Impact of Tax Reforms on Individual Taxpayers in India: A Study of Tax Saving Schemes

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Abstract: The study has been emphasized on the critical role of tax planning as an essential component of financial strategy for individuals, particularly salaried employees and taxpayers in India. Across multiple studies, a consistent theme emerges: the strategic utilization of deductions, exemptions, rebates, and reliefs—primarily under Section 80C of the Income Tax Act, 1961—is crucial for minimizing tax liabilities and maximizing after-tax income. Research consistently explores the awareness levels of individuals regarding various tax-saving schemes and instruments, such as Life Insurance policies, Provident Funds, PPF, and NPS. The objective of these studies is to understand investment patterns, identify the most popular and suitable tax-saving instruments, and assess how effective tax planning influences income generation and wealth accumulation. Findings generally reveal that while awareness of traditional tax- saving options like 80C is high, there is a continuous effort to understand how strategic tax decisions can lead to reduced tax burdens and foster income growth over time.

Keywords: Tax Saving Strategies, Optimizing Your Taxes, Tax Advantages & Tax liability

I. INTRODUCTION

Tax is a mandatory financial contribution imposed by the government on individuals, businesses, and organizations to generate revenue for public services and national development. It plays a vital role in funding infrastructure, healthcare, education, defence, and welfare schemes. Taxes are broadly classified into Direct and Indirect taxes. Direct taxes are levied directly on income or wealth, and their burden cannot be transferred. Key forms include Income Tax (on salaries and business profits), Capital Gains Tax (on profits from assets like property or shares), and Corporate Tax (on business income). Indirect taxes, on the other hand, are applied to the consumption of goods and services and are paid indirectly by consumers, as they are included in the prices of products or services. Sellers collect and remit these taxes to the government. The main form of indirect tax is the Goods and Services Tax (GST), which has unified several central and state taxes, simplifying the Indian tax system. Other indirect taxes include Excise Duty (on manufacturing), Customs Duty (on imports), Stamp Duty (on property transactions), and Entertainment Tax (on leisure services), although many of these have been incorporated into GST. Taxation not only funds essential services but also aids in wealth redistribution, encourages investment, and supports economic stability, making it a cornerstone of national governance and progress.

Scope of the Study
This study explores key aspects of individual financial behavior related to taxation and investment, focusing on how people perceive, understand, and utilize various tax-saving schemes such as ELSS, PPF, NPS, and fixed deposits. It examines their awareness of scheme features like lock-in periods and withdrawal rules, and how these are integrated into financial planning. The research analyzes decision-making criteria—risk tolerance, returns, and liquidity—and compares perceived versus actual benefits, including tax deductions, long-term wealth creation, and progress toward financial goals. It also evaluates how effectively individuals use these schemes to reduce tax liabilities and whether they serve as tools for risk diversification, contributing to a balanced and resilient investment portfolio.

II. REVIEW OF LITERATURE

Ahammad, D., & Lakshmanna, B. C. (2017). Conducted a study on investment preferences among employees with reference to Kurnool City. From a tax perspective, investment involves allocating savings into instruments that offer future returns and tax benefits. Salaried employees often choose options like PPF, ELSS, NPS, and insurance for both financial returns and deductions under sections like 80C of the Income Tax Act. This study, based on a survey of 100 salaried individuals in Kurnool City, explores tax-saving investment preferences. Data collected through structured questionnaires was analyzed using percentage and chi-square tests. Findings reveal that investors prioritize safety,

liquidity, and tax efficiency. Most respondents are aware of various tax-saving avenues and invest accordingly to reduce their taxable income.

K. Saravanan and K. Muthu Lakshmi (2017) Tax planning is a crucial element of effective financial planning. They argue that its primary goal extends beyond simply lowering tax burdens; it's about strategically leveraging tax laws to optimize financial outflows. This allows individuals to maximize their remaining income for savings and investments, ultimately directing their income and consumption towards beneficial financial outcomes.

Sanket and Charkha (2018): Demographics significantly shape how aware people are of tax-saving plans and what they prefer. A study by Sanket and Charkha (2018) in Pune, for instance, found that men generally know more about investment options than women. Further, research by Savita and Lokesh Gautam (2013) showed that life insurance policies were the most popular tax-saving investment, with provident funds coming in second. This study also highlighted that individual aged 40-60 saved a higher percentage of their income, and higher-income groups invested similarly.

