

Taxpayer Evasion Strategies for Tax Evasion after Demonetization

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Tax reform is a complex and evolving process that involves strategic changes to a country's tax system to enhance its efficiency, fairness, and overall effectiveness. These changes can range from modifying tax rates and structures to revamping administrative procedures and introducing new tax policies. The main goals of tax reform usually include optimizing revenue collection, stimulating economic growth, and ensuring a fair distribution of the tax burden among individuals and businesses.

This study focuses on analyzing the significant tax reforms in India following demonetization, highlighting their intricacies and effectiveness. It also assesses the actual tax revenue generated by the government, providing insights into the fiscal outcomes of these reforms. By thoroughly examining these aspects, the study aims to offer valuable insights into the evolving taxation landscape in India and its implications for the broader economy.

In the wake of the historic demonetization move in India, this study aims to critically analyze the major tax reforms implemented subsequently. The demonetization of high-denomination currency notes had profound effects on the Indian economy and triggered various tax reforms intended to reshape the taxation framework. This section delves into the specifics of these reforms, exploring their scope, intent, and impact. It includes a detailed examination of legislative changes, policy adjustments, and administrative measures introduced to overhaul the tax system. By scrutinizing these reforms, the study aims to provide a comprehensive understanding of their intricacies, strengths, and potential areas for improvement.

Additionally, this study evaluates the actual revenue generated by the Indian government through income taxation and the implementation of the Goods and Services Tax (GST) in the period following demonetization. It aims to measure the effectiveness of these tax policies in terms of revenue collection by analyzing trends, patterns, and growth rates. By evaluating the income tax and GST revenue, the study seeks to determine whether these reforms have successfully mobilized resources for the government, particularly in light of the broader economic changes brought about by demonetization. This assessment is crucial for understanding the fiscal impact of the tax reforms and their contribution to government finances.

Keywords- tax knowledge tax reform, Post-Demonetization and Taxpayer Evasion

I INTRODUCTION

The economic landscape of India has undergone significant transformations in recent years, with the demonetization of high-denomination currency notes in 2016 standing out as a pivotal event. This monumental decision by the Indian government aimed to curb black money, promote digital transactions, and implement substantial tax reforms. Following demonetization, the Indian tax system experienced notable changes, focusing on enhancing transparency, compliance, and revenue generation. This paper embarks on a comprehensive examination of the major tax reforms in India post-demonetization and investigates the reasons taxpayers provide for evading taxes and the methods they employ.

The impact of demonetization was felt nationwide, altering the financial landscape in both expected and unexpected ways. The decision to invalidate high-denomination currency notes had far-reaching consequences for the economy and the tax system. In response, the government introduced several significant tax reforms, including the implementation of the Goods and Services Tax (GST), broadening the tax base, and promoting digital transactions. These reforms aimed to reduce tax evasion, simplify tax procedures, and enhance overall tax compliance. However, the effectiveness of these reforms in achieving their intended goals remains a topic of debate and analysis.

Tax evasion has been a persistent issue in India's tax landscape, with taxpayers employing various methods to evade their tax obligations. The reasons behind tax evasion are multifaceted, encompassing factors such as complex tax laws, inadequate enforcement, lack of taxpayer education, and the existence of a large informal economy. This paper delves into the intricacies of tax evasion in India, exploring the rationales provided by taxpayers for evading taxes and the methods they use. By understanding these aspects, we can gain insights into the challenges that hinder effective tax collection and compliance in the country.

Taxes are essential for fostering economic growth and development. Understanding taxes and adopting the right approach toward them can make a significant difference in the success and failure of businesses.

Each business has its specific requirements for the tax system, depending upon its business activity, size, location, form, and nature. Businesses are often unaware of their tax obligations, which affect their operating and financial decisions [3]. Firms can attempt to reduce this impact through proper tax planning, which is possible with tax knowledge [4]. Tax knowledge is an important contributing factor as it helps businesses adhere to tax rules and regulations. Understanding the tax requirements as per their nature of business (manufacturing and servicing) might influence their business strategies.

