

# Income Declaration Scheme 2016: A Study of Stakeholder Perception

## Abstract

The main aim of the present study is to examine the stakeholders towards the Income declaration Scheme 2016. Indian Government introduced a scheme for Voluntary Declaration of undisclosed foreign income and assets for resident taxpayers under the Black Money Act, a similar scheme is proposed by the Finance Bill, 2016 referred as 'Income Declaration Scheme- 2016'. The based on the survey of 160 respondents in Tumkur and Bangalore city, Karnataka, the sample respondent have been selected through random sampling method. The data have been collected by administering questionnaire to different stakeholders in the society i.e. employees of Income Tax department, salaried employees, entrepreneurs, professionals (including Chartered Accountants, Company Secretaries, Cost and Work Accountants, Cost and Work Accountants and Auditors) and others (Advocates, Students and Doctors). For the purpose of analysis of the data the statistical techniques like, Mean, Percentage and chi-square test have been employed in the study. Finally the study reveals that, stakeholders are having positive perception towards this scheme and this time the Central Government has become stricter than during earlier schemes while providing immunities under various schemes, charge of rate of tax and many more.

**Keywords:** Income, Stakeholder, Perception, Finance Bill.

## Introduction

Income declaration scheme, 2016 was an amnesty scheme introduced by NarendraModi led Government of India as a part of the 2016 Union budget to unearth black money and bring it back into the system. Lasting from 1 June to 30 September, the scheme provided an opportunity to income tax and wealth tax defaulters to avoid litigation and become compliant by declaring their assets, paying the tax on them and a penalty of 45% thereafter. The scheme guaranteed immunity from prosecution under the Income Tax Act, Wealth Tax Act, 1957 and the Benami Transactions (Prohibition) Act, 1988 and also ensured that declarations under it would not be subjected to any scrutinies or inquiries.

## Review of Literature

Maheshwari (2016) "A taxpayer who is involved in litigation of proceeding under the Income-tax or any other act (specified under the scheme) cannot adopt for disclosure under this scheme".

Ashwini Kumar Sharma (2016) "the scheme gives an opportunity to tax evaders to disclose this unaccounted income or assets, and come out clean by paying the applicable tax, cess and penalty totalling 45% of the undisclosed income".

DilipLakhani, a senior Chartered Accountant (2016) "There is a possibility that in many cases the department will issue notices as assessing officers are now armed with the CBDT circular to reopen old assessment. If the government pursues this provision in the manner in which it is being interpreted, there will be litigations and hardships to the assesses".

AmitMaheshwari, Partner at Ashok Maheshwari & Associates LLP (2016) "The most damaging part of the Disclosure Scheme is section 197 © of the finance act, 2016.... This is likely to cause a lot litigation in terms of challenging the validity of this provision of the IDS as being contrary to the statutory time limits prescribed under section 149, 153A and 153C of the income-tax Act, 1961,"

## Statement of the Problem

From many years India is facing black money problem, as India is a developing country, black money hinders the development of the country. In order to curb the black money and reduce the level of undisclosed income, the Central Government has been implementing many schemes

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for disclosing undisclosed income and providing an opportunity for tax evaders to come clean and prevents them from paying more penalties in future. By providing an opportunity through implementing schemes like the IDS, 2016, maximum number of tax evaders will come forward and disclose their undisclosed income by paying reasonable rate of tax as specified by the Central Government. The general impact from this scheme is there will be a huge increase in the revenue of India and that tax revenue will be used for the developmental activities. Sometimes general and expected impact will be completely different from the real impact. In order to study the real impact, research work has been undertaken. Here the researcher made an attempt to know; what is the perception of stakeholders towards the IDS, 2016 and also examine whether the revenue generated from the IDS, 2016 has an impact on India economy or not.

#### Scope of The Study

The present study is undertaken to study the Perception of Stakeholders towards Income Declaration Scheme, 2016. For this purpose data collected from 160 individuals of different categories like employees of Income Tax department, salaried employees, entrepreneurs, professionals (including Chartered Accountants, Company Secretaries, Cost and Work Accountants, Cost and Work Accountants and Auditors) and others (Advocates, Students and Doctors). The study mainly based on primary data. Primary data collected through questionnaires and personal meeting with individuals to study their perception towards Income Declaration Scheme 2016.

#### Objectives of The Study

1. To study the concept of Income Declaration Scheme, 2016.
2. To examine the stakeholders perception towards Income Declaration Scheme, 2016.

#### Hypothesis of The Study

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Stakeholders do not have any perception towards Income Declaration Scheme, 2016.

