 10 people the businessman income per year is more but them paying tax minimum. It is impossible but it is a true thing. Finally found that while comparing with both the serviceman paying tax regularly while businessman didn't pay tax according their Income and there is lower figure of businessman for paying the tax. Because they did not show their true income but the serviceman income is registered or open income hence they pay Tax regularly. Also the Huffs are pay tax regularly.

Thinking of their investment patterned the businessman's is more but the Huffs saving in a limit is more it's compared with serviceman saving that of businessman saving.

This person is Huffs & Individual hence it is to be understood that mostly the Huffs are investing very much but thinking of Business man's. Their fields of saving some i.e. L.I.C., P.P.F., P.F., V.P.R., and out of them two persons saving in properly and everyone saving for self while and their children's namely because they should get some benefit for saving the Tax. It they are saving wife or children's namely because they should get some benefit for saving the Tax if they are saving wife or children's name in the 100 % tax free Income.

The rate of their Investment is minimum 10% and the maximum is 12% among the 10 peoples of them is saving by the rate of 10% i.e. more figure for saving by this rate and other rate of investment is 6% to 10% and 7% to 11% or only 8% but last rate is 12% all salary peoples get

Government Rebate U/s 89 for paying Tax and they are also getting another facilities. But the business man gets only government rebate for paying the Tax. The people for saving the tax hence they choose the way of LIC for saving their Income. It is a great remedy for saving the tax. Because the tax planning changes is not always favorable for individual peoples. It is always changing they wants change according to the income. The entire persons demand investment limit is incurred up to Rs. 150000.00.

Their opinion for Basic Exemption Limit is to be inserted and the tax free income limit is to be increased up to Rs. 500000.00 and the rate of tax is to be decreased. The rate should be decreased for both persons that salary people and the businessman or the rate of tax should not be more than 20% for salary people or the rate is changed according their income.

Their opinion for farmer is very good. Because except two or three peoples these all were want that do not charge the tax on agricultural income. Because the farmers income is very low and they can't pay tax. But only two, three persons want to charge the tax on agriculture income if their income is more than Rs. 500000.00.

After having been all the date seen that all 10 peoples Income, tax their investment is separate but their investment fields and their opinion for any problem is looking some.

FINDINGS

With the help of primary & secondary data i.e. structured questionnaires conclusion or summary can be drawn in following ways.

- 1) It is necessary to every assesses to pay tax to the government.
- 2) It is required to the assesses to prepare proper tax planning for the purpose of saving the tax.
- 3) For the purpose tax planning the assesses made investment in specific securities.
- 4) Every assesses whether he is government employee or private employee or business man he should file the return.
- 5) All the assesses made investment in L.F.C., U.T.F., P.P.F., Medidaim, Fixed Deposit, Housing Loans etc. for the purpose of tax saving.
- 6) The individual assesses feel that the tax planning is very necessary.
- 7) For the purpose of tax planning assesses tires there lever best to save tax.
- 8) The assesses get rebate on their investment in specific limit.
- 9) By proper tax planning the assesses could save their tax.
- 10) The assesses feel that present rate of tax is go high.
- 11) For the purpose of proper tax planning the assesses kept aside some portion of money at time to time i.e. monthly or six monthly.
- 12) The assesses has their own PAN card.
- 13) Various types of categories of individual assesses according to their income group.

- 14) The awareness of individual assesses in their income tax assessment is very high.
- 15) Awareness is higher among the teacher as compared to other employees.

SUGGESTION

- 1) For proper tax planning the assesses is required to get proper guidance.
- 2) To save the tax assesses should in their money in specified investment which is specified in under the income tax law.
- 3) Every assesses should have their own PAN card if there is not they required to get immediately.
- 4) Suggest training programmer or any other measure for improving the tax planning awareness of in divided assesses.
- 5) Amount of investment limit should be increased so that can use it for development purpose.
- 6) Rebate on repayment of principle amount of housing loan should be concerted.
- 7) Amount of tax free income should be increased up to Rs. 250000/-
- 8) Income tax rate should be decreased.
- 9) Proper policy should be turned by the government of assesses the tax of businessman property.
- 10) Every businessman should have to register his business will proper govt. authority and the amount should he made compulsory to each businessman.
- 11) Tax on agriculture business should be not he charged as is uncertain income.
- 12) Tax on agriculture business should be properly exempted from tax income tax.

- 13) Tax assessment procedure should be made very simple so that individual assesses can file his return which the govt. authorities.

CONCLUSION

It is necessary for every assessee to pay tax to the government. It is required for the assessee to prepare proper tax planning or saving. Tax planning is an investment made in specific securities. Every assessee, whether he is a government employee or a private employee or a business man, he should file the return. All the assessee's investments in L.F.C., U.T.F., P.P.F., Medisave, Fixed Deposit, Housing Loans etc. are for the purpose of tax saving. The individual assessee feels that tax planning is very necessary. For the purpose of tax planning, the assessee tries to do the best to save tax. The assessee gets a rebate on their investment in a specific limit. By proper tax planning, the assessee could save their tax. The assessee feels that the present rate of tax is high. For the purpose of proper tax planning, the assessee keeps aside some portion of money at a time to time i.e. monthly or six monthly. The assessee has their own PAN card. Various types of categories of individual assessee according to their income group. The awareness of individual assessee in their income tax assessment is very high. Awareness is higher among the teacher as compared to other employees.

REFERENCE

BOOK:

Research Methodology –C.R.Kothari

WEBSITES:

1. www.researchgate.net
2. www.google.com