A survey from 147 economies identified low tax awareness and knowledge as the biggest constraint for business operations [5]. Further, the study by [6] stated that businesses faced problems in their operations as low tax knowledge led to complexities and unorganized administrative costs [7]. A study by [8] pointed out that firms with low tax awareness often get trapped by insolvent traders, leading to illegal refund scams [9]. [10][11,12] emphasized that businesses in Malaysia and Australia with low tax knowledge suffered heavy losses due to tax fines that occurred because of tax non-compliance. Therefore, policymakers and governments want that firms must be aware of the taxation system, its rules, and its regulations. It would lead to timely tax compliance, generation of revenue, increased business efficiency, and reduction in tax scams. To conduct the present research, we have opted for India one of the world's developing countries. On 1 July 2017, India reformed its indirect tax structure by implementing Goods and Service Tax (GST). Since GST is technology-led tax reform, a paradigm shift has been observed in the compliance processes, which are carried through online portals, leading to digitalization in businesses [13,14]. The OECD [15] emphasized that developing countries are adopting the new technological tax filing system, for which proper training, skill, and expert knowledge are required

In the wake of the 2016 demonetization in India, the country witnessed a series of significant changes in its economic and tax landscape. This paper embarks on a comprehensive exploration of two interconnected aspects: the major tax reforms undertaken in India in the post-demonetization era and an investigation into the reasons cited by taxpayers and the methods employed by them to evade taxes.

The demonetization of high-denomination currency notes aimed to eradicate black money, promote digital transactions, and usher in substantial tax reforms. This paper critically examines these tax reforms, including the introduction of the Goods and Services Tax (GST), the expansion of the tax base, and measures to bolster tax transparency. Through a critical lens, we analyze the effectiveness of these reforms in achieving their intended objectives, their impact on the Indian economy, and the challenges faced in their implementation.

Simultaneously, tax evasion has remained a persistent concern in India's tax ecosystem. Taxpayers employ various strategies and rationales to evade their tax obligations, impacting government revenue and overall economic stability. This paper delves deeply into the intricacies of tax evasion, systematically investigating the reasons provided by taxpayers for evading taxes and the methods employed to do so. By scrutinizing these dimensions, we aim to gain comprehensive insights into the complexities of tax evasion in India.

Understanding the interplay between tax reforms and taxpayer evasion is crucial for policymakers, tax authorities, and scholars. This research provides an invaluable resource for

enhancing tax compliance, promoting revenue generation, and refining tax policies in India. By shedding light on the effectiveness of post-demonetization tax reforms and revealing the strategies used by taxpayers to evade taxes, this paper contributes to a more nuanced understanding of India's evolving tax landscape.

1. Major Tax Reforms in Post-Demonetization Era: The post-demonetization era in India witnessed several significant tax reforms aimed at enhancing transparency, widening the tax base, and promoting compliance. Some key reforms include:

a. Goods and Services Tax (GST): Perhaps the most transformative tax reform, GST, was introduced in July 2017. It replaced a complex web of indirect taxes with a unified tax structure, streamlining tax administration and reducing tax evasion.

b. Digitalization of Tax Filing: The government introduced various digital initiatives to simplify tax filing, such as the Income Tax Department's e-filing portal. These platforms make it easier for taxpayers to comply with tax regulations.

c. Aadhar-based Authentication: The use of Aadhar, a unique biometric identification system, has been integrated into tax processes to verify taxpayer identities and reduce fraudulent tax claims.

d. Benami Transactions (Prohibition) Amendment Act: This legislation was strengthened to target property transactions in which the real beneficiary hides behind a proxy, curbing the use of black money in real estate.

e. Faceless Assessment: The introduction of faceless assessment and appeals seeks to minimize physical interactions between taxpayers and tax officials, reducing opportunities for corruption and bribery.

2. Tax Evasion: Reasons and Methods: Tax evasion remains a challenge in India, despite these reforms. Taxpayers often employ various methods to evade taxes, including underreporting income, inflating deductions, and engaging in cash transactions. The reasons for tax evasion are multi-faceted and include:

a. Complex Tax System: India's tax laws can be intricate and confusing, making it challenging for some taxpayers to navigate without professional assistance.

b. High Tax Rates: High tax rates can incentivize individuals and businesses to engage in tax evasion to reduce their tax liability.

c. Lack of Trust in Government: Some taxpayers may have a distrust of government institutions, leading them to view tax evasion as a means to safeguard their wealth.

d. Lack of Effective Enforcement: Weak enforcement of tax laws can embolden tax evaders, as they perceive a low risk of detection and punishment.

e. Cultural Factors: Cultural norms and practices can also play a role in tax evasion, with some considering it an acceptable practice.