**Table 1: Opinions of Respondents towards Curbing of Black Money based on The Occupation cross Tabulation.**

Opinions	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	F	P (%)	F	P (%)	F	P (%)	F	P (%)	F	P (%)
<b>Occupation</b>										
<b>Salaried Employees</b>	7	17	16	29	8	26	6	33	3	25
<b>Entrepreneurs</b>	13	32	9	16	5	16	7	39	6	50
<b>Professionals</b>	12	29	16	29	10	32	2	11	0	0
<b>Others</b>	9	22	15	26	8	26	5	17	3	25
<b>Total</b>	<b>41</b>	<b>100</b>	<b>56</b>	<b>100</b>	<b>31</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>12</b>	<b>100</b>

**Source:** Survey data; F-Frequency of respondents; P-Percentage of respondents

It can be observed from the table 1 that among 160 respondents, 41 of the respondents (salaried employees – 7, entrepreneurs – 13, professionals – 12 and others – 9) have strongly agreed that black money will be curbed from the society; 56 of the respondents (salaried employees – 16, entrepreneurs – 9, professionals – 16 and others – 15) have just agreed that black money will be

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Stakeholders have perception towards Income Declaration Scheme, 2016.

#### Research Methodology

The population of this study comprises of salaried employees, entrepreneurs, professionals and others in Tumakuru and Bangalore; Out of the entire population of in Tumakuru and Bangalore a sample of 160 respondents is drawn for data collection. Among them 40 salaried employees, 40 entrepreneurs, 40 professionals (including Chartered Accountants, Company Secretaries, Cost and Work Accountants & Auditors) and 40 others (including Advocates, Students, and Doctors) are drawn for data collection. Since the respondents of the study are from different groups like salaried employees, entrepreneurs, professionals and others opinions is collected using random sampling technique.

Primary data is collected by administering questionnaire to different stakeholders in the society i.e. employees of Income Tax department, salaried employees, entrepreneurs, professionals (including Chartered Accountants, Company Secretaries, Cost and Work Accountants, Cost and Work Accountants and Auditors) and others (Advocates, Students and Doctors). For the purpose of analysis of the data the statistical techniques like, Mean, Percentage and chi-square test have been employed in the study.

#### Data Analysis and Discussion

The data has then been processed and analysed according to the outline defined in research methodology chapter. Hypothesis testing is done through the Chi square and T-test. The collected data has been edited and coded to get the required results. The opinions of stakeholders are obtained on various statements on the Income Declaration Scheme, 2016.

#### Black Money

Black money is one of major hindrances for the growth of any nation. In development countries like India black money should be eradicated as soon as possible. This component is considered for research as the IDS, 2016 is the act related to disclosing of undisclosed income.

31 of the respondents (salaried employees – 8, entrepreneurs – 5, professionals – 10 and others – 8) have neither agreed nor agreed that black money will be curbed from the society; 20 of the respondents (salaried employees – 6, entrepreneurs – 7, professionals – 2 and others – 5) have just disagreed that black money will be curbed from the society and 12 of the

respondents (salaried employees – 3, entrepreneurs – 6, professionals – 0 and others – 3) have strongly disagreed that black money will be curbed from the society. From the above data we can conclude that majority of the respondents strongly agree that black money will be curbed from the society.

Nowadays Central Government is implementing many schemes for the development of nation. Each and every citizen should utilize those schemes to their best. In order to get benefits from those schemes one must be aware about those schemes.

**Awareness**

**Table 2: Awareness about the Income Declaration Scheme, 2016 and Occupation cross tabulation.**

Awareness	Aware		Unaware		Total	
	F	P (%)	F	P (%)	F	P (%)
<b>Occupation</b>						
<b>Salaried employees</b>	35	88	5	12	40	100
<b>Entrepreneurs</b>	33	82	7	18	40	100
<b>Professionals</b>	40	100	0	0	40	100
<b>Others</b>	28	60	12	40	40	100

Source: Survey data; F-Frequency of respondents; P-Percentage of respondents

From the table 4.2 that among 160 respondents, 136 of the respondents (salaried employees – 88%, entrepreneurs – 82%, professionals – 100% and others – 60%) are aware about Income Declaration Scheme, 2016; 24 of the respondents (salaried employees – 12%, entrepreneurs – 18%, professionals 0% and others – 12%) are unaware about the Income Declaration Scheme, 2016. From the above data we can understand that among 160 respondents 85 percent

are aware and 15 percent are unaware about the IDS, 2016 and also all the professionals among the them are aware of the IDS, 2016.

**Means of awareness about the Income Declaration Scheme, 2016 among respondents**

These are several ways and means for knowing about the scheme. This component is considered because how a respondent is getting knowledge and understanding about the schemes such as IDS, 2016.

