

# Gender Equity in the Indian Income Tax System: A Special Reference to Women Taxpayers

Architha R<sup>1</sup>, Kiran Kumar S K<sup>2</sup>, Lohith Kumar P<sup>3</sup>, Dr. Tejaswini S<sup>4</sup>

<sup>1,2,3</sup> MBA 2025 – 27, Faculty of Management Studies, JAIN ( Deemed-to-be University)

<sup>4</sup>Assistant Professor, Faculty of Management Studies, JAIN ( Deemed-to-be University)

## ABSTRACT

This paper will analyse the degree to which Indian income tax system is gender equity, considering women as taxpayers. It also compares the main provisions of the Income Tax Act including tax slabs, exemption, deductions and rebates to gauge whether they reflect the economic realities that women experience like lower average incomes, career breaks and lack of care duties. The paper discusses historical and policy changes in taxation and implications as well as the implication on financial independence and participation in the workforce among the women. Through government reports and other secondary data, the research indicates the steps towards gender neutrality, and the structural gaps that still persist to be bridged and guarantee the actual equity. These results indicate that clear discrimination in tax rates in terms of gender has been eliminated, but subtle types of discrimination still persist in terms of income-based benefits and narrowed targeted reliefs. The paper ends by highlighting that there is a necessity to have gender-sensitive taxation policies that empower women economically and make the allocation of tax burden fair.

## INTRIDUCTION

Taxation has a significant role in defining the economy in a country and also has an influence on how just the society is. An effective tax system must be able not only to bring up revenue but also approach the various groups of people in a fair and equitable manner. The concept of gender equity in taxation has gained relevance in the recent years due to the fact that both men and women who are not always born on the same economic level. Quite of a number of women in India receive low wages as compared to men, engage in unskilled labour or take a break after employment because of family issues. Such facts influence the level of their income, savings, and tax payment. So, income tax system can either contribute to elimination of these inequalities, or, on the contrary, aggravate the situation. Even after the Indian income tax system became officially gender-neutral, it does not imply gender-equitable. Such a treatment of everybody in law may not necessarily result in fair treatment in reality. Women do not necessarily enjoy the same tax deductions and exemptions since they tend to earn lower incomes and have fewer chances to invest and save. Consequently, even where the rules seem impartial on paper, women taxpayers are still likely to be disadvantaged. This implies that equity is best achieved when one knows the real economic situation of people and not merely on the basis of applying identical rules to everybody. This paper gives attention to gender equity in Indian income taxation system particularly the female taxpayers. It seeks to analyse whether the tax provisions that are currently in place are indeed helping women or not paying heed to their special needs. The paper also examines the ways in which the tax policies can affect women and make them financially independent and active in the workforce. Through the comparison of the current laws and policies, this research aims at stating the existing gaps in the current system and proposing the necessity of more gender-sensitive tax reforms that will enhance the empowerment of women in the economy and help them to feel fair.

Although there is the trend of gender-neutral income tax framework in India, female taxpayers are still deprived of equal outcomes because of economic and societal inequalities present in the country, including less average income,

incomplete career, less ownership of assets, and less availability of tax-saving initiatives. The existing income tax rates mostly depend on the income rates and the ability to invest, but it is indirectly skewed towards the high and continuous earners (who are mainly men). Consequently, deductions, exemption, and compliance procedures might not be equally beneficial to women, particularly salaried workers, single mothers, and first time taxpayers. Relatively little empirical evaluation has been done concerning whether the Indian income tax regime is in fact correcting such differences or inadvertently strengthening the same. This puts a distance between the formal equality and practical equity and as a result, there is a need to critically look into the extent to which the current system of income tax is in tandem with the attainment of gender equity and whether it is effectively working to ensure that women participate in the economy and have the financial independence to do so.

