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## MULIEBROUS TAXES IN INDIA: CONSTRAINT OR COERCION

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### ABSTRACT

India has been one of the secular and constitutional justified country in its all attempt of protecting its sovereign and people. Taxes remain a powerful source of income to both government and workers whereas gender justice and prejudice prevails a constant source of hardness to women all over the world. A major attempt to women justice was achieved in September 2023, namely “The women reservation bill” but can be implemented only in 2029 seeking national integrity. These reasons against women development exists without timelines. When Tax system was established-No women community was given priority to rule of tax and rule of home. Where the entire women hood always undergo recession. Leading to crime against women and gender based violence. Each and every act of government is responsible for its citizen’s welfare and wellness. Scrutinizing the recent growth and tax system compulsion this paper aims to clarify the women in work environment are growing better than the gender bias blameness further it provides insights on agriculture sector led by women are seeking exigency tax laws, polices for women to protect agriculture and irrelevancy of blue tax and pink tax.

**KEYWORDS** :Women, Pink Tax, Economic stability, Gender Prejudice and Agriculture.

### INTRODUCTION

A good tax system must meet five basic conditions are fair, complete, simple, transparent and administratively easy. Although there are many different opinions about what makes a good tax system, there is general consensus that these five basic conditions should be maximized whenever possible. The income tax bracket is the same for male and female taxpayers in India. Until the 2011-2012 financial year, there was a differential income tax schedule, with women benefiting from higher tax exemption limits and paying less tax than men with the same income. There are no special tax deductions/exemptions for female taxpayers<sup>1</sup>. The tax amount payable by individual taxpayers is determined according to the current income tax bracket and rate. Seniors

enjoy preferential prices. Instruments like Public Provident Fund (PPF), Guaranteed Return Investment Scheme, Equity Linked Savings Scheme (ELSS), Employee Provident Fund (EPF), Fixed Savings Deposit Tax Saving Certificate (FD), National Savings Certificate (NSC), Sukanya Samridhi Yojana (SSY), Unit Linked Insurance Program (ULIP) also offer excellent tax saving options. Under Section 87A, individual taxpayers, including women, can benefit from comprehensive tax relief above a certain income limit, both under the old and new tax regime. Resident women taxpayers are entitled to a tax rebate of Rs 25,000 or 100% on total income up to Rs 7 lakh under the new tax regime. Only pensions received by family members of the Indian Armed Forces are also tax-free. Furthermore, the winners of gallantry awards like Maha Vir Chakra, Paramvir Chakra, Vir Chakra or other similar awards prescribed by the Central Government will be exempted

<sup>1</sup>Stotsky, J. G , *Tax Policy, Women and the Law*, Pg.74, Cambridge University Press, (2010).



from any tax on the pension they receive. But in India, women who struggle as single parents face social pressure and bias in the tax system. In the past, the Indian government has provided various benefits and relief to women in the form of reduced home loan interest rates, reduced property tax, reduced stamp duty, etc to empower women. Even on the tax front, women benefit from a higher basic tax exemption than men. However, from the 2012-2013 financial year, this system was abolished by the government and a common tax scale for men and women was applied. Therefore, there are no specific benefits or deductions available to women under the Income Tax Act.

**RESEARCH METHODOLOGY** : Mixed method research

**RESEARCH PURPOSE** : To analyze Legal Unfair tax systems on women and generations

**RESEARCH HIGHLIGHT** : About 60 % to 80% of food is produced by rural women.

### **PROFESSIONAL WOMEN IN TAXATION**

As of late, the quickly changing social environment has given females expanded bartering control and openings to take part in financial exercises<sup>2</sup>. Since of this alter, companies are centering more on female-friendly commerce methodologies for the feasible advancement of companies by securing female clients. In specific, a few companies are effectively enlisting female officials and senior supervisors to get it female clients and progress their existing male-dominated corporate situations. Hence, differences among board part can improve corporate development and methodologies for the maintainable improvement of the enterprise. Since of the contrasts between females and guys, an increment of the female proportion on the board is anticipated to have a positive effect on corporate execution and decision-making. Past ponders have contended

that female workers make strides the corporate environment by making a different workforce when they are in key position. This contention can cause discontent among existing individuals recognizable with a male-dominated corporate environment by counting individuals of an new sexual orientation in their organizations. In any case, earlier considers have contended that, depending on how companies oversee the differences of the organization's individuals, particularly their sexual orientations, they can pick up competitive preferences compared to other companies. The differing qualities of sexual orientation among board part is critical since each board part encompasses a distinctive point of view and involvement. A differing qualities of worker assets, particularly differing qualities of sex, can upgrade the straightforwardness in book keeping information. Therefore, we anticipate that when companies have a better proportion of female workers, which influence the company's conservatism, companies are less likely to lock in in assess shirking when detailing tall execution.