Statement of the Problem

- How have recent tax reforms in India, including changes in tax codes, enforcement procedures, and compliance incentives, influenced the prevalence and patterns of tax evasion?

- What are the specific mechanisms through which these reforms may impact tax evasion behavior among different segments of taxpayers, such as individuals, small businesses, and multinational corporations?

Figure 2 the socioeconomic theoretical model of tax evasion

Objectives of the Study

The objective of proposed study is to analyze the major tax reforms and its impact on the level of tax evasion in India. In this regard the following objectives have been framed:

1. To critically examine the major tax reforms in India in post-demonetization era.
2. To investigate the reasons given by and methods used by taxpayers to evade tax.

Hypotheses

1. H_0 : Taxation revenues of Govt. of India have not shown any significant difference during post demonetization period.
 H_1 : Taxation revenues of Govt. of India have shown any significant difference during post demonetization period.
2. H_0 : There is no significant difference between the opinion of taxpayers, tax professional and government officials regarding methods of tax evasion in India.
 H_1 : There is significant difference between the opinion of taxpayers, tax professional and government officials regarding methods of tax evasion in India.

Scope of the Study

The Indian tax system includes both direct and indirect taxes. Reforms are made in both areas from time to time. Direct taxes include income tax on individuals and income tax on companies. The present study encompasses reforms in income tax and administration. The scope of this study is centered on the assessment of the impact of recent Indian tax reforms on tax evasion behavior. It encompasses an analysis of tax code simplification, enforcement mechanisms, digitalization, and amnesty programmes, focusing on diverse taxpayer segments including individuals, small businesses, and multinational corporations. Additionally, the study examines the role of economic growth, informal sector transformation, and cross-border transactions in shaping tax evasion dynamics. The geographical scope is limited to India, while the temporal scope covers the period post-implementation of relevant tax reforms up to the present, with data-driven insights derived from a combination of quantitative analysis and qualitative examination.

II RELATED WORK

Basavanagouda Nayaka (2020)[17] the rate of a country's social and economic development is strongly related to how well its tax system works. Many countries' tax policies are going through big changes because of the way globalisation is moving. Tax policy needs to be changed so that the pressure on taxpayers is lessened and the tax base is widened. This is needed to deal with the problems that globalisation and digitalization are causing. Since India got its freedom in 1947, there have been a number of changes to the country's tax system that have made it more complete, clear, simple, and broad-based. India took the important step of putting in place the Goods and Services Tax, or GST, in order to reach the goals listed above. Many people see this as a major shift in the way secondary taxes work. With the goods and services tax (GST), all goods and services are taxed at the same rate.

Dr. Sandeep Raghuwanshi (2020)[18] today, planning is becoming more and more important and necessary in many areas of life. Even though tax planning is becoming more and more common in the tax world, there are still some people who choose to evade taxes to lower their tax bills. Tax evasion means hiding income or making up financial records. Both of these things are wrong and should be criticised. Tax fraud causes a rise in the amount of "black money," an increase in the rate of unemployment, and a decrease in the amount of money that flows through an economy. The fact that India has to deal with big problems like tax dodging, black money, and the creation of a parallel economy shows that the Indian taxation system needs some major changes in order to solve all of these problems. In light of this, the current piece looks into different ideas about tax planning and how much tax evasion there is in India. The information needed for this purpose came from a number of external sources.

Md. Harun Ur Rashid(2020)[19] the goal of this study is to find out what makes people feel different about tax cheating, such as how their background affects how they feel. Because in poor countries, not paying taxes is a big problem. A tool called structural equation modelling (SEM) is used to look at the basic data taken from the different groups of respondents in this study. According to the study's findings, taxpayers' views on fairness, tax knowledge, audit and enforcement efforts, corruption, discrimination, and the complexity of the tax system all have a negative effect on how they feel about tax evasion, while these things have a positive effect. The research also found that the things that lead to tax evasion had a bigger impact on men, younger people, married people, college graduates, self-employed people, and people with lower incomes than on women, older people, single people, and people with less education, people with jobs, and people with higher incomes.