**Table 3: Means of awareness among respondents.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Newspaper	28	20.5	20.5	20.5
TV advertisement	23	16.9	16.9	37.4
Internet	23	16.9	16.9	54.3
Friends and family	16	11.7	11.7	66.0
Circulars and journals	25	18.3	18.3	84.3
Others	21	15.7	15.7	100.0
Total	136	100.0	100.0	
Total	136	100.0	100.0	

**Statistics**

	N		Mode
	Valid	Missing	
Table 4.3: Means of awareness about the Income Declaration Scheme, 2016	136	0	1

Table-3 reveals that majority of the respondents are aware about Income Declaration Scheme, 2016 through newspaper followed by circulars and journals. The statistical tool mode was applied under SPSS package. Here the outcome of mode was 1 which was labeled as newspaper. This means that respondents have repeatedly answered that they are aware about IDS, 2016 through

newspaper. Out of 160 respondents, 136 responses have been obtained in the survey on this component because the remaining respondents are unaware of IDS, 2016.

**Time for Disclosure**

Central government has provided 4 months of time for the declaration of the undisclosed income from 1st June 2016 to 30th September 2016.

**Table-4: Opinions of respondents about time provided for disclosure by Central government and Occupation cross tabulation.**

Opinions	YES		No		TOTAL	
	F	P (%)	F	P (%)	F	P (%)
<b>Occupation</b>						
<b>Salaried employees</b>	27	77	8	23	35	100
<b>Entrepreneurs</b>	21	67	12	33	33	100
<b>Professionals</b>	36	90	4	10	40	100
<b>Others</b>	24	86	4	14	28	100

Source: Survey data; F-Frequency of respondents; P-Percentage of respondents

**Remarking An Analisation**

From the table 4.4 that among 136 respondents, 108 of the respondents (salaried employees – 77%, entrepreneurs – 67%, professionals – 90% and others – 86%) accepted that the Central Government has provided enough time for the declaration of undisclosed income under IDS, 2016; 28 of the respondents (salaried employees – 23%, entrepreneurs – 33%, professionals – 10% and others – 14%) did not accepted that the Central Government has provided enough time for the declaration of undisclosed income under IDS, 2016.

This information states that among 136 respondents who are aware about the IDS, 2016 80

**Table-5: Opinions of Different Group of Respondents towards Rate Tax includes Cess and Penalty on the IDS 2016 and Occupation Cross Tabulation**

Opinions Occupation	Reasonable		Unreasonable		Total	
	F	P (%)	F	P (%)	F	P (%)
Salaried Employees	28	80	7	20	35	100
Entrepreneurs	22	67	11	33	33	100
Professionals	36	90	4	10	40	100
Others	18	64	10	34	28	100

Source: Survey data; F-Frequency of respondents; P-Percentage of respondents

From the table 5 that among 136 respondents, 104 of the respondents (salaried employees – 80%, entrepreneurs – 67%, professionals – 90% and others – 64%) has the perception that the rate of tax charged for disclosing the undisclosed income under IDS, 2016 is reasonable; 32 of the respondents (salaried employees – 20%, entrepreneurs – 33%, professionals – 10% and others – 34%) has the perception that the rate of tax charged for disclosing the undisclosed income under IDS, 2016 is unreasonable.

From the above data we can understand that among 136 respondents 77 percent of them has the

**Table 6: Opinions of Different Group of Respondents towards Disclosure Schemes in the Present Scenario and Occupation Cross Tabulation**

Opinions Occupation	Relevant		Irrelevant		Total	
	F	P (%)	F	P (%)	F	P (%)
Salaried employees	32	91	3	9	35	100
Entrepreneurs	28	85	5	15	33	100
Professionals	36	90	4	10	40	100
Others	25	89	3	11	28	100

Source: Survey data; F-Frequency of respondents; P-Percentage of respondents

It can say from the table 6 that among 136 respondents, 121 of the respondents (salaried employees – 91%, entrepreneurs – 85%, professionals – 90% and others – 89%) agreed that the schemes such as IDS, 2016 are relevant in the present scenario; 15 of the respondents (salaried employees – 9%, entrepreneurs – 15%, professionals – 10% and others – 11%) do not agree that the schemes such as IDS, 2016 are relevant in the present scenario. By validating the data, among 136 respondents 90 percent of the respondents believe in the requirement of schemes such as IDS, 2016 in the present scenario and only 10 percent of the

percent accepted that the time provided by the Central Government for the declaration of undisclosed income was sufficient and only 20 percent did not accepted the time provided is sufficient. According to the opinion of respondents it is clear that the time provided by the Central Government is sufficient for declaration of undisclosed income under the IDS, 2016.