Suchithra P1, Vidhya (2019) Tax planning involves strategically managing your finances to reduce your tax burden, all while staying within the legal framework of tax laws. It allows individuals to take full advantage of the exemptions, deductions, rebates, and reliefs available under the act. This study set out to identify the most suitable and popular tax-saving instruments used by taxpayers in Sree Krishnakumar, and to quantify the amount of tax saved through their use. The research findings indicate that Section 80C deductions are the most widely adopted tax-saving instrument, followed by Section 80EE.

P. Sumathy, Dr. K. Revathi, and S. Nandhini (2020) They highlight that this isn't about scrambling to save taxes at the last minute; instead, It's a deliberate and strategic process. By actively leveraging the numerous provisions and deductions available under tax laws, individuals can effectively reduce their tax burden. This proactive approach ensures that financial decisions are made with a keen awareness of their tax implications, allowing individuals to optimize their finances. It transforms tax management from a mere annual obligation into a powerful tool for wealth creation and the achievement of long-term financial goals.

Varsha Singhania (2021) Tax saving is a crucial concept, primarily because it allows individuals to claim significant deductions, notably those available under Section 80C of the Income Tax Act, 1961, and other relevant sections. This research delves into how taxpayers can effectively utilize the Indian tax system by leveraging various investment options specified in Section 80C.

The primary goal of this study was to understand taxpayers its awareness of tax planning and tax deductions, identify their sources of information, and determine their reasons for preferring specific investments. Effective tax planning not only reduces the tax amount but also helps in utilizing various reliefs, deductions, exemptions, and rebates as per the IT Act, 1961. This research specifically aimed to identify the most preferred tax-saving instrument and the underlying reasons for its selection based on various criteria.

RADHIKA JINDAL (2023) This study investigates the complex connection between tax planning strategies and an individual's income. Tax planning involves various methods to minimize tax liabilities and, in turn, maximize after-tax income. The core objective of this research is to explore how effective tax planning can directly influence income generation. We will draw upon both established theories and real-world evidence. Additionally, the study will consider how evolving tax laws and regulations impact income levels. Individuals who are knowledgeable about tax planning often experience an increase in their real income compared to those who are not. Making strategic tax decisions can significantly reduce tax burdens, enabling individuals and businesses to keep a larger share of their earnings. This increased retention of funds can then be reinvested or used for wealth accumulation, ultimately fostering sustained income growth over time.

Dr. Deepak Verma (2023) Taxpayers heavily rely on a limited number of well-known schemes within Section 80C, while other beneficial tax-saving opportunities remain largely unutilized. Deductions under provisions like 80D (Mediclaim) and 80CCD (NPS) see very low adoption rates. This overconcentration leads to tax planning portfolios that are potentially less diversified and not fully optimized.

Surendra Kumar (2024) India's tax system is notably complex, often impacting an individual's purchasing power. This makes tax planning an essential strategy. Tax planning isn't just about minimizing your tax liability; it's about strategically maximizing the benefits of every deduction, exemption, and relief permitted by income tax laws. It's a perfectly legal approach that offers a dual advantage: reducing your tax burden while encouraging wise investments. By leveraging the various reliefs, deductions, and exemptions provided under the Income Tax Act of 1961, individuals can significantly lower their tax obligations.

This study, conducted in Siliguri, West Bengal, aimed to understand the awareness level of salaried individuals regarding tax-saving schemes. It also delved into the common investment patterns adopted by these taxpayers.

Renuka Abburu, Dowlath Ahammad, & K. Visali. (2025). The integration of Artificial Intelligence (AI) in financial services is transforming the tax landscape by improving compliance, streamlining tax reporting, and enhancing audit accuracy. This paper explores AI applications in taxation-related financial services, including automated tax filing, real-time risk assessment, fraud detection, and regulatory reporting. AI helps institutions optimize tax strategies, ensure

timely compliance with tax laws, and minimize human error in tax calculations. While offering significant benefits like efficiency, accuracy, and cost reduction, the paper also highlights challenges such as data privacy, algorithmic transparency, ethical concerns, and regulatory uncertainty. The study emphasizes the need for responsible AI use in managing tax-related processes.

Objectives of the Study
1. To identify the most commonly used tax study saving schemes by salaried individual in India
2. To analyse the impact of tax planning strategies on tax liability for salaried individuals.
3. To provide recommendation for salaried individual in optimize their tax planning strategies.

Hypothesis:
H0: There is impact of tax planning strategies on tax liability salaried individual.
H1: There is no impact of tax planning strategies on tax liability salaried individual.