### **HOME MAKER'S TAX**

Real estate assets such as land and housing can serve as collateral for business loans, generate rental income, and provide women with economic security against shocks<sup>3</sup>. A new upcoming World Bank study in India used qualitative techniques to explore whether property tax cuts can encourage women to own homes. Through focus groups with male and female taxpayers in six states and cities, and interviews with 20 tax and land administration officials in eight locations, the study sought to understand the practice present legal measures that provide concessions for the purchase or transfer of assets in title of women and periodic property tax reductions for women-owned properties. Research shows that stamp duty reductions have encouraged women to become landowners, perhaps

<sup>2</sup> Mimi Abramovitz and Sandra Morgen, 'Taxes Are a Woman's Issue: Reframing the Debate', The Feminist Press at CUNY; Annotated edition (1 April 2006).

<sup>3</sup> Ramesh Rani Chatwal Vs ITO (ITAT Delhi), 2023 LiveLaw (Del) 769



because the reductions are large. The impact of stamp duty is even greater when combined with non-tax incentives, such as loan incentives for women buying property in their own names. Reducing gender inequality can help countries put themselves on a sustainable path towards more diverse economies, higher productivity levels and better prospects for the next generation. However, gender inequality remains a global problem, especially in low-income countries, where women and girls lag behind men and boys in accessing health care, health, education, employment, business and access to finance and assets, and are disproportionately responsible for unpaid work and care. Gender gaps in labour force participation, entrepreneurship, and land ownership lead to significantly lower productivity and, therefore, lower economic growth.

Fiscal policy can be a powerful tool for changing incentives and correcting market inefficiencies. Public spending has long been recognized as a tool to support education, health and the participation of men and women in the labour market, but the tax system can also help promote gender equality in many ways and different forms. Although women and men are often taxed under the same rules, the structure and administration of the tax system can have different impacts on women and men. Recent research shows that tax systems around the world harbour both explicit and implicit gender biases. Eliminating these biases could make the tax system more equitable and contribute to economic growth by increasing women's workforce participation and entrepreneurship. For example, a well-designed progressive income tax can promote employment for low-income women, such as through gentle tax incentives or subsidies for business expenses such as child care. Gender gaps in taxes are large, and policymakers can take steps to correct them. In September 2021, the World Bank's Global Tax Program (GTP), with support from the UK Government, launched a new initiative to explore gender dimensions of

policy and tax reform. Through this new initiative, the World Bank aims to help low and middle-income countries develop gender-responsive tax policies through analytical work and institutional capacity building. tax and customs management. Ethiopia, India and Pakistan alike countries illustrates how financial policy tools can contribute to gender equality. According to the Indian Income Tax Act, a person is liable to pay income tax if his total income from all sources exceeds the maximum exemption amount, known as the basic exemption limit. For the financial year 2023-24, the basic exemption limit for persons below 60 years of age is Rs 3 lakh and for persons above 60 years of age it is Rs 3 crore. If a housewife does not earn money on her own, you may think that you do not need to file an income tax return (ITR). However, in some cases, filing an ITR becomes important. Additionally, there are benefits to filing taxes even if you have no taxes. Following are some cases in point:

**1) Monthly sum received from husband for household expenses**

If a housewife receives a monthly amount of money from her husband for family expenses, this amount is not considered her income. This amount will not be considered his income.

**2) Sum received from husband, invested in her name**

In this instance, the law of income clubbing will apply, and the income from investments will be taxed according to the husband's slab and will not be recognised as wife's income. The revenue from her husband's money will be combined with his income and taxed in his hands. If there is any income on income, it is taxable in the hands of the wife. For example, if a husband gives his wife Rs 10 lakh, the interest income is Rs 1 lakh. This Rs 1 lakh will be taxable in the hands of the husband. If the interest money is reinvested, any gains or income generated will be taxable in the wife's hands.

**3) Interest from fixed deposits gifted by parents**

If the amount of interest earned during the year is more than the exemption, then that amount will be considered her income and will be taxed in the hands of the homemaker. "FD interest is taxable at a flat rate. Hence, ITR has to be filed if the interest income is more than Rs 2.5 lakh," apart from FD, if the housewife has invested the amount in any other tool and profit from it. If the exemption limit is exceeded, RTI will have to be filed.

#### 4) Received gifts

Gifts received from specific relatives under certain circumstances are not included in taxable income, regardless of the amount of the gift. In such a case, the homemaker will not have to file RTI. "For gifts received from a person other than a nominated relative, there is a limit of Rs 50,000, beyond which the amount of the gift will constitute a portion of the total income and disclosure will have to be made if the amount together with other income exceeding the minimum exemption limit and the tax payable shall be paid accordingly." Gifts (i.e. immovable property received without consideration) are received only on the occasion of the marriage of a person will not be subject to tax. Outside of marriage, there are no other circumstances in which a gift received by an individual is not subject to tax.

