

Taxpayer Perception and the Role of Tax Consultants in Income Tax Compliance– Axis Bank

1 G. Shiva Shankar, II MBA – Department of MBA, MLR Institute of Technology, Hyderabad.

E-mail: Shivashanka321@gmail.com

2. Dr. Aruna Gudimetla, Associate Professor, Department of MBA, MLR Institute of Technology, Hyderabad

E-mail: draruna.gudimetla@mlrinstitutions.ac.in

ABSTRACT

This study presents a structured analysis of the individual income tax system and taxpayer demographics. It compares tax liabilities for individuals below 60 years of age under both the old and new tax regimes, highlighting the impact of tax-saving investments, deductions, and exemptions. The research also examines taxpayers' demographic characteristics, including age, income levels, tax-filing experience, and sources of income. In addition, it explores taxpayers' interactions with tax consultants, the costs associated with tax services, concerns regarding data privacy, and the influence of government budget changes on tax planning. By combining tax structure analysis with demographic insights, the study provides a comprehensive understanding of taxpayer behavior, preferences, and challenges. The findings can help policymakers and tax professionals improve tax administration and develop more taxpayer-friendly policies.

Key Words: Income Tax, Taxpayer Demographics, Tax Liability, Tax Planning, Tax Deductions, Tax Regimes

INTRODUCTION

Income tax compliance is a legal obligation of individuals and businesses to accurately report their income, file tax returns on time, and pay the correct amount of taxes to the government based on applicable laws.

Failing to adhere to tax compliance either intentionally or through negligence can result in several penalties, hefty fines, interest charges on unpaid amounts, and in several cases, criminal prosecution.

Maintaining a good compliance record builds financial credibility and ensures you avoid unwanted scrutiny from tax authorities.

There are many tax saving options available in India for taxpayers. These options give a variety of executions and deductions that help reduce the overall burden. Deductions are provided from 80C to 80U, and eligible taxpayers can claim them. These deductions are applied to the total amount of tax liable to pay. It is legal and in fact, a clever decision when income tax planning is done within the bounds set by the respective authorities.

The various heads for which you must pay income tax include:

1. Salary
2. Income from house property

3. Capital gains
4. Profit and gains from business or profession
5. Income from other sources.

Every year, the Indian government presents a finance budget during the month of February.

Income Tax Act, 1961 is a foundational legal framework that directs everything related to direct taxation in India. It dictates how the central government levies, administers, collects, and recovers income tax from individuals, businesses and other legal entities.

The government of India has officially enacted the Income-Tax Act, 2025, which completely replaces the decades old Income tax act of 1961

REVIEW OF LITERATURE

ARTICLE: 1

B. Betri, A. Aprianto.

The traditional Indian personal tax system relied on incentives, using exemptions and deductions to encourage public savings and investments in vital areas like medical care and real estate. While beneficial for long-term planning, it ultimately complicated tax administration and reduced transparency. In response, the new union budget 2024 established new tax regime as a streamlined alternative. This updated system trading off traditional deductions for lower tax rates, shifting India's fiscal policy away from complex incentives toward a straightforward, rate-optimized model.

ARTICLE: 2

R. Dhamapurkar.

Direct taxation will be a critical element in increasing the development of the Indian economy. That helps in raising resources, equitable distribution of resources, and demonstrating the objective of the government. Nevertheless, the design of the taxation system impacts the growth, equity, and compliance to the rules. The aim of this paper is to assess the efficacy of Indian's major direct taxes. In particular, the paper analyzes the taxes such as corporate income, personal income, and capital gains taxes. The analysis identifies problems in the taxation system which prevent the compliance of individuals and promote proper economic decision-making. As a result, there are some opportunities for reforming that are feasible from political perspective. The paper assesses the operation of the taxation system including technological enforcement and dispute resolution. The results showed that there were various problems in the taxation system despite the reduction of the tax rate and use of advanced technologies. Particularly, issues such as equity, complexity, stable revenues, digital inequality, and numerous exemptions may deteriorate due to complex tax system and disputes between taxpayers.

