

INTRODUCTION

Tax planning is a critical component of effective financial management, allowing individuals and businesses to optimize their tax liabilities while ensuring adherence to legal requirements. For income taxpayers, especially in rapidly developing regions like Kannur District, understanding and applying tax planning strategies can lead to significant financial benefits, such as reducing tax burdens and enhancing resource allocation. The district's diverse economic landscape, with sectors ranging from agriculture to industry and services, necessitates a solid grasp of tax planning. Despite these developments, there is a noticeable gap in the effective implementation of tax planning principles among individuals and businesses in Kannur. This study aims to assess the level of awareness regarding tax planning strategies among taxpayers in the district, exploring how well-informed they are about available tools and how this awareness influences their financial decision-making.

The study will also examine various factors that influence tax planning awareness, including educational background, professional guidance, and access to relevant information. In Kannur, the demographics are diverse, ranging from small business owners to salaried professionals, with varying levels of exposure to tax planning concepts. By investigating the educational and informational resources available, the study will evaluate how these resources impact taxpayers' ability to make informed tax-related decisions. Additionally, the research will identify common challenges faced by taxpayers, such as limited access to professional advice, inadequate understanding of tax laws, and barriers to accessing tax planning tools. The findings of this study will offer actionable recommendations to improve tax planning awareness and practices, benefiting policymakers, financial advisors, and educational institutions in enhancing tax planning support across the district.

OBJECTIVES OF THE STUDY

- To assess the Current Level of Tax Planning Awareness
- To identify Key Factors Influencing Tax Planning Knowledge
- To evaluate the Impact of Educational Programs on Tax Planning
- To explore Regional Differences in Tax Planning Awareness

SCOPE OF THE STUDY

The scope of this study is to assess the level of awareness regarding tax planning among income taxpayers in Kannur District. The research will focus on understanding the knowledge and practices of individuals and businesses concerning income tax regulations, deductions, exemptions, and effective tax planning strategies. It aims to examine how well the taxpayers in the district are informed about the various provisions under the Income Tax Act, their use of available tax-saving opportunities, and their overall preparedness for tax-related obligations. Additionally, the study will explore the role of tax consultants, government initiatives, and educational resources in shaping taxpayer awareness and behavior in Kannur District.

LIMITATIONS OF THE STUDY

- This project studies the tax planning for individuals assessed to Income Tax. This study covers individual income tax assesses only and does not hold good for corporate tax payers.
- The tax rates, insurance plans, premium plans are all subject to FY 2018-19. Since personal income taxation is a very sensitive matter.
- Generally, people were reluctant to disclose information relating to their savings, investments and tax planning measures adopted for the period under study.
- Some of the respondents have given incorrect answers, untrue statements and false information. This means an element of prejudice is there.

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