The key purpose of the research is to investigate whether Indian income tax system is gender equitable with particular reference to taxpayers who are women. It aims at conceptualizing the gender equity in taxation and examining significant provisions of the income tax act, including tax slabs, exemptions, and deductions, in a gender context. The research will also seek to determine whether the current tax policies favour or disfavour women compared to men by taking into consideration the socio-economic plights of women, such as low levels of income, career pauses, and low levels of investment. Additionally, it tries to point out the loopholes in the current taxation system and propose appropriate steps and reforms to render the income tax system more gender-responsive and female-friendly regarding their financial autonomy and economic involvement.

## LITERATURE REVIEW

(C. Grown, I. Valodia, 2010)<sup>1</sup> examining direct and indirect taxes in various nations, pointing out gender differences in tax burdens, and suggesting frameworks for more equitable fiscal policies, it investigates how tax systems impact men and women differently. (Anuradha Joshi, Jalia Kangave, Vanessa van den Boogaard Development Policy Review, 2025)<sup>2</sup> examines the data currently available on the gendered effects of taxes and makes the case that a feminist fiscal approach, which addresses informal taxes, tax administration, and the connection between tax policy and gender-sensitive budgeting, can contribute to the creation of more equitable tax systems. (Nurmayani Nurmayani, Marlia Eka Putri A.T., 2025)<sup>3</sup> attention to the fact that gender-based disparities are not adequately addressed by current tax laws and investigates how the pink tax idea might be applied to enhance the legal recognition and realization of women's taxpayer rights.

(Anuradha Joshi, Jalia Kangave, 2024)<sup>4</sup> In order to make taxation more equitable, the paper makes the case that tax laws in lower-income nations frequently have different effects on women, particularly when it comes to indirect and informal taxes. It also advocates for more gender-disaggregated research and policy design. (Asa Gunnarsson, 2020)<sup>5</sup> International Perspectives contends that while many tax systems make the claim that they are gender-neutral, in reality, tax laws and policies frequently exacerbate economic gender inequality by ignoring the ways in which different regulations impact the economic standing of men and women. (Kelbesa Megersa, 2021)<sup>6</sup> There are calls for more gender-responsive analysis in tax policy and administration, but donor programming rarely addresses how taxes specifically affect women, and tax policies and reforms in developing nations frequently overlook gendered norms and impacts. (E. Quak, B. Smith, 2022)<sup>7</sup> Argues that equitable tax policies can encourage women's economic participation and advance greater gender equality by highlighting how current tax systems frequently ignore gendered impacts. (D. R. B. Kumar, 2023)<sup>8</sup> compares the indirect tax regimes of nations such as Singapore, Malaysia, and India and looks at how they affect gender equality, providing information on structural variations and policy suggestions. (J. Stotsky, 1996)<sup>9</sup> identifies gender biases in tax codes that are both explicit (found in direct legal rules) and implicit (found in tax structures and social norms), and it explores how some nations have changed these biases.

(M. Stewart, 2009)<sup>10</sup> examines how Australian tax law and policy affect men and women differently, highlighting gender equity issues in the design and implementation of the tax system. (Hannelore Niesten, 2023)<sup>11</sup> How fiscal laws and taxation systems in Asian and Pacific countries impact gender equality, particularly in terms of participation in the labor force, distribution of income, and unpaid care work, and identifies areas where tax policies can support gender equity. (Learnmore Nyamu Zanga, 2023)<sup>12</sup> Argues that although the tax system in Zimbabwe is not gender-discriminative, there are several indirect and informal taxes that result in gender biases and recommends the use of gender-disaggregated

tax statistics and a more gender-equitable tax system(Danang Wijayanto, Andini Dwi Rahayu, Dianwicakasih Arieftiara, 2025)<sup>13</sup> relates to women’s participation in the labor force, showing that inequities in tax policy can influence women’s economic engagement. (D. Casale,2012)<sup>14</sup> indirect or consumption taxes in South Africa affect male-type and female-type households differently, and that zero-rating essential goods can reduce the disproportionate tax burden on poorer female-type households. (L. Bategeka, M. Guloba, J. Kiiza,2009)<sup>15</sup> examines how Uganda’s personal income tax system affects men and women differently, finds that current tax structures may increase gender inequality, and suggests reforms to use taxation to promote substantive gender equality.