The Income Tax Act does not prescribe any limitation or restriction on the payment of salary, but section 64<sup>4</sup> (1) (ii) of the Act provides that if the payment made to the spouse is not sufficient technical or professional standards, the amount paid must be contributed with the above-mentioned owner's income. Simply put, women are exempt from occupational tax if their salary does not exceed 25,000. Occupation tax in India is a state-level tax levied on professions, occupations and employment. West Bengal, Karnataka, Maharashtra, Andhra Pradesh, Gujarat, Tamil Nadu and Madhya Pradesh are the Indian states that impose occupation tax. For self-employed or non-employee account holders, certain income is

classified as exempt income. These include dividends, agricultural income, fund interest, capital gains which are required to be disclosed in Schedule EI while filing income tax under ITR-1. The tax deduction is Rs. Housewives can claim 40,000 for medical expenses incurred for themselves or their dependents each financial year. Under section 80G<sup>5</sup>, a housewife is entitled to a tax deduction if she makes a donation to a private charity. No IT control on cash deposits of up to Rs 2.5 lakh by housewives after demonetization.

#### TAX EVASION AND GENDER DISPARITY

Recently, a large amount of research has focused on evidence of gender differences in corruption. Research into another predatory activity, tax evasion, also shows marked differences between the behavior of women and men. This article tests these findings in a transition country using a unique data set collected from a household field survey in Tirana, Albania in 2000. Finding that the Researchers often explain sex differences in economic behavior in terms of biological theory or through social/psychological role theory, this article examines a broader range of explanations for this Gender differences in tax evasion<sup>6</sup>. Taking as its starting point a new institutional theory that explains differences in the tax-paying behavior of men and women, this article examines the relative importance of education, income, age, and child among other factors. Finally, it explores the explanations offered by feminist theory and to what extent these explanations can be integrated into the new institutional theoretical framework.

Gender is a psychological factor that can motivate a person to avoid taxes<sup>7</sup>. In language, gender can be understood as the clear

<sup>5</sup> Income Tax Act, 1961, S.80, Act 43 of 1961

<sup>6</sup> Herlina Helmy, Sany Dwita, Charoline Cheisviyanny, The Influence of Gender and Machiavellianism on Tax Evasion (A Study on Accounting Students), Advances in Economics, Business and Management Research, volume 179 Proceedings of the Sixth Padang International Conference On Economics Education, Economics, Business and Management, Accounting and Entrepreneurship, Pg.90, (PICEEBA 2020).

<sup>7</sup> Lars Fallan, Gender, Exposure to Tax Knowledge, and Attitudes towards Taxation; An Experimental Approach, Journal of Business Ethics, Vol. 18, No. 2 (Jan., 1999), pp. 173-184 (12 pages), Springer.

<sup>4</sup> Income Tax Act, 1961, S.64, Act 43 of 1961



differences between men and women in terms of values and behavior. According to gender socialization theory, men and women have different roles and values, thereby creating differences in interests, decisions and behaviors between men and women. Gender socialization theory suggests that men are twice as likely as women to engage in unethical behavior. The literature also shows that women are considered more risk averse than men. Women will be more cautious and try to avoid long-term risks that are considered a burden to them when making decisions. Some studies have found that women are more ethical than men and that female taxpayers are more tax-motivated. Therefore, women are considered to have a lower tendency to tax evasion. The entrepreneur will fulfil all of his or her future tax obligations and make ethical decisions regarding their tax obligations. This research is expected to contribute to the theoretical basis of tax on tax evasion from the perspective of the inner mind and psychology of taxpayers.

Gender socialization theory posits that men and women have different roles and values in their personal roles, thereby forming differences in interests, decisions, and behaviours between men and women. Women are considered to place more emphasis on harmonious interpersonal relationships, caregiving, and good work. Meanwhile, men place more emphasis on competitive success and external rewards, including financial rewards and status, while ignoring interpersonal relationships. Differences in behaviour between men and women mean that men are more likely than women to engage in unethical behaviour to achieve their goals. Several studies have demonstrated the influence of differences in the roles of men and women on differences in behavior, preferences, and decisions. The presence of women in companies is considered to increase the value of the company. The corporate governance system emphasizes the role of female members on corporate boards because they are considered more effective in controlling the process of establishing balance

among shareholders. It turns out that female CFOs are less involved in earnings management and more conservative in financial reporting than men. Finance director. In terms of tax avoidance, the presence of women on the board of directors is also said to reduce corporate tax evasion. Men and women also have different views and behaviours when it comes to taxes. In terms of tax compliance, women are perceived to be significantly more docile than men, and women are perceived to be significantly more docile than men. Women also seem to be more resistant to tax evasion than men. Women also tend to view tax evasion as unethical behaviour. Based on this description, this study expects that men are more likely to evade taxes than women because men care more about money and tend to engage in morally counterproductive behavior, in while women are more obedient and oppose tax evasion. Therefore, based on this explanation, it can be hypothesized: men tend to avoid taxes more than women.