ARTICLE: 3

I. Yoga, G. A. Prama.

The adoption of income tax reforms in India has gained pace due to the use of digitization and increased transparency and modernization of systems. The adoption of new concepts like electronic filing, pre-populated ITR, AIS, TIS, and faceless assessment is a significant transformation in the Indian tax system. The present study uses primary data collected through 50 respondents, 25 being tax assesses and 25 tax authorities, and examines the influence of income tax reforms on efficiency, compliance and transparency. It has been found that the reforms have made an enormous difference to administrative efficiency and physical interface but there are issues with digital

literacy and system error as well.

ARTICLE:4

T. Suhendro, A. E. Rustanto.

Income tax planning is a critical aspect of personal financial management, requiring innovative solutions that align with statutory compliance and individual financial goals. This study delves into Axis Bank Limited's contributions to simplifying income tax planning through its diverse range of financial products and services. The article reviews key tax-saving options, including fixed deposits, ELSS mutual funds, and NPS accounts, highlighting their compliance with Sections 80C and 80CCD of the Indian Income Tax Act, 1961. Additionally, it examines the tax benefits offered on home and education loans, as well as health insurance policies. The research further explores Axis Bank's digital platforms for seamless tax payments and its wealth management services for personalized tax advisory. The findings reveal how Axis Bank's integrated approach empowers customers to optimize tax savings while achieving long-term financial stability. This paper serves as a valuable resource for financial planners and policymakers seeking insights into tax-efficient banking solutions.

ARTICLE: 5

S. K. DEY

This article investigates the pivotal role of Axis Bank Limited in supporting income tax planning through its diverse portfolio of tax-saving financial instruments and advisory services. The study explores the bank's offerings, such as tax-saving fixed deposits, ELSS mutual funds, and National Pension System (NPS) accounts, which provide substantial tax benefits under the Indian Income Tax Act, 1961. It also highlights the tax advantages associated with home and education loans, as well as health insurance premiums. Special emphasis is placed on Axis Bank's digital platforms, which simplify tax payments and compliance. Furthermore, the research examines the bank's wealth management services that offer customized tax solutions for high-net-worth individuals. By integrating tax-saving strategies into its product design and service delivery, Axis Bank emerges as a key enabler of financial literacy and tax efficiency. The findings underline the significance of aligning banking solutions with tax laws to enhance customer satisfaction and financial inclusion.

ARTICLE: 6

G. Ratt, R. Ray.

This study explores the innovative role of Axis Bank Limited in simplifying income tax planning through its diverse financial products and customer-centric services. The analysis covers key tax-saving instruments, such as fixed deposits, ELSS mutual funds, and NPS accounts, which align with the provisions of the Indian Income Tax Act, 1961. It also discusses tax benefits associated with home loans, education loans, and insurance policies, which contribute to maximizing customer savings. Emphasis is placed on Axis Bank's digital platforms for tax payments and its tailored wealth management services, which provide personalized tax advisory. The research underscores Axis Bank's ability to integrate tax planning into everyday banking operations, fostering financial literacy and compliance among customers. The findings offer insights into how banking institutions can effectively align their services with regulatory frameworks to enhance customer experience and drive financial inclusion.

NEED FOR THE STUDY

Although there has been an improvement in the income tax system in India with respect to using e-filing, there remains certain complexity associated with the changes in tax laws, union budgets, and other relevant compliance deadlines.

This research is extremely important in helping to address knowledge gaps related to changing tax brackets, types of income subject to taxes, the role of intermediary agencies such as tax consultants in avoiding penalties, and investment decisions that can minimize taxes. Taxpayers continue to be reluctant and wait till the last minute before filing their taxes.

SCOPE OF THE STUDY

This study limits its scope to that of taxpayers of customers of Axis Bank's Hyderguda branch since it is limited only to individual taxpayers. The areas that this study encompasses include the taxpayer's awareness, quality of service provided by tax consultants, the effect of union budget on tax planning, and the filing efficiency. This is because the study focuses on current filing trends and reactions with regards to the most recent financial year.

OBJECTIVE OF THE STUDY

The major objective of this study is to study taxpayers' perception about the compliances in taxes and their performance and service offered by tax consultants.

