FACULTY ENHANCEMENT PROGRAMME

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Date of Event: 20 November, 2025

Faculty-in-Charge: Ms. Gigy Johnson

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REPORT

As part of the Faculty Enhancement Programme, a presentation was held on 20 November 2025 at the Seminar Hall, Naipunnya Welfare Centre, from 03:15 p.m. to 04:00 p.m. The paper was presented by Dr. Jeena Antony, Associate Professor, Department of MBA, on the topic "Comparative Study & Taxpayers' Perception: Income Tax Act 1961 & 2025". The presentation focused on comparing the structural provisions of the Income Tax Act, 1961 and the proposed Income Tax Act, 2025, while also analysing taxpayers' perceptions of the proposed reforms. 50 participants from various departments attended the session. It also featured active audience interaction, with participants raising questions and engaging in meaningful discussion.

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Prepared by:	Verified by:	Approved by:
Ms. Gigy Johnson	Dr. Sabu Varghese	Rev. Fr. Dr. Paulachan K.J.
FEP Coordinator	Director IT/ HRD Cell	Principal

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BROCHURE

FACULTY ENHANCEMENT PROGRAMME

Dr. Jeena Antony
Associate Professor
Department of MBA



Topic : Comparative Study & Tax Payers' Perception: Income Tax Act 1961 & 2025

DATE : 20 NOVEMBER, 2025
TIME : 03.15-04.00 PM
VENUE : SEMINAR HALL,
NAIPUNNYA WELFARE SERVICES

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PHOTOGRAPHS









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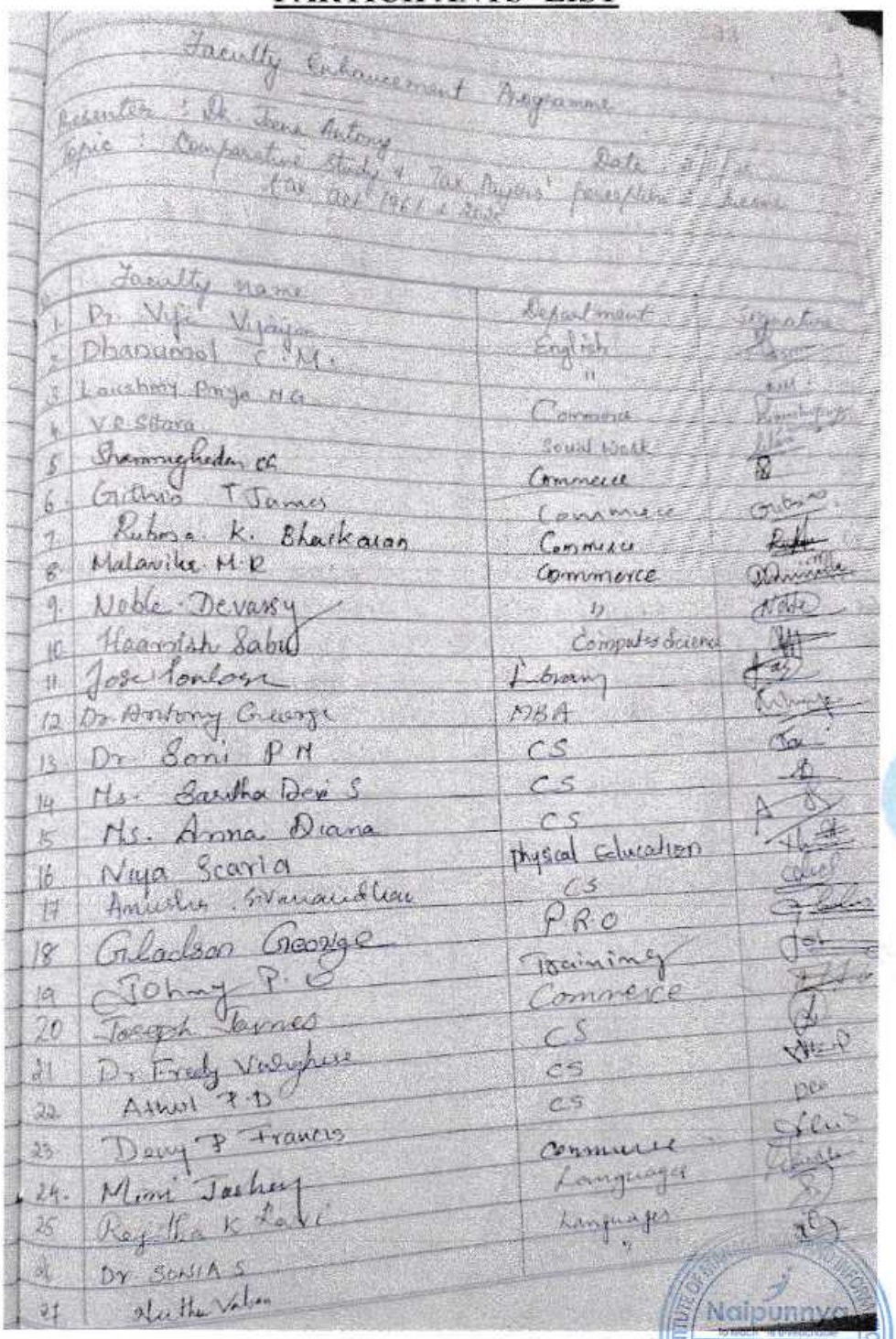
PARTICIPANTS' LIST