**Rate of Tax**

Central Government has charged 45% tax for disclosing undisclosed income for tax payers. 45% tax includes 30% tax amount and 7.5% KrishiKalyan Cess and 7.5% penalty for non-disclosing of income.

perception that the rate of tax charged is reasonable under IDS, 2016 and 23 percent are having the perception that the rate of tax charged is unreasonable. So that we can conclude as respondents believe that the rate of tax charged was reasonable because majority of the respondents has accepted it.

**Declaration Schemes**

Schemes such as IDS, 2016 are implemented regularly by the Central Government for curbing black money and also giving a chance for the public to come clean. This component is considered because to understand whether schemes such as IDS, 2016 is necessary or not.

respondents has not agreed about the requirement of schemes such as IDS, 2016. According to the opinion off respondents it can be concluded that the schemes such as IDS, 2016 are very much necessary in present scenario for curbing black money.

**Expectation of Central Government**

Before implementing any schemes such as IDS, 2016 the Central Government will analyse whether the public will come for disclosing undisclosed income and they will fix standards the as the schemes could be generate more revenue when compared to the similar kind of schemes which was implemented earlier.

**Table -7: Respondents Opinions about reaching the Expectation Level of Central Government and Occupation Cross Tabulation**

Opinions Occupation	YES		NO		TOTAL	
	F	P (%)	F	P (%)	F	P (%)
<b>Salaried employees</b>	5	14	30	84	<b>35</b>	<b>100</b>
<b>Entrepreneurs</b>	5	15	28	85	<b>33</b>	<b>100</b>
<b>Professionals</b>	10	25	30	75	<b>40</b>	<b>100</b>
<b>Others</b>	6	21	22	79	<b>28</b>	<b>100</b>

Source: Survey data; F-Frequency of respondents; P-Percentage of respondents

It can say from the table -7 that among 136 respondents, 26 of the respondents (salaried employees – 14%, entrepreneurs – 15%, professionals – 25% and others – 21%) agreed that the IDS, 2016 has reached the expectation level of the Central Government; 110 of the respondents (salaried employees – 84%, entrepreneurs – 85%, professionals – 75% and others – 79%) agreed that the IDS, 2016 has not reached the expectation level of the Central Government. the above said information, among 136 respondents, only 19 percent

of the respondents said that the IDS, 2016 has reached the expectation level of the Central Government and 81percent of the respondents did not agreed that the IDS, 2016 has reached the expectation level of the Central Government and they has the opinion that there could be more disclosures under IDS, 2016.

#### **Opinions oOf Respondents**

Here are some of the statements to show the opinion of respondents towards the IDS, 2016.

**Table-8: Frequencies of Respondents opinions on various statements on the Income declaration Scheme, 2016.**

Sl. No	Opinions		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
<b>A</b>	I think people voluntarily had come forward to disclose their undisclosed income under the IDS, 2016.	<b>F</b>	<b>12</b>	<b>58</b>	<b>23</b>	<b>28</b>	<b>15</b>
		<b>P</b>	<b>8</b>	<b>43</b>	<b>17</b>	<b>21</b>	<b>11</b>
<b>B</b>	I think the IDS, 2016 was a prior notification to declare undisclosed income before demonetization of currency notes.	<b>F</b>	<b>28</b>	<b>73</b>	<b>15</b>	<b>14</b>	<b>6</b>
		<b>P (%)</b>	<b>21</b>	<b>54</b>	<b>11</b>	<b>10</b>	<b>4</b>
<b>C</b>	I think Central government had lacked in giving publicity and creating awareness among the general public regarding the IDS, 2016.	<b>F</b>	<b>19</b>	<b>59</b>	<b>17</b>	<b>29</b>	<b>12</b>
		<b>P (%)</b>	<b>14</b>	<b>43</b>	<b>13</b>	<b>21</b>	<b>9</b>
<b>D</b>	I think the introduction of schemes to convert black money into white money will be disincentive to the honest tax payers.	<b>F</b>	<b>27</b>	<b>47</b>	<b>14</b>	<b>34</b>	<b>14</b>
		<b>P (%)</b>	<b>20</b>	<b>35</b>	<b>10</b>	<b>25</b>	<b>10</b>

Source: Survey data; F-Frequency of respondents; P-Percentage of respondents

From the table -8 (A), we can say that among 136 respondents 8%, 43%, 17%, 21% and 11% respondents strongly agreed, agreed, neither agreed nor disagreed, disagreed and strongly disagreed respectively think that people had come voluntarily to disclose their undisclosed income under the IDS, 2016 and the data is analysed under likert scale through giving ranks as 5,4,3,2,1. From the above data, it can say that majority of the respondents (i.e. 43%) just agreed that people had voluntarily disclosed their undisclosed income under IDS, 2016.