**METHODOLOGY**

The research commences with the identification of the research problem concerning gender equity in the Indian income tax system with particular reference to women taxpayers. A systematic review of relevant literature is undertaken using secondary sources such as scholarly journals, research articles, books, and official government reports in order to develop a theoretical foundation and to identify research gaps. Based on the insights derived from the literature review, precise research objectives are formulated. A suitable research design is then adopted to address the stated objectives, followed by the development of a structured questionnaire for the collection of primary data. Primary data is collected from women taxpayers and taxpayers to examine their perceptions, awareness, and experiences regarding the income tax system. In addition, secondary data is gathered from credible sources including government publications, policy documents, academic journals, and official websites to supplement and validate the primary findings. The collected data is systematically classified and tabulated to facilitate meaningful analysis. Appropriate statistical and descriptive tools are employed for data analysis and interpretation in accordance with the objectives of the study. Finally, conclusions are drawn from the findings, and suitable recommendations are proposed to enhance gender equity in the Indian income tax framework.

**ANALYSIS AND INTERPRETATION**

**Survey Analysis: Mean & Standard Deviation Table**

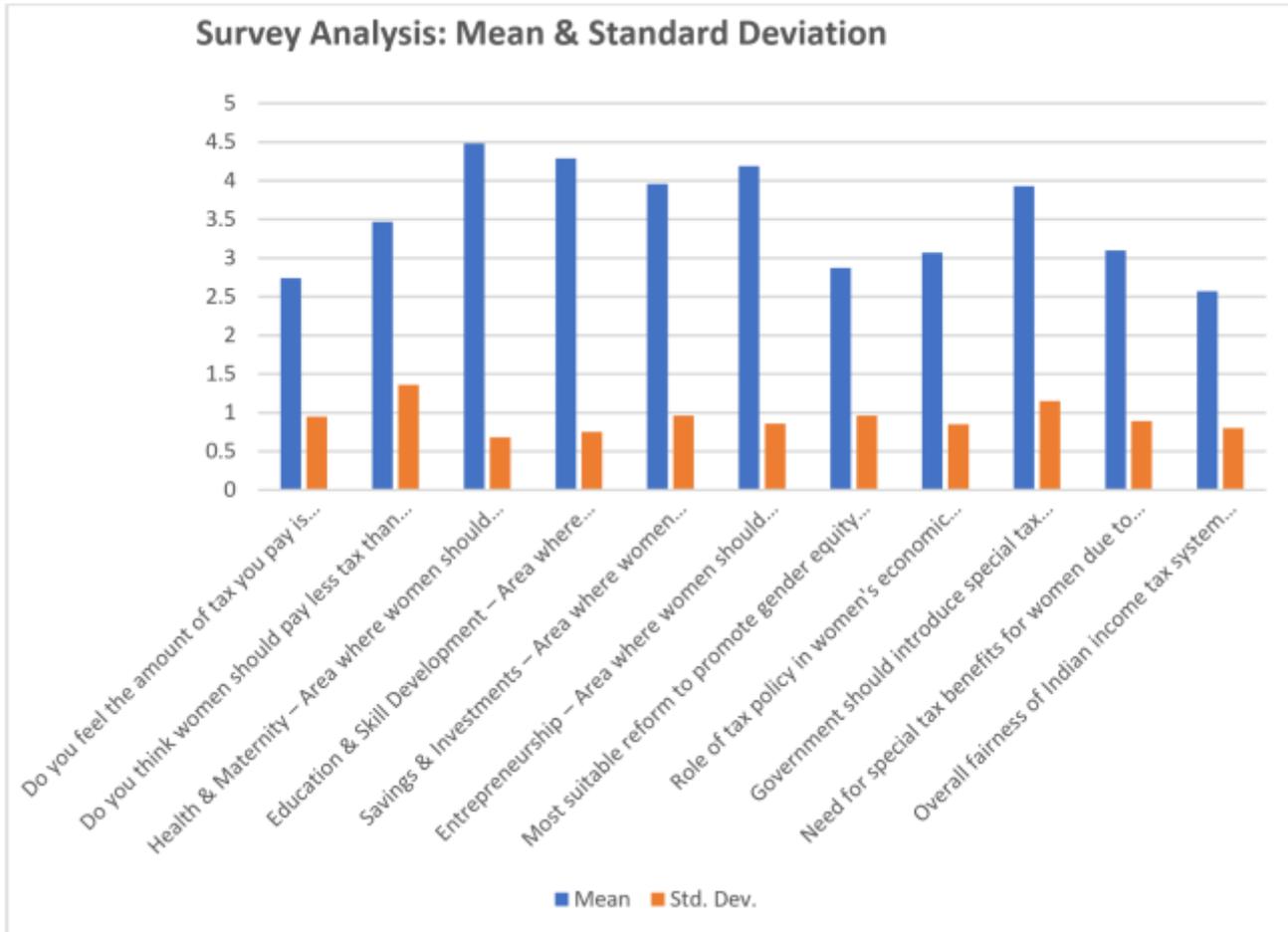
Questions : Gender Equity in Indian Taxation