Faculty Enhancement Programme

Presenter : Dr. Jena Antony
Topic : Comparative Study of Tax Payers' perception of Income Tax Act 1961 & 2025
Date : [illegible]

	Faculty name	Department	Signature
1	Dr. Vijay Vijayan	English	[illegible]
2	Dhanumol C.M.	"	[illegible]
3	Laushmy Priya N.G	Commerce	[illegible]
4	V.R. Sitara	Social Work	[illegible]
5	Shanmughedan CG	Commerce	[illegible]
6	Githin T James	Commerce	[illegible]
7	Rubina K. Bhaskaran	Commerce	[illegible]
8	Malavika M.R	Commerce	[illegible]
9	Noble Devassy	"	[illegible]
10	Haarish Sabu	Computer Science	[illegible]
11	Jose Ponlose	Library	[illegible]
12	Dr. Antony George	MBA	[illegible]
13	Dr. Soni P.N	CS	[illegible]
14	Ms. Saritha Devi S	CS	[illegible]
15	Ms. Anna Diana	CS	[illegible]
16	Niya Scaria	Physical Education	[illegible]
17	Anusha Sivanandhan	CS	[illegible]
18	Gladson George	P.R.O	[illegible]
19	Johny P.O	Training	[illegible]
20	Joseph James	Commerce	[illegible]
21	Dr. Fredy Varghese	CS	[illegible]
22	Athul P.D	CS	[illegible]
23	Deny P Francis	Commerce	[illegible]
24	Mini Joshey	Languages	[illegible]
25	Rajitha K Lavi	Languages	[illegible]
26	Dr. SONIA S	"	[illegible]
27	Nutha Valan		