From the table -8 (B), we can say that among 136 respondents, 21%, 54%, 11%, 10% and 6% respondents strongly agreed, agreed, neither agreed nor disagreed, disagreed and strongly disagreed respectively has the opinion that the IDS, 2016 was a prior notification to declare undisclosed income before demonetization of currency notes. By this it can say that majority of the respondents (i.e. 54%) just agreed that the IDS, 2016 was a prior notification to declare undisclosed income before demonetization of currency notes. From the table 8

(C), we can say that among 136 respondents, 14%, 43%, 13%, 21% and 9% respondents strongly agreed, agreed, neither agreed nor disagreed, disagreed and strongly disagreed respectively about the giving publicity and creating awareness among the general public regarding the IDS, 2016 by the Central Government. By this we can say that majority of the respondents (43%) just agreed that the Central government had lacked in giving publicity and creating awareness among the general public regarding the IDS, 2016. From the table 8 (D), we can say that among 136 respondents, 20%, 35%, 10%, 25% and 10% respondents strongly agreed, agreed, neither agreed nor disagreed, disagreed and strongly disagreed respectively that the introduction of schemes to convert black money into white money will be disincentive to the honest tax payers. Through this we can say that majority of the respondents (35%) just agreed that the introduction of schemes to convert black money into white money will be disincentive to the honest tax payers.

**Table-9: Frequencies of Professionals Opinions on Various Statements about the Income Declaration Scheme, 2016**

Sl. No.	Opinions		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
A	I think declaration on the basis of the fair market value had become one of the drawbacks for disclosing under the IDs, 2016.	F	10	16	6	6	2
		P (%)	25	40	15	15	5
B	If immunity under various acts would have given, I think that the declaration under the IDS, 2016 would have increased.	F	4	22	6	8	0
		P (%)	10	55	15	20	0
C	I think the central government has implemented PradhanMantriGaribKalyanYojana, 2016 (PMGKY) at the right time.	F	0	32	0	6	2
		P (%)	0	80	0	15	5

Source: Survey data; F-Frequency of respondents; P-Percentage of respondents

From the table 9 (A), we can say that among 40 professionals, 25%, 40%, 15%, 15% and 5% respondents strongly agreed, agreed, neither agreed nor disagreed, disagreed and strongly disagreed respectively about declaration on the basis of the fair market value had become one of the drawbacks for disclosing under the IDs, 2016. Through this we can say that majority of professionals (40%) just agreed that declaration on the basis of the fair market value had become one of the drawbacks for disclosing under the IDS, 2016. Professionals those who disagreed on this had the opinion that the value changed subsequently to indexed cost of acquisition value of the property. From the table -9 (B), we can say that among 40 professionals, 10%, 55%, 15%, 20% and 0% respondents strongly agreed, agreed, neither agreed nor disagreed, disagreed and strongly disagreed that the declaration under the IDS, 2016 would have increased if the Central Government has provided immunity under various acts. Through this we can say that more number of professionals (40%)

just agreed that declaration under the IDS, 2016 would have increased if the Central Government has provided immunity under various acts. From the table -9 (C), we can say that among 40 professionals, 0%, 80%, 0%, 15% and 5% respondents strongly agreed, agreed, neither agreed nor disagreed, disagreed and strongly disagreed that the Central Government has implemented PradhanMantriGaribKalyanYojana, 2016 (PMGKY) at the right time. Through this we can say that majority of professionals (80%) just agreed that the central government has implemented PradhanMantriGaribKalyanYojana, 2016 (PMGKY) at the right time.

#### **Different Disclosure Schemes**

From past many years the Central Government has been implementing different disclosure schemes for general public to disclose their undisclosed income. This component is taken for consideration because to understand which was the best and most adopted schemes.

**Table-10: Professionals Opinion about Tax Payers Most Preferred Disclosure Schemes and Area Cross Tabulation**

Schemes	Voluntary Disclosure Scheme, 1975		Voluntary Disclosure of Income Scheme, 1997		Income Declaration Scheme, 2016		PradhanMantriGaribKalyanYojana, 2016		Total	
	F	P (%)	F	P (%)	F	P (%)	F	P (%)	F	P (%)
Metro	0	0	6	75	2	25	0	0	8	100
Urban	0	0	20	63	10	31	2	6	32	100

Source: Survey data; F-Frequency of respondents; P-Percentage of respondents

From the table-10 we can clearly conclude that 65% of the professionals preferred VDIS, 1997 as the most adopted disclosure schemes followed by the (30% of the professionals) IDS, 2016. The reason gathered for the above preferences was that the tax rates charged was less and more immunities under various acts were provided with VDIS, 1997 compared to the other schemes. By the above analysis, we can say that VDIS, 1997 was the most preferred scheme by the tax payers.