Question	Options	No. of Responses	N	Mean	Std. Dev.
Do you feel the amount of tax you pay is financially burdensome?	a) Highly burdensome	7	31	<b>2.74</b>	0.95
	b) Moderately burdensome	13			
	c) Slightly burdensome	7			
	d) Not burdensome	4			
Do you think women should pay less tax than men for the same income?	a) Strongly agree	9	30	<b>3.47</b>	1.36
	b) Agree	7			
	c) Neutral	7			
	d) Disagree	3			
	e) Strongly disagree	4			
Health & Maternity – Area where women should receive more tax relief	Strongly Agree	17	29	<b>4.48</b>	0.68
	Agree	9			
	Neutral	3			
	Strongly Disagree	0			

	Disagree	0			
Education & Skill Development – Area where women should receive more tax relief	Strongly Agree	13	28	<b>4.29</b>	0.75
	Agree	10			
	Neutral	5			
	Strongly Disagree	0			
	Disagree	0			
Savings & Investments – Area where women should receive more tax relief	Strongly Agree	9	27	<b>3.96</b>	0.96
	Agree	10			
	Neutral	7			
	Strongly Disagree	0			
	Disagree	1			
Entrepreneurship – Area where women should receive more tax relief	Strongly Agree	13	27	<b>4.19</b>	0.86
	Agree	6			
	Neutral	8			
	Strongly Disagree	0			
	Disagree	0			
Most suitable reform to promote gender equity in taxation	a) Lower tax rates for women	9	30	<b>2.87</b>	0.96
	b) Higher deductions for women	11			
	c) Special exemptions for working women	7			
	d) No special provisions required	3			
Role of tax policy in women's economic empowerment	a) Very significant	10	30	<b>3.07</b>	0.85
	b) Moderately significant	14			
	c) Slightly significant	4			
	d) Not significant	2			
Government should introduce special tax provisions for women taxpayers	a) Strongly agree	10	30	<b>3.93</b>	1.15
	b) Agree	15			
	c) Disagree	3			
	d) Strongly disagree	2			
Need for special tax benefits for women due to wage gap and career breaks	a) Strongly needed	12	31	<b>3.10</b>	0.89
	b) Moderately needed	12			
	c) Slightly needed	5			
	d) Not needed	2			
	a) Very fair	3	30	<b>2.57</b>	0.80
	b) Fair	14			

Overall fairness of Indian income tax system towards women taxpayers	c) Unfair	10			
	d) Very unfair	3			

Note: Mean and Standard Deviation are computed using weighted scale values assigned to each response option. A higher mean indicates stronger agreement or higher perceived significance.



The current research is founded on the primary data gathered by means of the questionnaire and is complemented by the secondary sources like journals, reports, and policy documents. The purpose of the analysis is to find out how the perceptions of taxpayers especially those of women- perceive fairness, burden and gender sensitivity of the taxation system on Indian income tax.