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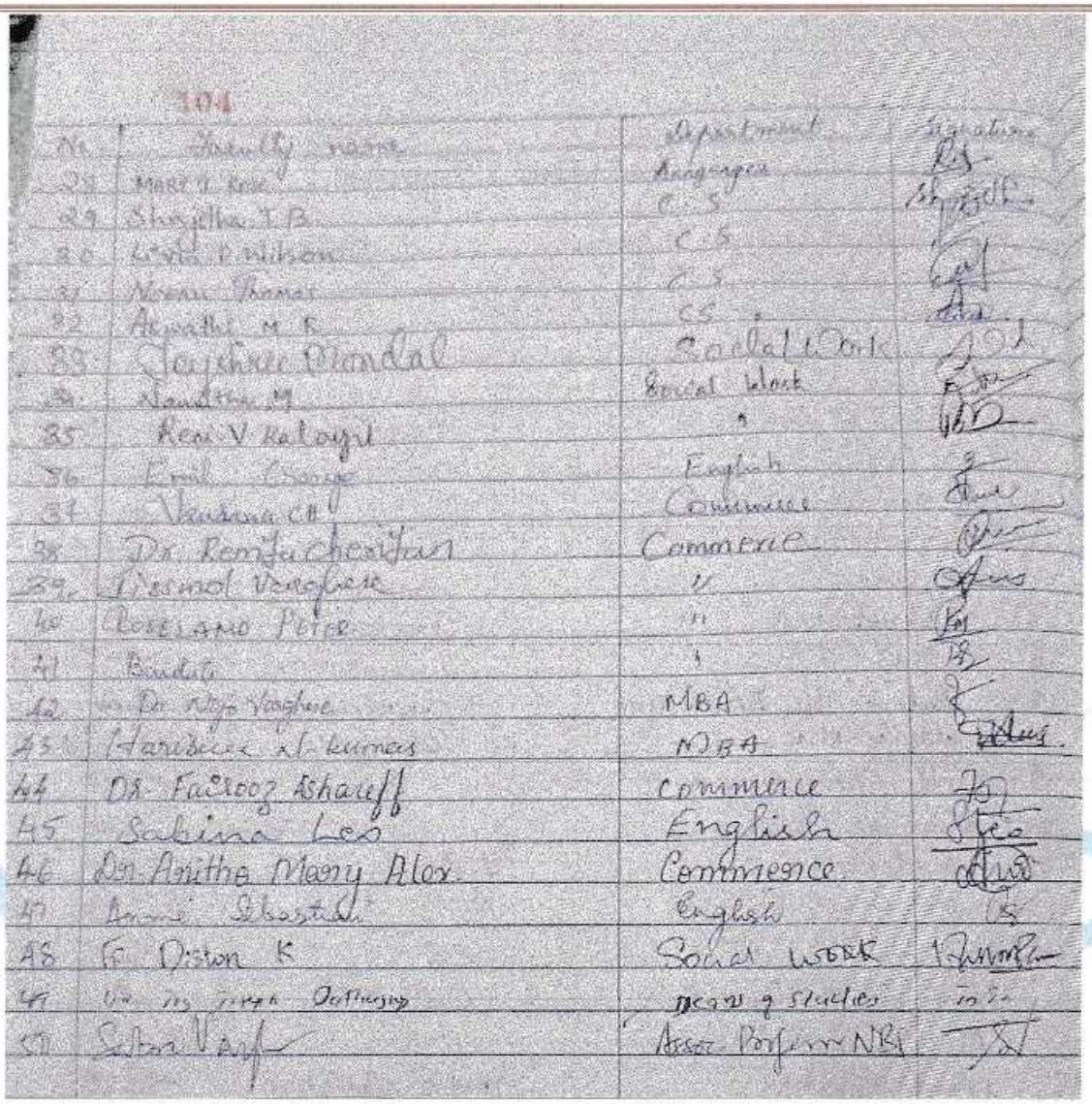

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No	Faculty name	Department	Signature
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29	Shrijetha T.B.	C.S	[signature]
30	Lavin P. Wilson	C.S	[signature]
31	Noeru Thomas	C.S	[signature]
32	Aswathi M.R.	CS	[signature]
33	Jayshree Mondal	Social Work	[signature]
34	Nandha M	Social Work	[signature]
35	Reni V Kalayil	"	[signature]
36	Emil George	English	[signature]
37	Vrishna CH	Commerce	[signature]
38	Dr. Remfa Cherifan	Commerce	[signature]
39	Dismol Varghese	"	[signature]
40	Roseland Peter	"	[signature]
41	Bindu	"	[signature]
42	Dr. Nyfa Varghese	MBA	[signature]
43	Harisree N. Kumar	MBA	[signature]
44	Dr. Fairooz Ashareff	Commerce	[signature]
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47	Anne Sebastian	English	[signature]
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Comparative Study & Tax Payers' Perception: Income Tax Act 1961 & 2025