- To study the pattern of taxpayers in filing taxes and budgets.
- To study the effectiveness of tax consultants.
- To find out which investment avenues are chosen by taxpayers in order to save taxes.
- To study tax awareness and compliance.
- To study the trust of taxpayers on service quality of tax consultants.

RESEARCH METHODOLOGY

RESEARCH DESIGN:

This research will use descriptive and analytical approaches. The study is descriptive because it aims at geographically identifying the situation pertaining to taxpayer knowledge and practices in relation to tax consultants. This study is analytical since it analyzes the association between the quality of services provided by consultants and tax compliance.

NATURE & SOURCES OF DATA:

This research is conducted on the basis of both primary and secondary data.

- **Primary data:** Primary data is collected through a structured close-ended questionnaire.
- **Structure:** The survey questionnaire is divided into sections that will measure the demographic profiles, tax compliance timeline, and behavioral interactional.
- **Scale and option:** multiple-choice single selects questions, and multi-select options (in case of income heads and investment preferences) have been used in the survey.

Responses from approximately 200 samples have been gathered from customers of Axis Bank, Hyderguda branch. It has been noted that out of 200 customers, 160 are regular taxpayers. Out of these 160 samples, only 110 individuals are approaching tax consultants.

Secondary Data: Secondary data will be gathered from the below sources

- Publications and Circulars of Income Tax department of India
- Transcripts and Memorandums explaining the annual budget speech made by union government.
- Academic Journals and disclosures made by banking institutions and financial publications.

DATA PROCESSING AND ANALYSIS TOOLS

Respondent's answers are scrubbed to ensure completeness before being coded numerically. Data is structured in frequency tables and percentages to analyze demographic trends and fundamental perceptions.

Statistical Package: MS Excel is the tool used in the present research to convert data into charts and graphs. In essence, data visualization helps in understanding complex data by providing its visual form.

Percentage formula: $\text{Percentage (\%)} = (F/N) \times 100$

Where, **F** = Frequency (the number of respondents who chose a specific answer).

N = Total number of respondents in the sample (200).

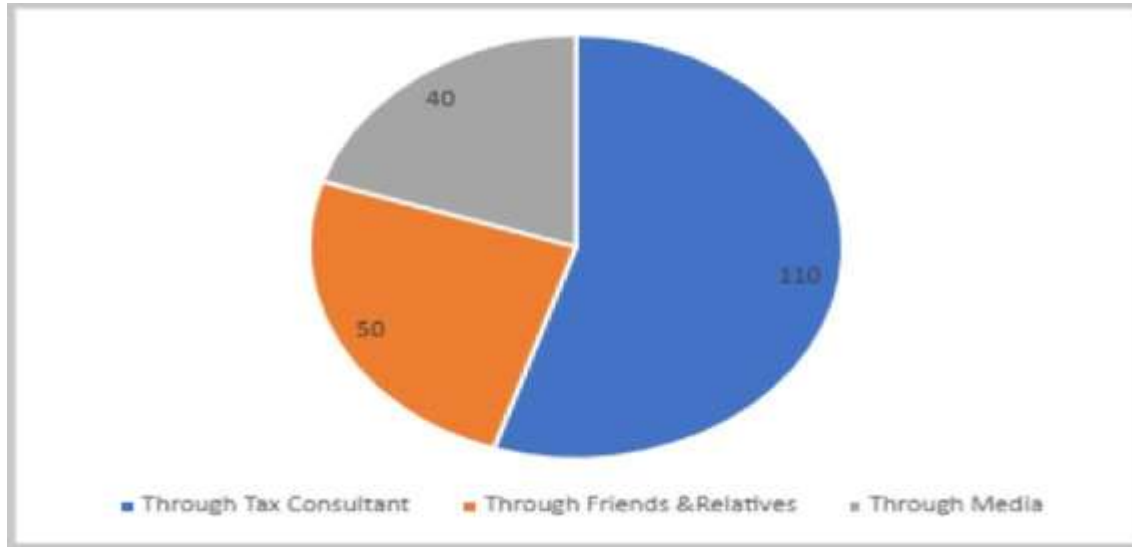
LIMITATIONS OF THE STUDY

- Only based on the reactions of Axis bank customers at hyderguda, the research findings are made, and thus there would not be any feasibility for generalizing the results.
- The research is conducted only with the limited sample size of participants, and thus there could not be much reflection of the actual behavior of taxpayers from the entire nation.
- Some respondents might not share tax information as such details could be sensitive for them regarding the true amount of their earnings.
- Owing to time constraints, it becomes difficult to take into consideration the responses of other branches.