**General Characteristics of the Respondents:** Among the 23 respondents, a greater proportion of them were women (60.9%), and the remaining 39.1% were men. This piece is suitable in the research because it mainly targets women taxpayers. Majority of the respondents were between the ages of below 25 years (56.5%), and 25-35 years (39.1%). This is a pointer that the sample is mostly reflective of young earners and future taxpayers, who are increasingly getting into the work force and are getting into contact with the tax system.

**The Level of Income and Taxability:** The distribution of income reveals 43.5 of the respondents had incomes less than 2.5 lakh and 26.1 percent had incomes between 2.5-5 lakh and only a small percentage earned more than 10 lakh (13) percent. This is true to the fact that many women are in the lower and middle-income groups. On frequency of paying tax, 34.8 percent said that they do not pay any income tax and 21.7 percent said that they pay it occasionally indicating

that the number of those who pay tax is either below the taxable threshold or not always involved in the tax mechanism. The percentage of those who paid tax annually was only 26.1% which indicated that women and young earners did not participate in regular tax paying.

**Filing Behaviour and Source of Income:** Fifty percent of the respondents indicated that they had several sources of income with 27.3 percent of them relying on salary as their primary one and 13.6 per cent on business or profession. This demonstrates that despite the fact that salaried employment is a significant source of income, income diversification is getting a common trend. Nevertheless, filing behaviour demonstrates a reliance on external support: 47.8% of them do not file returns at all, and 26.1% use the services of tax consultants, only 17.4% file on their own. This implies poor awareness in taxes, system complexity, and potential reluctance of women to understand the direct processes of tax compliance.

**Perception of Tax Burden:** When questioned on whether the amount of tax paid is a heavy burden, 17.4% of them said that it was very heavy burden and 34.8% said that it was somewhat too heavy. This means that over fifty percent of the respondents consider tax as a burden of finances. This is more felt amongst the lower and middle-income earners in which disposable income is poor and tax payments cut down resources available towards savings and household purposes.

**Opinions about Gender-Based Tax Treatment:** The majority of respondents said that women should not pay less tax than men do receive the same amount or they were neutral towards the same question. This demonstrates that the respondents are mostly in favor of the same taxation rates and are not in favour of a clear gender-based tax cut. They prefer however, supportive measures but not differential rates, meaning they would want fairness to be administered by giving targeted benefits against concessions.

**Sectors of Extra Tax Reduction:** The areas where the respondents heavily supported the provision of more tax reliefs were in the sectors of health and maternity, education and skill development, savings and investments and entrepreneurship. The most support was given to health and maternity, as the women have needs related to life cycle and child giving. They also focused on education and skill development which showed that the women were supposed to be empowered in terms of employability and income potential.

**Favorite Reforms on Gender Equity:** Concerning the appropriate reforms, the most common percentage of respondents (40.9) supported the idea of special exemption of working women, with increased deductions coming in number (18.2). Only a more limited population (31.8) thought that special provisions were not needed. It means that the majority of the respondents believe that the current tax structure fails to adequately address the socio-economic reality of women and that specific actions must be taken to address the imbalance of indirect disadvantages.

**The Tax Policy and Women Empowerment:** Fifty percent of the respondents believed that the tax policy was moderately important in economic empowerment of women and 18.2 percent said that it was very important. It demonstrates a great perception that taxation determines financial independence, employment choices, and ability of the women to save and invest.

**Need for Special Provisions:** Most of them also said that government ought to formulate special tax provisions to women tax payers. Likewise, wages gaps and career breaks, most respondents were of the opinion that special tax benefits are required. These reactions show that they are aware of structural disadvantages of the women in the employment and the income generation which is not adequately addressed by the current tax system.

**Fairness of the System Generally:** There was a mixed opinion on whether the Indian income tax system is fairly perceived as being brought out or not among women. Although there are a few respondents who thought the system was fair, there were several respondents who thought the system was not fair or not wholly fair. This implies that the practical implications of having a gender-neutral system are not satisfactory and goes to argue that neutrality may not always bring equity.