Dr. Jeena Antony, Associate Professor, Department of MBA,

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Abstract

The Income Tax Act, 1961 has been the foundation of India's direct taxation system for more than six decades. However, frequent amendments and increasing procedural complexity have made the Act difficult for taxpayers to interpret and comply with. In response to these challenges, the Government of India has proposed the Income Tax Act, 2025 with the objective of simplifying tax provisions, improving transparency, and enhancing ease of compliance. This study aims to compare the structural provisions of the Income Tax Act, 1961 and the proposed Income Tax Act, 2025, and to analyze taxpayers' perceptions regarding the proposed reforms. A descriptive research design was adopted for the study. Primary data were collected through a structured questionnaire from taxpayers in the Ernakulam district, including individuals, professionals, and small business owners, while secondary data were obtained from government reports, tax journals, and academic sources. The collected data were analyzed using statistical tools with the help of SPSS software. The findings indicate that awareness, perceived clarity of tax provisions, and ease of compliance significantly influence taxpayers' perception of the proposed tax reforms. The study also reveals that trust in tax administration plays a mediating role in shaping taxpayers' attitudes toward the new tax framework. Overall, the proposed Income Tax Act, 2025 is expected to improve transparency, simplify tax procedures, and promote voluntary tax compliance in
India.

Keywords: *Tax reform, Taxpayer perception, Tax compliance, Income Tax Act 1961, Income Tax Act 2025, Tax administration*

Introduction

Taxation is an essential component of a country's fiscal policy and economic governance. Governments rely on tax revenue to finance public goods, infrastructure development, and social welfare programs. Taxes are generally categorized into two major types: direct taxes and indirect taxes. Direct taxes are imposed directly on individuals or organizations and are paid by the same entity that bears the tax

burden. Examples include income tax and corporate tax. In contrast, indirect taxes such as the Goods and Services Tax (GST) are collected by intermediaries and passed on to the government.

The Income Tax Act, 1961 has been the principal legislation governing direct taxation in India. Over the past six decades, the Act has undergone numerous amendments to adapt to changing economic conditions and policy objectives. While these amendments have strengthened the taxation framework, they have also resulted in a complex and fragmented legal structure. Taxpayers often face difficulties in interpreting provisions and complying with regulatory requirements.

Recognizing these challenges, the Government of India has proposed a new Income Tax Act, 2025. The proposed legislation aims to simplify tax provisions, reduce ambiguity, promote transparency, and encourage voluntary compliance. The new framework also emphasizes digitalization and alignment with global taxation standards. Understanding taxpayers' perceptions of these reforms is important for evaluating the effectiveness of the proposed legislation.

Review of the literature

Several researchers have studied the factors that influence taxpayer compliance and attitudes toward tax systems. Kirchler et al. (2007) explain that taxpayers are more likely to comply with tax regulations when they trust tax authorities and believe that the tax system is fair. The study highlights that transparent and simple tax rules can encourage voluntary compliance among taxpayers. Similarly, Alley et al. (2004) point out that the complexity of tax laws is a major issue affecting taxpayer compliance. When tax regulations are difficult to understand, taxpayers may make unintentional mistakes or feel discouraged from complying properly. Devos et al. (2014) emphasize the importance of taxpayer education and awareness in improving compliance behavior. The study suggests that governments should simplify tax laws and provide better communication and guidance to taxpayers in order to build trust and encourage compliance. In addition, Torgler et al. (2011) discuss the role of institutional trust and social norms in influencing tax morale. Their findings indicate that taxpayers are more willing to comply with tax laws when they perceive the system as transparent, fair, and well managed. Furthermore, recent studies on tax reforms in emerging economies show that modernization of tax systems through digitalization and simplified procedures can improve tax administration efficiency and reduce disputes between taxpayers and tax authorities.