III. RESEARCH METHODOLOGY

The data used for the study was collected from Primary source. through a survey of 300 people such as well-structured questionnaire, which comprises of demographic information and specific question addressing tax liability, area of study in Hyderabad city. A questionnaire is circulated to the respondents in the form of google form. Sampling Technique is Random sampling involves picking a smaller group from a larger one. It makes sure every person or item in the bigger group has an equal shot at being picked. This approach helps create a mini version of the whole group, so what you learn from this smaller group can be trusted to apply to the entire population. The statistical used is T test.

Data Analysis:
Demographic Information and specific questions addressing tax liability, area of study in Hyderabad city.

Age

Table – 1: Number of Respondents based on Age

Age	Respondents
18-25	161
26-35	96
46-55	2
56 and above	1

Source: Compiled Data

The table shows the respondents are young adults, young adults, middle adults, and mature working age. The survey highlights that younger age groups (18-35) are significantly more engaged and interested in tax-saving schemes compared to older age groups (46 and above). It indicates that young adult quite interested in tax saving schemes.

Gender

Table -2: Number of Respondents based on Gender

Gender	Respondents
Male	125
Female	135
Other	

Source: Compiled Data

The survey on tax-saving schemes indicates a nearly even split in participation between genders, with females slightly outnumbering males. Specifically, 135 females responded compared to 125 males. There were no respondents who identified as 'Other'.

Occupation

Table -3: Number of Respondents based on Occupation

Occupation	Respondents
Salaried Employee	148
Self- Employed	13
Business Owner	93
Retired	0
Other	6

Source: Complied data

The survey on tax-saving schemes clearly indicates that salaried employees (148 respondents) and business owners (93 respondents) are the most engaged groups, suggesting these are the primary demographics concerned with and actively seeking out tax-saving opportunities. In contrast, self-employed individuals were far less represented (13 respondents), implying they may approach tax planning differently or have less interest in traditional schemes.

Annual Income

Table -4: Number of Respondents based on Annual Income

Annual Income	Respondents
Below 5 Lakhs	147
5-10 Lakhs	16
10-20 Lakhs	97
20-50 Lakhs	0
Above 50 Lakhs	0

Source: Complied data

The survey on tax-saving schemes reveals that individuals earning below ₹5 Lakhs (147 respondents) and those in the ₹10-20 Lakhs bracket (97 respondents) are the most engaged, highlighting them as key audiences. Interestingly, very few in the ₹5-10 Lakhs range participated (16 respondents), and no one earning above ₹20 Lakhs responded, suggesting higher-income groups may have different tax strategies or are simply not reached by this type of survey. In essence, tax-saving schemes primarily attract lower and middle-income earners

Qualification

Table -5: Number of Respondents based on Qualification

Qualification	Respondents
High School	102
Graduate	106
Postgraduate	25
Professional Degree (e.g. CA, Mba..)	27
Other	

Source: Complied data

The survey on tax-saving schemes shows that most respondents have a High School (102) or Graduate (106) level education. Individuals with Postgraduate (25) or Professional Degrees (27) are far less represented. This suggests that tax-saving awareness and interest are strongest among those with foundational academic qualifications.

Awareness of Tax Saving Schemes

Table -6: Number of Respondents based on Awareness of Tax Saving Schemes

Awareness of tax saving schemes	Respondents
Section 80C (Fixed deposit, PPF…)	237
Section 80D (Individual Health insurance….)	231
Section 80E (Education Loan, Interest payment...)	227
NPS (National Pension Scheme)	5
Other	

Source: Complied data

The survey indicates very high awareness for Section 80C (237 respondents), Section 80D (231 respondents), and Section 80E (227 respondents), highlighting these as commonly known tax-saving avenues. In stark contrast, NPS (National Pension Scheme) shows extremely low awareness (only 5 respondents). This suggests a significant gap in understanding or promotion for NPS compared to other popular tax deduction sections.

Utilizations of Tax Saving Schemes

Table -7: Number of Respondents based on Utilization of tax Saving Schemes

Utilization of tax saving schemes	Respondents
Investing in the Tax Saving Instruments under Section 80c	124
Investing in the Medical Insurance under Section 80D	115
Investing in Education Loans under Section 80E	11
Contributing NPS	6
Other	4

Source: Complied data

Section 80C (124 respondents) and Section 80D (115 respondents) are the most utilized tax-saving schemes, indicating their widespread adoption. Conversely, Section 80E (11 respondents) and NPS (6 respondents) are significantly underutilized, suggesting limited application or awareness among the surveyed population.