The analysis shows that the Indian income tax system is technically gender-neutral but the women taxpayers have inequality results because of low income level, intermittent tax filing, less investment ability, and reliance on the middlemen to comply with the tax system. Respondents are in favor of the equal tax rates though they require specific relief on issues like health, education, and employment. The results obviously show that the same treatment under the tax law does not translate into the substantive equality. Therefore, the paper finds that gender sensitive taxation policies are required to acknowledge the socio-economic status of women and encourage them to stand on their own financially and engage in formal economy activities.

## DISCUSSION

Study results prove a distinct discrepancy between the official gender neutrality of the Indian system of income tax and actual results of this system concerning women taxpayers. Though the income tax act does not directly discriminate sex between men and women with regard to the rate of taxation or slab structure, the socio-economic status of women raises the inequality in the impact of taxation. These findings are in agreement with the thesis statement that equal treatment under the law does not guarantee equitable result. The analysis indicates that the large percentage of women taxpayers fall under the lower and middle-income groups, have discontinuous employment history because of career gaps, care giving and limited access to long-term employment. This has caused most women to stay below the tax bracket or file taxes irregularly. This is not a structural choice but a structural disadvantage and it supports the past studies that show that tax systems structure around continuous and full-time work tend to favour men over women. The fact that many respondents feel that taxation is a financial strain is also a way of pointing out the greater burden of taxes on women with low disposable income.

The research also concludes that the respondents are not in favour of reduction of tax rates imposed on women due to mere gender considerations. They rather prefer selective tax cuts in certain sectors including health and maternity, education, and skill preparation, and investments and savings and entrepreneurship. This is an indicator that women seek need based and life cycle based support as opposed to token concessions. The high demand of tax relief on health and maternity is a sign of the acknowledgement of the caregiver nature of women, whereas the appreciation of education and entrepreneurship reflects the desire to become more employable and earn more money.

The second significant result has to do with paying taxes behaviour and awareness. The percentage of those who rely on tax consultants or do not file at all in the responses is quite high, which means that the administration is complicated and financially illiterate. Women are disproportionately hit by these barriers, especially the first-time taxpayers and those that have irregular incomes. This puts emphasis on the fact that gender equity on taxation is based not only on the tax provisions but on the compliance ease and availability of the tax regime.

The views as to the position of tax policy in the economic empowerment of women focus on the fact that taxation is considered as one of the valuable policy instruments that affect the financial liberation and labour force involvement. The general perception of the fairness of the tax system is, however, divided, and this indicates that formal neutrality has not been reflected in the perceived fairness.

In general, the analysis shows that the Indian income tax system is legally gender-neutral but gender inequitable in practice. The findings underline the need for gender-responsive tax reforms that recognize wage gaps, career interruptions, and lower investment capacity among women. An improved tax deduction on health and maternity costs, women entrepreneurs, and less complex compliance systems would be measures that would transition the system to substantive equity. Gender sensitive tax structure would not only enhance fairness but also empower women to have financial independence and involvement in the formal economy.

## CONCLUSION

This research paper demonstrates that despite the fact that the Indian income tax system is formally gender-neutral, there is no complete gender equity in its implementation. Women taxpayers remain to be disadvantaged due to low income level, interruption in their career and less investment power as well as less awareness on tax procedures. Although the

law considers both men and women equally on paper, in real life their economic conditions differ and this renders the effect of taxation an unequal one. The results also indicate that women do not insist on reduced taxation rate only due to their gender. They instead desire supportive measures which take into account their real needs particularly in areas like health and maternity, education and skill development, savings and investments, and entrepreneurship. Majority of the respondents are of the view that tax policy is critical in economic empowerment of women and special provisions are required to counter wage inequality and career gaps. On the whole, the study helps to realize that there is no way to be fair in taxation by treating everyone equally. Real equity involves putting into account the various problems that women experience and coming up with tax policies that address the issues. Thus, the Indian income tax system should stop being formally neutral and should be more gender sensitive. These reforms can assist the women to become self reliant financially, motivate them to work and make the system of taxation more fair and balanced in distribution.

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