Binglei Duan (2021)[20] Institutional changes will always cost businesses more money to adjust to, but they will also bring about good things. But there isn't a lot of real-world evidence about how much it costs to adjust to the new institutional arrangements, and most of the focus has been on the rewards. We use data on China's A-share traded companies from 2010 to 2018 and the country's phased adoption of the "business tax to value-added tax reform" (henceforth, the "VAT reform") as a natural experiment to see how this change affected a specific company's cost of

audit fees. Over a period of eight years, the material was gathered. Our study shows that audit fees for VAT reform businesses are 8.11 percent higher than for other types of businesses. After the change year, there is no longer a difference between these two times. That is to say, the VAT change doesn't happen until the end of the year. This seems to show that the VAT change has a cost of adjustment that is unique to it. We also see bigger price increases at companies that are audited by the Big Four foreign audit firms, at companies that need more audit work, at companies that are more complicated, and at companies that don't have good internal controls. From the point of view of audit prices, we show how tax reform has affected the economy. Those in charge of making choices need to pay more attention to the costs that businesses have to pay to adjust when institutions change.

Cai Xueqin (2021)[21] With the internet economy as a backdrop, big data will become the main theme of the next phase of internet growth. With the start of e-government programmes like Internet + tax, Golden Tax Phase III, and the value-added tax electronic billing system, the era of big data is here to stay. Big data is made up of business models and economic activities that are complicated and varied. Both of these things have an effect on the usual way that China handles taxes. As a direct result of categorizing and sorting important papers of tax reform in China and the United States against the background of big data, the tax reform will have a big effect on CEO pay and change it in a big way.

Arturo Ant'ón (2021)[22] in the past few years, cash savings have grown in most places around the world. It is general knowledge that a bigger tax bill is often a big part of why people have more cash on hand. The reason for this is simple to understand. On the other hand, less people know what the purpose of tax enforcement is. We look at the process of fiscal change that was done in a large country that is still in the process of developing so that we can find out how tax compliance affects cash holdings. Around the middle of 2013, Mexico tried to increase its tax income by signing up more taxpayers and introducing electronic invoices to stop a black market for illegal bills. Based on a model of money demand that depends on transactions, we find that stricter tax implementation has a mixed effect on how much money people hold. In the case that institutions aren't working as well as they could, the model predicts that stricter regulation will lead to more cash on hand. We suggest using a vector error correction (VEC) formulation for money demand as an empirical test for this issue. The results show that a plan to collect taxes in a system with weak institutions may cause more cash to be held. can happen in a system like this. If a tax system wants to keep its character over time, this can't be the case forever. In this study, we look at how the government of Belize tried to make its single-rate VAT system more fair by giving some things a zero grade and not taxing others.

Tuo Chen Li (2021)[23] the digital economy is the world of tomorrow, both in terms of what is happening now and what might happen in the future. Developing the digital economy is the only way for developing economies to grow effectively and gain a strong place for future growth. This is because building up the digital economy is a realistic way to rethink network power and digital China from a strategic point of view. Tax cuts are something that all countries need to do if they want to deal with the current economic pressures. Tax cuts encourage good economic growth and keep the overall state of national government stable. In the past few years, China has been slowly putting in place and expanding a number of tax and fee reduction measures. These

have been key to the country's economy stabilizing and its digital economy growing quickly. This study is broken up into six different parts. The first part of this piece gives an overview of the digital economy, including what it is, what it means, what it means for the future, and how important it is that it is growing.

III RESEARCH METHODOLOGY

This paper discusses the framework for analysis, which deals with the scientific approach to solving research problems. The research gap found in the literature review is systematically translated into a researchable problem statement, which ultimately leads to the aims of the study. The study briefly elucidates the limitations of the methodology. Reforms are an ongoing process in any economy. Reforms are also the government's reaction to global political and economic changes. India has seen significant tax reforms over the last two decades. Changes in tax policy and necessary reforms in it generally affect the public as well as the revenue of the government, either positively or negatively. Reforms in tax policy and administration change the tax system. Reforms that lead to changes in the income tax system in India have affected the tax payer all the time. To study the impact of the reforms, this study attempts to understand tax payers' attitudes towards the income tax system. It is equally important to understand the perspectives of the tax authorities to shed light on the impact of changes in tax administration and the results of the reforms. The present research is an attempt to study the income tax reforms in India and the perceptions of income tax assesses and authorities.