### **WOMEN IN AGRICULTURE**

The dream of socio-economic empowerment of women cannot be fulfilled without empowering those living in the furthest peripheries of India. Those whose days begin before sunrise and continue after sunset. These are Indian women farmers, whose voices are often overlooked because of their gender, and who struggle to establish their identities at the local level due to patriarchal traditions and gender socialization. Women's work in agriculture goes beyond being wives, daughters-in-law, and mothers. However, gender discrimination still exists in many ways:

women are not recognized as farmers in Indian policies, thus they lose institutional support from banks, insurance, cooperatives and government ministries. These voices need to be heard at both the policy and implementation levels if we are to realize the dream of a progressive India. In India, female farmers do most of the heavy agricultural work, from sowing to harvesting, but their access to resources is lower than that of men. Reducing



this gender gap is essential to accelerate the growth of the agricultural sector. The agricultural sector employs 80% of all economically active women in India; they represent 33% of the agricultural workforce and 48% of independent farmers.

- In India, 85% of rural women work in agriculture but only about 13% own land. The situation is worse in Bihar, where only 7% of women have land rights, despite women playing an important role in various agricultural activities.<sup>8</sup>
- The increasing migration of men to the countryside, there has been a “feminization” of the agricultural sector, with more and more women taking on a variety of roles such as farmers, businessmen and workers<sup>9</sup>.
- The agricultural sector in Bihar is highly feminized, with 50.1% of the total workforce engaged in agricultural activities being women<sup>10</sup>
- 70% of women working in agriculture come from households that have witnessed migration.<sup>11</sup>
- About 60 to 80% of food is produced by rural women<sup>12</sup>.

### **PINK TAX VS. BLUE TAX**

When a company sells a pink product (women's version) at a higher price than a blue product (men's version), the additional revenue generated by the pink product is not passed on to the government. The only beneficiaries of the “pink tax” are companies that charge women more than men. Although the pink tax is not illegal, it is a discriminatory tax, requiring women to pay more than men. Here are some everyday examples of the pink tax being collected: Visit a beauty salon where women pay more for haircuts than men. Care products

such as deodorant and shampoo for women. India no longer imposes a pink tax but instead taxes items such as towels. India eliminated taxes on menstrual products in 2018, after months of campaigning by activists. Before the tax was abolished, 12% GST was levied on menstrual hygiene products. Although the number of women in leadership positions has increased, the pay gap continues to haunt them. Women earn less than men but pay higher costs for products and services. Therefore, the pink tax in India increases wage equality between the sexes and limits women's purchasing power. Additionally, high prices also impact social standards and force women to conform to a specific definition of beauty. Failure to meet these standards can lead to feelings such as loneliness, anxiety and depression. Some governments around the world have taken proactive steps to combat the pink tax and create more economical products for women. India's position on this issue is not yet clear as there is a growing need for awareness among men and women about the pink tax. The gender tax, commonly known as the pink tax, is an artificial inflation of the prices of products and services aimed at women. This is an informal and discriminatory surcharge that requires women to pay more for certain goods and services than men. There is no specific limit on pink tax in India. This decision was made based on market developments and demand for goods and services for women.

### **CONCLUSION**

Number of legal and policy frameworks promoting gender equality, independent assessment of legal and policy frameworks on non-discrimination and gender equality in land ownership, employment and social protection, Proportion rate of female farmers listed on land documents, Monitor the country's performance in international rankings on gender equality. As stated by The World Bank's Women, Business, Law index and other aspects its subsidiary must be implemented by ratifying the international forum and women's sustainable tax payments and obligations.

<sup>8</sup>Oxfam India, <https://www.oxfamindia.org/women-empowerment-india-farmers>, (last visited October 2 2023)

<sup>9</sup>The Economic Survey 2017-18.

<sup>10</sup>“Women in Bihar's Informal Economy” – ADRI

<sup>11</sup> Report published 2014 by IHD, New Delhi

<sup>12</sup> Food and Agriculture, <https://www.fao.org/family-farming/detail/en/c/1634537/#:~:text=According%20to%20the%20FAO%2C%20women,is%20only%20recently%20being%20recognized.>, (last visited October 2 2023)