#### **Difference between Voluntary Disclosure of Income Scheme, 1997 and The Income Declaration Scheme, 2016**

After independence The Central Government has been implementing many disclosure schemes among them two main disclosures schemes are Voluntary Disclosure of Income Scheme, 1997 and The Income Declaration Scheme, 2016. Understanding difference among these two schemes is very important.

**Table-11: Professionals Opinions about The Difference The Difference between VDIS, 1997 & IDS, 2016 And Area Cross Tabulation**

Difference Area Area	Major difference		Minor difference		No difference		Total	
	F	P (%)	F	P (%)	F	P (%)	F	P (%)
<b>Metro</b>	4	50	4	50	0	0	<b>8</b>	<b>100</b>
<b>Urban</b>	22	69	10	31	0	0	<b>32</b>	<b>100</b>

Source: Survey data; F-Frequency of respondents; P-Percentage of respondents

It can say from the table -11 that among 40 professionals, 65% of the professionals (from metro – 4, from urban – 22) believe that there is major difference between VDIS, 1997 and IDS, 2016 whereas 35% of the professionals (from metro – 4, from urban – 10) believe that there is minor difference only between these two schemes. From the above

information we can understand that there is major difference between VDIS, 1997 and IDS, 2016.

#### **Clients for the Income Declaration Scheme, 2016**

The above component i.e. Clients are very important part of the IDS, 2016 because they are the one who should disclose their undisclosed income.

**Table-12: Number of Clients Enquired about the IDS, 2016 and Area Cross Tabulation**

Clients Area	0 – 4		5 - 8		10 – 14		Above 15		Total	
	F	P (%)	F	P (%)	F	P (%)	F	P (%)	F	P (%)
<b>Metro</b>	0	0	2	25	6	75	0	0	<b>8</b>	<b>100</b>
<b>Urban</b>	8	25	12	38	8	25	4	13	<b>32</b>	<b>100</b>

Source: Survey data; F-Frequency of respondents; P-Percentage of respondents

The table -12 provides information that among 40 professionals, 20% (0 from metro, 8 from urban) of the professionals said that 0 – 4 clients enquired regarding IDS, 2016, 35% (2 from metro and 12 from urban) of the professionals said that 5 – 8 clients enquired regarding IDS, 2016, 35% (6 from metro and 8 from urban) of the professionals said that 10 – 14 clients enquired regarding IDS, 2016 and 10% (0 from metro, 4 from urban) of the professionals

said that more than 15 clients enquired with them regarding IDS, 2016. From this, we can conclude that 75% of the professionals from metro share their opinion that around 10 to 14 clients enquired regarding IDS, 2016 with them whereas 38% of the professionals from urban share their opinion that around 5 to 8 clients enquired regarding IDS, 2016 with them.

**Table -13: Number of clients declared under the IDS, 2016 with Area cross tabulation.**

Clients Area	0 – 2		3 - 5		6 – 8		Above 9		Total	
	F	P (%)	F	P (%)	F	P (%)	F	P (%)	F	P (%)
<b>Metro</b>	0	0	2	25	4	50	2	25	<b>8</b>	<b>100</b>
<b>Urban</b>	6	19	12	38	10	31	4	13	<b>32</b>	<b>100</b>

Source: Survey data; F-Frequency of respondents; P-Percentage of respondents

The table-13 provides information that among 40 professionals, 15% (0 from metro, 6 from urban) of the professionals said that 0 – 2 clients declared under IDS, 2016, 35% (2 from metro and 12 from urban) of the professionals said that 3 – 5 clients declared under IDS, 2016, 35% (4 from metro and 10 from urban) of the professionals said that 6 – 8 clients declared under IDS, 2016 and 15% (2 from metro, 4

from urban) of the professionals said that more than 9 clients declared under IDS, 2016. From this, we can conclude that 50% of the professionals from metro share their opinion that around 6 to 8 clients declared under IDS, 2016 whereas 38% of the professionals from urban share their opinion that around 3 to 5 clients declared under IDS, 2016.