A-Research Design

In order to achieve the study's aims, it is critical to use a systematic scientific methodology to present and evaluate the study's findings. While carrying out the current study, the different phases of any research investigation, such as problem identification, research area selection, The study's design has been examined under the following headings sample frame, use of different tools for data collection, and various methodologies utilized for data analysis, were taken into account. The present study is descriptive as well as exploratory in nature.

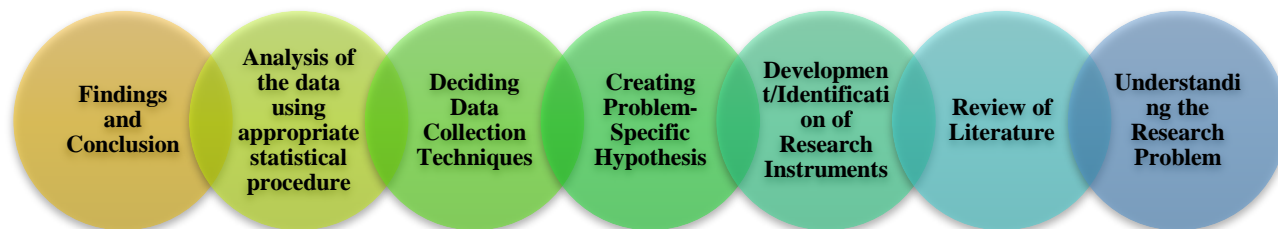


Fig 3. Approaches and Methodology

B-Source of Data Collection

Primary data is information collected or generated by the researcher for the purpose of the project at hand. Secondary data are the data that have been originally collected by someone other than the investigator himself for some other object. The primary data are collected through a

structured questionnaire and scheduling with women professionals. Primary data for the study has been collected through questionnaires from CAs, tax professionals, and tax payers in India, while secondary data has been collected via journals, new paper articles, books, magazines, conferences, websites, online resources, etc. In secondary data research, the researcher uses the already available data for his study.



Fig 4 Source of Secondary data

C-Populations

The population of interest for the study consists of CA and Tax Professional and Tax Payers in India. In the context of research, the term "research population" refers to a well-defined collection of individuals or things that are known to share comparable features. In most cases, every single person or thing that belongs to a particular community shares a single, overarching quality or attribute.

D-Sample size

1000 CA and tax professionals and tax payers are selected for study due to the large population. The CochranCochrana is used in the study to determine the sample size of the population, and an optimum sample size of 1000 CA, tax professionals, and tax payers is selected for the study.

E-Data Presentation and Tools for Analysis

Analysis of Variance, more often known as ANOVA, is a method of statistical analysis that is used to investigate the importance of the factors (also known as independent variables) in a multi-factor model. The two-sample t-test can be thought of as a special case of the one-factor model, which can be thought of as a generalization. In other words, the two-sample t-test and regression are tests that examine the hypothesis that the means of two populations are equivalent to one another. The premise that all population means are the same is put to the test via the one-factor ANOVA.

IV DATA ANALYSIS AND DATA INTERPRETATION

Data analysis and interpretation are critical elements in the research process. The analysis aims to arrange, classify, and summaries the obtained data to understand better and analyse it to answer the study questions. The quest for the more considerable significance of discoveries is called interpretation. An analysis is incomplete without interpretation, and interpretation cannot take place without analysis. As a result, they are mutually reliant.