Statement of the problem

Despite its long-standing role in India's taxation system, the Income Tax Act 1961 has become increasingly complex due to numerous amendments and procedural requirements. This complexity has created challenges for taxpayers, including difficulties in understanding provisions, compliance burdens, and disputes with tax authorities. The proposed Income Tax Act 2025 seeks to simplify tax laws and improve transparency. However, the success of these reforms largely depends on taxpayers' awareness, understanding, and perception of the new provisions. Therefore, it is important to analyze

how taxpayers perceive the proposed changes and whether they believe the reforms will improve compliance and efficiency.

Objectives of the study

- To compare the key provisions and structural reforms between the Income Tax Act, 1961 and the proposed Income Tax Act, 2025.
- To analyze taxpayers' perceptions of the proposed Income Tax Act, 2025.

Hypotheses of the study

H1: Awareness, perceived clarity, and expected ease of compliance with the Income Tax Act 2025 have a positive impact on taxpayers' overall perception.

H2: Trust in tax administration mediates the relationship between awareness, perceived clarity, ease of compliance, and taxpayers' overall perception.

Scope of the Study

The study focuses on comparing the structural provisions and reforms proposed in the Income Tax Act 2025 with those of the existing Income Tax Act 1961. It evaluates the extent to which the new legislation simplifies tax procedures and enhances transparency. The research is limited to taxpayers located in the Ernakulam district, including individuals, professionals, and small business owners. Both primary and secondary data sources were used to analyze taxpayers' perceptions of the proposed reforms.

Research Methodology

The study adopts a descriptive research design to examine taxpayers' perceptions of the proposed Income Tax Act, 2025. The research was conducted among taxpayers in the Ernakulam district of Kerala, including individuals, professionals, and small business owners. Both primary and secondary data sources were used for the study. Primary data were collected through a structured questionnaire designed to gather information regarding taxpayers' awareness, perceived clarity of provisions, ease of compliance, and overall perception of the proposed tax reforms. Secondary data were obtained from government reports, tax journals, academic publications, and online sources related to taxation and tax reforms in India. The study considers taxpayers' perception as the dependent variable, while awareness and understanding, perceived clarity of provisions, and ease of compliance are treated as independent

variables. Trust in tax administration is considered as a mediating variable influencing the relationship between these factors and taxpayers' overall perception. The collected data were analyzed using statistical techniques with the help of SPSS software to identify the relationship between the variables and to test the proposed hypotheses.

Analysis and Discussion

The Income Tax Act, 1961 has been the foundation of India's taxation system for many decades, but over time it has become complex due to numerous amendments, lengthy provisions, and complicated legal language. These complexities often make it difficult for taxpayers to clearly understand tax rules and comply with them. In contrast, the **proposed** Income Tax Act, 2026 aims to simplify and modernize the existing tax framework. The new Act focuses on clearer language, a more organized structure, and reduced complexity in tax provisions so that taxpayers can easily understand the rules. It also emphasizes greater digitalization, simplified procedures, and improved transparency in tax administration. By promoting ease of compliance and strengthening taxpayer services, the proposed Act seeks to create a more efficient, transparent, and taxpayer-friendly taxation system compared to the traditional structure of the Income Tax Act, 1961.

The data collected from the respondents were analyzed using SPSS (Statistical Package for the Social Sciences) in order to understand taxpayers' perceptions of the proposed Income Tax Act, 2025. Initially, descriptive statistics were used to summarize the responses related to awareness, perceived clarity of provisions, ease of compliance, trust in tax administration, and overall perception of the proposed tax reforms. The results indicate that a majority of respondents possess a moderate to high level of awareness regarding the proposed tax reforms and the structural changes introduced in the new Act. Many respondents also believe that the proposed Income Tax Act, 2025 aims to simplify the existing tax structure and make tax provisions easier to understand.