DATA ANALYSIS & INTERPRETATION

1. How do you get the information about Taxation? Table no-4.7 Getting information through.

S.No	Response	Responses	Percentage (%)
1	Through Tax Consultant	110	55%
2	Through Friends & Relatives	50	25%
3	Through Media	40	20%
Total		200	100%



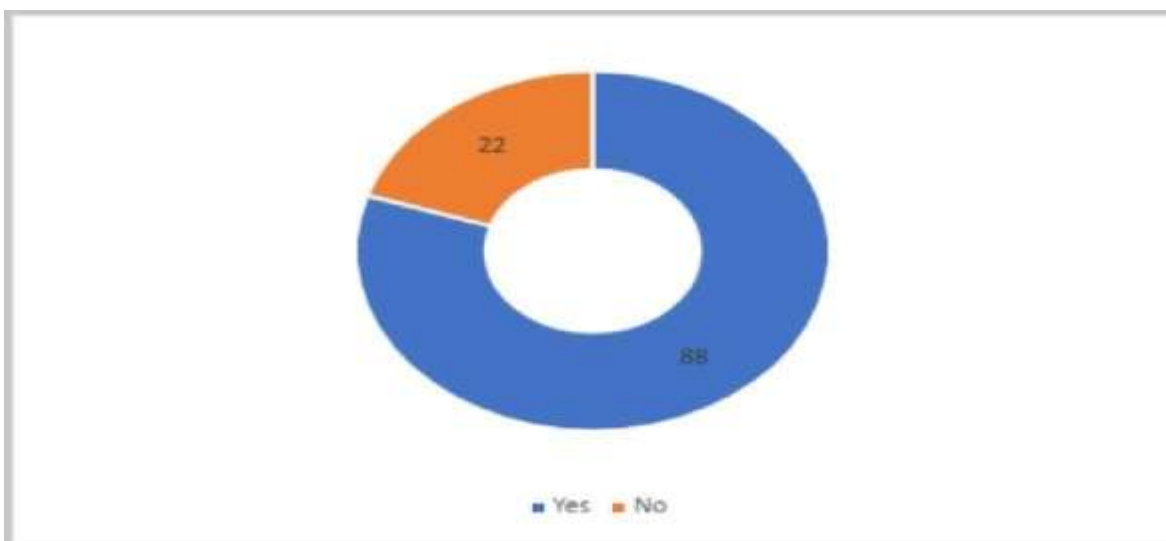
Getting information through.

Analysis- From the above chart, it analyses that out of 200 respondents, more than half (55%) receive their taxation information through a Tax Consultant. Additionally, 25% rely on Friends & Relatives, while the remaining 20% stay informed through Media channels.

Interpretation- Most respondents depend on Tax consultants.

2. Does your tax consultant inform on different provisions for income tax submissions?

S.No	Responses	Responses	Percentage (%)
1	Yes	88	80%
2	No	22	20%
Total		110	100%



Analysis- The data reveals that out of 110 respondents, 80% (88 individuals) stated that their tax consultant notifies them about various provisions and submissions, while 20% (22 individuals) reported that they do not receive such notifications.

Interpretation- Most consultants are diligent in keeping their clients informed about provisions of Tax.

FINDINGS

- The largest group of respondents falls into the 45-60 years age bracket (35%). Middle aged and older individuals make up the vast majority of the sample, while younger adults aged 25-30 represent the smallest share (20%).
- Nearly half of the surveyed individuals (48%) are high earners with an income above ₹10LPA. In contrast, only a small minority (10%) earn below ₹3LPA, indicating the sample is heavily weighted toward higher income brackets.
- A strong majority of respondents (70%) are regular taxpayers. This indicates that the survey feedback is primarily driven by individuals who are active, consistent experience with tax compliance.
- The sample shows clear polarization in experience: the single largest segment (38%) consists of highly experienced taxpayers who have been filing for above 10 years, closely followed by absolute beginners (30%) who have 0 years of filing experience.
- Taxpayers demonstrate a high level of punctuality, with 50% filing their returns a full month before the deadline and 35% filing a week prior. Only a tiny fraction (5%) delays their filing until after the due date.
- Business and Profession is the leading source of taxable income for respondents (43%), followed closely by salary (30%). Notably, none of the respondents (%) reported earnings from capital gains.