Analysis of demographic information

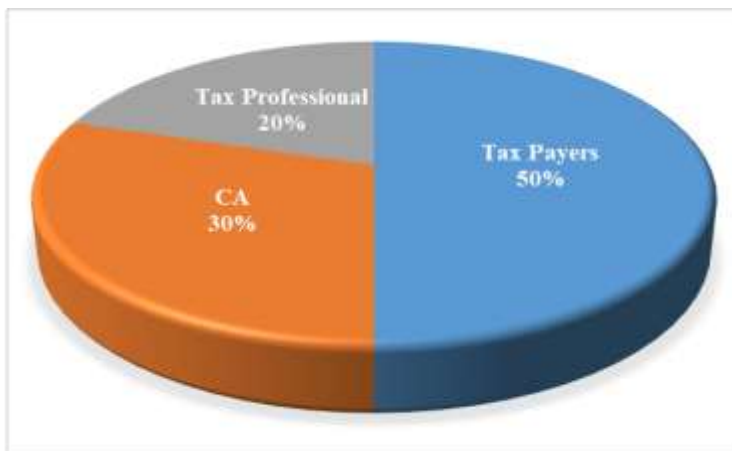


Fig: 5 Category of the Respondent

It indicates that the survey collected responses from a total of 1,000 individuals. Among these, 50% identified themselves as Tax Payers, signifying that half of the participants were individuals who pay taxes. Additionally, 30% of the respondents were Chartered Accountants (CAs), highlighting the significant representation of financial professionals in the survey. The remaining 20% of the participants were Tax Professionals, comprising tax experts and consultants.

Gender of the Respondent:

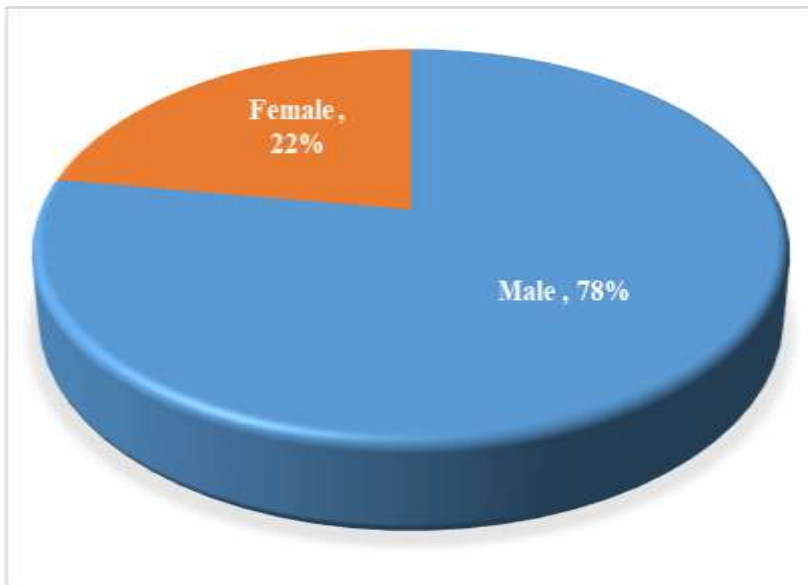


Fig: 6 Gender of the Respondent

Male and Female. Among the total of 1000 respondents, 78% (776 individuals) identify as Male, while 22% (224 individuals) identify as Female. No. of Returns filled till date of the Respondent

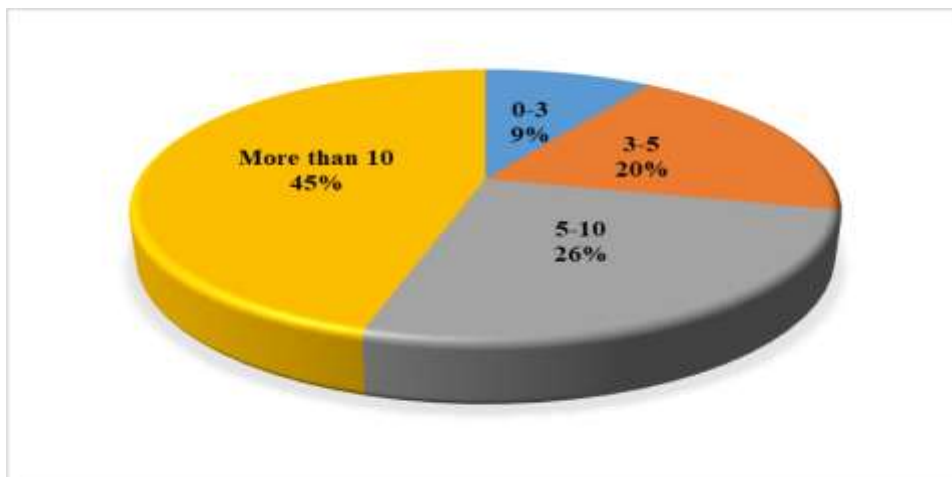


Fig: 7 No. of Returns filled till date of the Respondent

The number of tax returns they have filed to date. Within the total respondents, 9% (92 individuals) have filed "0-3" returns, indicating a relatively recent involvement in the tax filing process. The "3-5" returns category comprises 19% (194 individuals), suggesting a moderate level of experience. A significant proportion of respondents, 26% (261 individuals), have filed "5-10" returns, reflecting a greater familiarity with tax filing. Notably, the largest group, 45% (453 individuals).