To further examine the relationship between the variables, multiple regression analysis was conducted. The results of the model summary show an R value of 0.835, indicating a strong positive relationship between the independent variables—awareness, perceived clarity of provisions, and ease of compliance—and the dependent variable, which is taxpayers' overall perception. The R square value of 0.698 indicates that approximately 69.8 percent of the variation in taxpayers' perception is explained by the independent variables included in the model. This suggests that these factors play a significant role in shaping how taxpayers perceive the proposed tax reforms.

The ANOVA test results ($F = 19.997$, Sig. = 0.000) confirm that the regression model is statistically significant. Since the significance value is less than 0.05, it indicates that the independent variables collectively have a meaningful influence on taxpayers' perception of the proposed Income Tax Act, 2025. In addition, the Durbin–Watson statistic of 2.522 indicates that there is no autocorrelation problem in the data, confirming that the regression model is reliable and appropriate for analysis.



The coefficient analysis further indicates that awareness, perceived clarity of provisions, and ease of compliance all have a positive impact on taxpayers' perception. Among these variables, ease of compliance shows a relatively stronger influence, suggesting that taxpayers place significant importance on simplified procedures and reduced compliance burden. This finding highlights the importance of designing a tax system that is easy to understand and convenient to follow.

The analysis also emphasizes the role of trust in tax administration as an important mediating factor. When taxpayers believe that tax authorities operate transparently and fairly, they are more likely to develop a positive perception of tax reforms and comply voluntarily with tax regulations. Therefore, improving transparency, strengthening digital tax administration, and enhancing communication with taxpayers can significantly contribute to building trust and improving the overall effectiveness of the tax system. Overall, the results suggest that the proposed Income Tax Act, 2025 has the potential to improve taxpayers' perception by simplifying tax procedures, enhancing transparency, and promoting a more efficient tax administration system.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.835	0.698	0.676	0.412	2.522

The model summary table explains the strength and reliability of the regression model used in the study. The R value of 0.835 indicates a strong positive relationship between the independent variables—awareness, clarity of provisions, and ease of compliance—and the dependent variable, which is taxpayers' perception of the proposed Income Tax Act, 2025. This means that changes in these factors are strongly associated with changes in taxpayers' perception.

The R Square value of 0.698 indicates that 69.8% of the variation in taxpayers' perception can be explained by the independent variables included in the model. This shows that awareness of tax reforms, clarity of tax provisions, and ease of compliance significantly contribute to shaping taxpayers' perception. The Adjusted R Square value of 0.676 further confirms the reliability of the model after adjusting for the number of predictors used in the regression.

The standard error of the estimate (0.412) indicates that the predicted values of taxpayers' perception are relatively close to the observed values, suggesting that the regression model has a good level of accuracy. The Durbin–Watson value of 2.522 is close to 2, which indicates that there is no serious autocorrelation problem in the data. This means that the regression model satisfies the assumption of independent errors and is appropriate for further analysis.

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Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	12.46	3	4.15	19.997	0.000
Residual	5.32	26	0.2		
Total	17.78	29			

The ANOVA table is used to test whether the regression model as a whole is statistically significant. In this study, the F value is 19.997, and the significance value is 0.000. Since the significance level is less than the standard threshold of 0.05, the regression model is statistically significant.

This result indicates that the independent variables collectively have a significant effect on taxpayers' perception of the proposed Income Tax Act, 2025. In other words, awareness of the proposed tax reforms, clarity of tax provisions, and ease of compliance together explain a significant portion of the variation in taxpayers' perception. Therefore, the regression model used in the study is valid and suitable for explaining the relationship between the variables.