CONCLUSION

The study provides valuable insights into the demographics, behaviors, and preferences of taxpayers, particularly focusing on relationships with tax consultants and their choices regarding tax-saving investments.

The surveyed population is predominantly middle-aged (45-60years) and belongs to the higher income bracket (above 10LPA). This demographic alignment explains why a significant majority (70%) are regular taxpayers with extensive filing experience exceeding 10 years. Taxpayers exhibit a commendable level of financial discipline with 85% proactively filing their returns at least a week to a month before the deadline.

A major take away from the study is the critical role played by Tax Consultants. They serve as the primary source of taxation information for over half the respondents (55%). Despite a strong consensus (70%) that consultant fees are on the higher side, taxpayers maintain a deep-rooted trust in their advisors. This trust is well-justified: 80% of respondents praise their consultants for keeping them updated on tax provisions and explaining complex union budget changes, while 76% feel completely secure about data confidentiality.

SUGGESTIONS

- **Introduce Transparent and Tiered pricing by consultants:** Since a massive 70% of respondents feel that consultant fees are high, professionals should introduce structured, transparent, or tiered pricing models based on complexity of return to improve client satisfaction.
- **Target and Educate Younger Taxpayers:** 25-30 age group forming the smallest segment (20%) and a massive 30% of the sample reporting zero years of filing experience, tax consultants and financial institutions like Axis bank should launch targeted digital awareness campaigns to guide young earners on early tax planning.
- **Leverage Digital Channels for Information:** While 55% are relying on consultants, only 20% utilize

media for tax information. Financial advisors should leverage mobile apps, and WhatsApp alerts to broadcast real-time tax updates, budget impacts, and deadline reminders to their clients.

- **Diversify Investment Portfolios:** Taxpayers should encourage to look beyond traditional insurance (LIC) and Fixed deposits. Consultants should actively educate clients on the dual benefits of market-linked growth and tax savings offered by instruments like ELSS Mutual funds and the National Pension Scheme (NPS).

BIBLIOGRAPHY

1. Betri, B., Aprianto, A., Handoyo, P., & Pamungkas, B. A. (2025, April). The Effect of Tax Consultant Service Quality, e-SPT Implementation, and Tax Consultant Code of Ethics on Taxpayer Compliance with Modernisation of Tax Administration System as Moderating Variable. In *Proceedings of the 3rd International Conference on Management and Business (ICOMB 2024)* (Vol. 325, p. 251). Springer Nature.
2. Dhamapurkar, R. R. (2025). E-Filing of Income Tax Returns: A Stakeholder's Perspective (With a Focus on Taxpayers). *Journal of Management Research*, 17(1), 45-54.
3. Yoga, I. G. A. P., Prama, G. A., Nida, D. R. P., & Yudha, C. K. (2024). What Influences a Taxpayer's Decision Making to Choose a Tax Consultant. *International Journal of Current Science Research and Review*, 7, 7382-7397.
4. Suhendro, T., Rustanto, A. E., Hidayat, Y. R., & Mariam, S. (2024). Effectiveness of Implementation of Tax Consultant Licensing Services Through the Application of the Tax Consultant Information System (Sikop) at the Center for Financial Profession Development Secretariat General of the Ministry of Finance. *Journal of Law, Politic and Humanities*, 5(1), 620-631.
5. Dey, S. K. (2023). Taxpayers' Perceptions Towards Income Tax Administration: A Study from Indian Perspectives. *Journal of Tax Reform*. 2023. Vol. 9. № 3, 9(3), 300-316.
6. Datt, G., Ray, R., & Teh, C. (2022). Progressivity and redistributive effects of income taxes: evidence from India. *Empirical Economics*, 63(1), 141-178.