Hypotheses to be tested: in order to attain the objectives' set forth for the study the following hypotheses have been formulated:

H₀: Taxation revenues of Govt. of India have not shown any signification difference during post demonetization period.

H₁: Taxation revenues of Govt. of India have shown any signification difference during post demonetization period.

df: This represents the degrees of freedom associated with each source of variation. Regression: 1 degree of freedom. Residual: 498 degrees of freedom (total observations - number of predictors - 1). SS (Sum of Squares): This is a measure of the total variability in the dependent variable. **Regression SS:** 0.022, representing the sum of squares attributed to the regression model. Residual SS: 142.790, indicating the sum of squares attributed to the differences between the observed values and the predicted values (residuals). F-Value (F): This is the ratio of the regression mean square to the residual mean square, and it's used to test the significance of the regression model. F-Value: 0.076, calculated as Regression MS / Residual MS. Significance F (**p-value**): This is the probability of obtaining an F-value as extreme as the one calculated, assuming that the null hypothesis (no significant relationship) is true. Significance F: 0.783, which is relatively high. This suggests that the model's F-value is not statistically significant, indicating that the regression model does not explain a significant amount of variance in the dependent variable.

Table 1: Taxation revenues of Govt. of India have shown any signification difference during post demonetization period

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	0.01	1	0.007	0.028	0.867	3.851
Within Groups	253.55	998	0.254			
Total	253.55	999				

Based on the p-value (0.783), which is considerably higher than the common significance level (such as 0.05), there is insufficient evidence to reject the null hypothesis and accept the alternate Hypothesis, This suggests that there is significant difference in taxation revenues of the Government of India during the post-demonetization period based on the presence of major tax reforms. The coefficient estimates of -0.014 is not statistically significant, and the confidence interval includes values close to zero, supporting the lack of significance.

H₀: There is no significant difference between the opinion of taxpayers, tax professional and government officials regarding methods of tax evasion in India.

H₁: There is significant difference between the opinion of taxpayers, tax professional and government officials regarding methods of tax evasion in India.

Table 2 The opinion of taxpayers, tax professionals and government officials regarding reasons of tax evasion in India

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	0.00	1	0.00	0.00	0.95	3.85
Within Groups	270.43	998	0.27			
Total	270.43	999				

The hypothesis (H₀) states that there is no significant difference between the opinions of taxpayers, tax professionals, and government officials regarding the reasons for tax evasion in India. The alternative hypothesis (H₁) suggests that there is a significant difference in these opinions among the three groups. This analysis involves an analysis of variance (ANOVA) to compare the sources of variation between groups. The source of variation "Between Groups" has a sum of squares (SS) of 0.00, with 1 degree of freedom (df), resulting in a mean square (MS) of 0.00. The calculated F-statistic is 0.00, and the corresponding p-value is 0.95.

The source of variation "Within Groups" has an SS of 270.43, with 998 degrees of freedom, leading to an MS of 0.27. The total SS across all sources of variation is 270.43, with a total of 999 degrees of freedom. The calculated F-statistic value (0.00) is less than the critical F-value (3.85), and the associated p-value (0.95) is much higher than commonly used significance levels (such as 0.05). Therefore, based on this analysis, there is no significant difference observed between the opinions of taxpayers, tax professionals, and government officials regarding the reasons for tax evasion in India.

V CONCLUSION

The study aims to examine Assessment of Indian Tax Reforms on the Tax Evasion, Study the growth of Income Tax Revenue, Evaluate the Performance of Income Tax Administration. Further, the study attempted to study the Assessment of Indian Tax Reforms on the Tax Evasion. The present chapter encompasses the summary of findings, suggestion and conclusions. Income Tax being an important part of Direct Taxes and a major source of revenue to the government should have the qualities such as simplicity, feasibility, effectiveness, anti-inflationary, and should have the characteristics of incentives for output of basic necessities. Moreover, the tax structure should be less costly, easy to understand, easy to comply with by the people and easy to administer by the authorities.