**Table 14: Chi-Square Calculation for Hypothesis Testing**

Sl. No.	Descriptions	Df	X <sup>2</sup>	Sig**	Remarks
1.	Do you think black money will be curbed from society?	3	<b>15.09</b>	7.18	<b>H<sub>0</sub> Rejected</b>
2.	Are you aware about The Income Declaration scheme?	3	<b>14.51</b>	7.18	<b>H<sub>0</sub> Rejected</b>
3.	Do you think that the Central Government has provided enough time for the declaration of undisclosed income under the IDS, 2016?	3	<b>44.44</b>	7.18	<b>H<sub>0</sub> Rejected</b>
4.	Do you think that the payment of 45% of tax including cess and penalty is reasonable?	3	<b>8.38</b>	7.81	<b>H<sub>0</sub> Rejected</b>
5.	In the present scenario, is it relevant to implement the IDS, 2016?	3	<b>82.61</b>	7.81	<b>H<sub>0</sub> Rejected</b>
6.	Do you think that the IDS, 2016 has reached the expectation	3	<b>51.88</b>	7.81	<b>H<sub>0</sub> Rejected</b>

	level of the Central Government?				
7.	I think people voluntarily came forward to disclose their undisclosed income under the IDS, 2016.	12	<b>19.85</b>	21.03	<b>H<sub>0</sub> Accepted</b>
8.	I think IDS, 2016 was a prior notification to declare undisclosed income before demonetisation of currency notes.	12	<b>14.86</b>	21.03	<b>H<sub>0</sub> Accepted</b>
9.	In creating the awareness among general public, did you ever feel that the Central Government had lacked in giving publicity regarding the IDS, 2016?	12	<b>9.17</b>	21.03	<b>H<sub>0</sub> Accepted</b>
10.	I think that the introduction of schemes to convert black money into white money will be disincentive to the honest tax payers?	12	<b>21.62</b>	21.03	<b>H<sub>0</sub> Rejected</b>
11.	I think that declaration on the basis of the fair market value had become one of the drawbacks for disclosing under the IDS, 2016.	4	<b>3.73</b>	9.49	<b>H<sub>0</sub> Accepted</b>
12.	I think if immunity under various acts would have given, the declaration under the IDS, 2016 would have increased.	4	<b>8.43</b>	9.49	<b>H<sub>0</sub> Accepted</b>
13.	According to you, which schemes are the most adopted by the tax payers?	4	<b>14.40</b>	9.49	<b>H<sub>0</sub> Rejected</b>
14.	Do you find any difference between Voluntary Disclosure of Income Scheme, 1997 and the Income Declaration Scheme, 2016?	4	<b>14.40</b>	9.49	<b>H<sub>0</sub> Rejected</b>
15.	Do you think that the PMGKY is the last chance for those who are having black money to come clean?	1	<b>0.404</b>	3.84	<b>H<sub>0</sub> Accepted</b>

**Source:** Compiled from Table 4.1, 4.2, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.10, 4.11, 4.14.

\* Used M S Excel 2007 for calculation

\*\*5% level of significance

From the table 14: In maximum cases (i.e. 10 out of 16) H<sub>0</sub> is rejected and H<sub>1</sub> accepted. Hence it is proved that the stakeholders' have perception towards the Income Declaration scheme, 2016. Awareness among stakeholders is appreciable and they agreed about the curbing of black money from society, voluntariness of declarants, Central Government's prior notification about demonetisation and attention paid on creating awareness among general public and effect of introducing schemes like the IDS, 2016 on honest tax payers. Stakeholders are positively responded towards major components of the IDS, 2016 like rate of tax charged, implementation schemes like the IDS, 2016 & PMGKY in the present scenario and time provided for declaration. Professionals agreed about the drawbacks of the IDS, 2016, disincentive to honest tax payers by introducing schemes for conversion and immunities granted for declarants. They suggested about the difference between VDIS. 1997 & the IDS, 2016 and the implementation of PMGKY and about providing more chances for tax evaders in coming days. From all the above factors we can understand that all the stakeholders have positive perception towards the Income Declaration Scheme, 2016.

#### Findings and Conclusion

1. From the study it was found that the respondents have a positive opinion about the eradication of IDS, 2016 in the coming days. But majority of the professionals said that the black money may or may not be curbed from society immediately.
2. All the professionals are aware about the IDS, 2016 where professionals had the opinion that the Central Government could be more concentrated on giving publicity and creating awareness among general public. Awareness

among all other respondents other than professionals is comparatively less.