Variable	Unstandardized Coefficient (B)	Standard Error	Standardized Beta	t-value	Sig.
Constant	0.524	0.231		2.27	0.031
Awareness	0.321	0.093	0.342	3.45	0.002
Clarity of Provisions	0.287	0.097	0.298	2.96	0.006
Ease of Compliance	0.368	0.095	0.381	3.88	0.001

The coefficients table shows the individual contribution of each independent variable to the dependent variable. The constant value of 0.524 represents the baseline level of taxpayers' perception when all independent variables are equal to zero.

The variable awareness has an unstandardized coefficient (B) of 0.321 with a significance value of 0.002, which is less than 0.05. This indicates that awareness has a positive and statistically significant influence on taxpayers' perception. This means that as taxpayers become more aware of the proposed Income Tax Act, their perception of the reforms becomes more positive.

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The variable clarity of provisions has a coefficient value of 0.287 with a significance value of 0.006, which is also less than 0.05. This indicates that clearer and simpler tax provisions positively influence taxpayers' perception of the proposed tax reforms.

The variable ease of compliance has the highest coefficient value of 0.368 and a significance value of 0.001, indicating a strong and statistically significant impact on taxpayers' perception. The standardized beta value (0.381) is the highest among the independent variables, which means that ease of compliance is the most influential factor affecting taxpayers' perception in this study.

The overall findings of the study indicate that awareness, clarity of provisions, and ease of compliance significantly influence taxpayers' perception of the proposed Income Tax Act, 2025. The descriptive analysis shows that most respondents possess a moderate to high level of awareness regarding the proposed tax reforms and generally believe that the new tax framework aims to simplify the existing tax structure. The inferential analysis further confirms these observations through regression results, which reveal a strong relationship between the independent variables and taxpayers' perception. The model summary indicates that a substantial proportion of the variation in taxpayers' perception is explained by awareness, clarity of provisions, and ease of compliance. The ANOVA results confirm that the regression model is statistically significant, demonstrating that these variables collectively influence taxpayers' perception of the proposed tax reforms. The coefficients analysis shows that all the independent variables have a positive and significant impact on taxpayers' perception, with ease of compliance emerging as the most influential factor, followed by awareness and clarity of provisions. These findings suggest that taxpayers are more likely to develop a positive perception of the proposed Income Tax Act when tax procedures are simple, provisions are clearly defined, and adequate information is available about the reforms. Overall, the study highlights the importance of simplifying tax regulations, improving taxpayer awareness, and enhancing transparency in the tax system to promote voluntary compliance and strengthen trust in tax administration.

Conclusions

Based on the findings of the study, several suggestions can be proposed to improve taxpayers' perception and enhance the effectiveness of the proposed Income Tax Act, 2025. First, the government and tax authorities should focus on increasing taxpayer awareness through effective communication, educational programs, and awareness campaigns. Providing clear information about tax reforms, filing procedures, and benefits of the new tax system can help taxpayers better understand the provisions and reduce confusion. Second, efforts should be made to simplify tax laws and ensure that the provisions are written in clear and understandable language. Simplified tax regulations can help taxpayers easily interpret the rules and reduce the chances of errors and non-compliance. Third, improving the ease of compliance is essential for encouraging voluntary tax payment. Strengthening digital tax platforms, reducing documentation requirements, and making the filing process more userfriendly can significantly enhance taxpayers' experience with the tax system. In addition, tax authorities should promote transparency and fairness in tax administration in order to build greater trust among taxpayers.

In conclusion, the study highlights that awareness, clarity of provisions, and ease of compliance are key factors influencing taxpayers' perception of the proposed Income Tax Act, 2025. The statistical analysis confirms that these factors have a significant and positive impact on how taxpayers evaluate the new tax reforms. Among the variables, ease of compliance has the strongest influence, indicating that taxpayers prefer a tax system that is simple and convenient to follow. Therefore, policymakers should focus on simplifying tax procedures, improving taxpayer education, and enhancing transparency in tax administration. By addressing these aspects, the proposed Income Tax Act can contribute to a more efficient tax system, improved taxpayer satisfaction, and higher levels of voluntary tax compliance.

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