The study strongly recommends to compulsorily include various persons and enterprises including trusts; synchronize PAN, Aadhar Card, mobile number, and bank account numbers; encourage Cash-less transactions; measures to improve tax payer services, and also some useful structural reform measures have been suggested. The study suggested to adopt, at the earliest, etaxation with double entry system based on Aadhar / PAN / Unique ID as a virtual tool with the support of a Unique software to monitor all monetary transactions of assesseees. This would not only enable effective tax administration and widen the tax base, but also reduces tax evasion. The study also suggested to establish and maintain a unique Account to manage and adjust refunds.

Inferential Statistics Findings

Taxation Revenues of Govt. of India: Taxation revenues of the Government of India have not shown any significant difference during the post-demonetization period.

Intercept: The intercept value is 3.520, which represents the estimated taxation revenue when the predictor variable (major tax reforms) is zero. Major tax Reforms Coefficient: The coefficient for the predictor variable "Major tax Reforms" is -0.014. This coefficient indicates the change in the dependent variable (taxation revenues) for a one-unit change in the predictor variable while holding other variables constant. P-value: The p-value associated with the coefficient of "Major tax Reforms" is 0.783, which is considerably higher than the common significance level (e.g., 0.05). Therefore, there is insufficient evidence to reject the null hypothesis. It suggests that major tax reforms do not have a significant impact on taxation revenues during the post-demonetization period.

- **Indirect taxes reforms:** The integration of State and Central indirect taxes in the GST led to the abolition of entry tax and the Central Sales Tax (CST). GST is an Indirect tax which introduced to replace a host of other Indirect taxes such as VAT service tax, purchase tax, excise duty, and so on.
- Reduction in the corporate tax rate for all existing domestic companies: In order to promote growth and investment, the Government has brought in a historic tax reform through the Taxation Laws (Amendment) Ordinance The threshold limit for total income eligible for rebate under Section 87A has been proposed to be increased from INR 5,00,000 to INR 7,00,000 for assesseees opting for the new tax regime. Under the new tax regime, the highest surcharge rate of 37% on income above INR 5,00,00,000 has been proposed to be reduced to 25%.
- Taxpayers use different methods or tricks to evade taxes. Some of these common methods of tax evasion are the concealment of income, fake documentation, cash transactions, and so on. The following are some of these methods:
- Complex Tax Laws and Regulations: Taxpayers often cite the complexity of tax laws and regulations as a reason for tax evasion. Navigating intricate tax provisions can be challenging, leading to unintentional errors or misinterpretations.

Recommendations based on the findings of the study and their implications:

- **Increased Awareness Campaigns:** The government should conduct more extensive awareness campaigns regarding recent tax reforms and changes in the tax laws. This will help taxpayers, tax professionals, and government officials stay informed and updated.
- **Educational Programs:** To bridge the knowledge gap, educational programs and workshops on tax reforms and new assessment schemes should be conducted for both taxpayers and tax professionals. This will empower them to better understand and navigate the taxation landscape.

Suggestions

The study's findings regarding tax reforms and their impact on tax evasion. These suggestions are aimed at policymakers, tax professionals, and other relevant stakeholders to enhance tax compliance and minimize evasion:

- **Communication:** Develop clear and concise communication materials that explain tax reforms, their objectives,
- **Promote Digital Literacy:** Promote digital literacy among all segments of the population to ensure that taxpayers can use online platforms confidently and accurately
- **Public-Private Partnerships:** Collaborate with private sector entities to improve tax compliance through joint initiatives, leveraging their expertise in technology and communication.
- **Focus on Prevention:** Develop strategies that focus on preventing tax evasion rather than solely relying on punitive measures. A proactive approach can deter non-compliance.

Limitations of the Study

1. The present study encompasses the policy perspectives in general and not specific to one particular segment which would have otherwise been more focused research.
2. The present analysis in the study was based on the secondary sources of information. The accuracy and validity of the analysis depends on the accuracy and availability of the required data for the study period. In spite of the repeated efforts, the data for few years were not available from the source.
3. The present study travelled through the period during which drastic changes in Income Tax Department were being made. Some of the suggested measures might have already taken place before the completion of this research.

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