3. It is to be noted that majority of respondents are aware about the IDS, 2016 through newspaper that is followed by the circulars and journals, where the word of mouth is less used means in the creation of awareness.
4. The time provided for the declaration of undisclosed income is enough and it is not necessary to give much more time because tax evaders will come forward to disclosed if they wish to disclose even the central Government has provided very less time under the schemes like IDS, 2016.
5. Respondents said that the rate of tax charged under the IDS, 2016 is very much reasonable as the maximum rate of tax charged by the Central Government to any person is 30% but under the IDS, 2016 only Cess and penalty is charged as additional for non-payment of tax.
6. The Central Government have been implementing the schemes like IDS, 2016 from many years and respondents have the opinion that IDS, 2016 scheme is very much relevant and important in the present scenario as the tax evaders are becoming more in number and the declaration schemes will help them to come clean.
7. Respondents has the opinion that the number of declaration under the IDS, 2016 could be more in number as it is announced that huge amount of black and undisclosed money came into light during demonetization. Though there was no target fixed by the government regarding the collection of tax amount before implementing IDS, 2016, if the declaration was more in number,



- revenue generated would have become more. Some of the reasons behind not reaching expectation level are lack of awareness, rate of tax could be more reasonable, people feared off taking the indexed value of immovable assets, better advertisement provided by the Central Government, It department could have created fearless environment and unwillingness of tax evaders.
8. Majority of the respondents agreed regarding the voluntariness of declarants who came forward for disclosing undisclosed income. In the opinion of professionals' intension of declarants for disclosure under the IDS, 2016 was to come clean and avoid further penalties which may be imposed if they are not supposed to pay the taxes correctly for the income earned by them at the right time.
  9. The Central Government demonetised the high value currency notes in the month of November and the IDS, 2016 was implemented in June. More respondents agreed that the IDS, 2016 was a prior notification to declare undisclosed income before demonetisation. Penalty for the unaccounted income after demonetisation was very high; the reason behind the implementation of the IDS, 2016 was providing a chance for tax evaders to come clean by paying less tax before demonetisation.
  10. The Central Government had provided 4 months duration for declaring undisclosed income and lacked in providing publicity, advertisements and in creating awareness among general public. Only business tycoons, professionals are very much aware about this scheme. General public are aware about programs like SwachhBharathAbhiyana, Digital India, Start-up India and many more, but the Central Government did not gave much importance in creating awareness about the IDS, 2016.
  11. Honest tax payers in this country are subjected to pay tax on their 'Gross' income where as black money holders only disclose their 'Net' income and ending up paying tax than honest tax payers. Even honest tax payers bear the tax liability of dishonest tax payers at the prior point of time, immunity under various acts and against prosecution which is a major disincentive to the honest tax payers.
  12. Fair market value will be subsequently changed to indexed cost of acquisition value of the property. Through research it was come to know that the fair market value had become one of the drawbacks for disclosing under the IDS, 2016.
  13. Under VDIS, 1997 immunity was granted from prosecution under IT act, Wealth tax act, FERA act and Companies act. But under the IDS, 2016 declarant will get immunity from penalty or prosecution proceeding under IT act and Wealth tax act. If prosecution granted under various other acts would have increased the declaration under the IDS, 2016.
  14. Immediately after the implementation of the IDS, 2016, the Central Government introduced

another scheme with similar objectives s PradhanMantriGaribKalyanYojana (PMGKY) in December. The Central Government gave another chance for tax evaders to disclose after demonetisation by paying higher rate of tax. Majority of the professionals also agreed about the implementation of PMGKY at the right time.

15. The Central Government have been providing opportunities for tax evaders to disclose their undisclosed income very regularly. Among all the disclosure schemes reasonable rate of tax and immunities under various acts was granted in VDIS, 1997 and this was mostly adopted by the tax payers.
16. Rate of penalty, declaration based on fair market value, immunity, non-payment of tax, additional percentage of cess are some of the important factors which constitute major difference between VDIS, 1997 and the IDS, 2016.
17. Number of clients came forward to enquire and declare under the IDS, 2016 in different cities are appreciable. As the number of declaration of undisclosed income increases the society will be kept clean. Under IDS number of expected declarations was not up to the expectation level, but compared to many earlier declaration schemes, its number has been increased.
18. Professionals have the opinion that PMGKY could be the last chance for the tax evaders. If they fails to use this opportunity, they will be subjected to payment of higher rate of tax and there could be penal actions as well as there may be less chance for expecting more schemes.

#### **Conclusion**

Black money has a debilitating effect on institutions and governance in society. It represents the outcome of corruption. It affects the poor disproportionately. It reduces the legitimate funds that would have been available to build public goods like schools, hospitals and roads. It increases the trust deficit in society, especially between the government and the people. Hence curbing black money, both its existing stock and new creation must be accorded high priority.

The Income Declaration Scheme, 2016 was one time compliance window, which provided an opportunity for all tax evaders. The above discussion reveals that all the components of the IDS, 2016 clearly states that this scheme was one of the most adopted schemes by tax evaders. Through research regarding perception of stakeholders towards the IDS, 2016 it is proved that stakeholders are having positive perception towards this scheme and this time the Central Government has become stricter than during earlier schemes while providing immunities under various schemes, charge of rate of tax and many more.

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