Primary reason for investment in Tax Saving Schemes

Table - 8: Number of Respondents based on Primary reason for investment

Primary reason for investment in tax saving schemes	Respondents
To reduce tax liability	149
To save for retirement	9
To save for education expenses	97
To save for medical expenses	4
Other	1

Source: Complied data

The survey reveals that the overwhelming primary reason for utilizing tax-saving schemes is to reduce tax liability (149 respondents). Saving for education expenses (97 respondents) is the second most significant motivator. In stark contrast, saving for retirement (9 respondents) and medical expenses (4 respondents) are very low priorities, indicating these specific goals are less commonly associated with tax-saving scheme utilization among respondents.

Tax Liability before tax planning

Table -9: Number of Respondents based on Tax Liability before tax Planning

Tax liability before tax planning	Respondents
50000 – 100000	156
100001 – 200000	13
200001 – 500000	91
More than 500001	0

Source: Complied data

The survey on Tax Liability before tax planning primarily reflects individuals with moderate tax burdens: most respondents (156) fall into the ₹50,000-₹1,00,000 range, followed by a significant group (91) in the ₹2,00,001-₹5,00,000 bracket. Notably, no respondents reported a tax liability exceeding ₹5,00,001, suggesting the survey did not capture individuals with very high tax burdens.

Tax Liability after tax planning

Table -10: Number of Respondents based on Tax Liability after tax Planning

Tax liability after tax planning	Respondents
Less than 20000	133
20000 – 50000	123
50001 – 100000	3
More than 200000	1

Source: Complied data

The data indicates that the majority of respondents significantly reduce their tax liability after planning, with 133 individuals reporting less than ₹20,000 and 123 reporting between ₹20,000 and ₹50,000. This clearly highlights the effectiveness of their tax planning efforts. A very small number of respondents still have higher liabilities, with only 3 in the ₹50,001-₹1,00,000 range and just 1 exceeding ₹2,00,000. This suggests that for most participants, tax planning successfully brings down their tax burden to a manageable level.

Annual Investment in Tax Saving Instruments

Table -11: Number of Respondents based on Annual Investment in tax Saving Instruments

Annual investment in tax saving instruments	Respondents
Less than 10000	220
10000 – 20000	24
20001 – 50000	11
50001 – 100000	4
More than 100000	1

Source: Complied data

The survey reveals that the vast majority of respondents (220) invest less than ₹10,000 annually in tax-saving instruments. A smaller group (24) invests between ₹10,000 and ₹20,000. Investments decline sharply in higher brackets, with very few respondents investing above ₹20,000 (11 for ₹20,001-₹50,000, 4 for ₹50,001-₹1,00,000, and only 1 above ₹1,00,000). This indicates that most surveyed individuals make relatively small annual tax-saving investments.

Annual Tax Saving from Tax Planning

Table -12: Number of Respondents based on Annual Tax Saving

Annual tax saving from tax planning	Respondents
Less than 5000	126
5001 – 10000	27
10001 – 20000	13
20002 – 50000	93
More than 50000	1

Source: Complied data

The survey on Annual Tax Saving from Tax Planning shows that most respondents save less than ₹5,000 (126 individuals), while a sizable group saves between ₹20,002 and ₹50,000 (93 individuals). Very few respondents achieve higher savings, with only one person saving over ₹50,000. This indicates a mixed outcome in tax planning effectiveness, with many seeing small benefits and a significant portion realizing substantial savings.

Consulting a Tax Professional or Financial Advisor

Table -13: Number of Respondents based on Consulting a Tax Professional

Consulting a tax professional or financial advisor	Respondents
Yes	114
No	146

Source: Complied data

The survey shows that most respondents (146) do not consult a tax professional or financial advisor, while 114 respondents do seek such advice, indicating that self-reliance in tax planning is more common than professional consultation among those surveyed.

Your Tax Planning Approach

Table -14: Number of Respondents based on Tax Planning Approach

Your tax planning approach	Respondents
Using tax planning software	113
Consulting a tax professional or financial advisor	28
Reading tax related articles	23
Attending tax related seminars and workshops	94
Other	2

Source: Complied data

The survey shows tax planning software (113 respondents) and seminars/workshops (94 respondents) are the most favoured approaches. In contrast, consulting professionals (28 respondents) and reading articles (23 respondents) are far less common, indicating a preference for self-directed, active learning methods.

Knowledge of Tax – Saving Schemes

Table -15: Number of Respondents based on Knowledge of Tax

Knowledge of tax saving schemes	Respondents
1 is very poor	193
2 is average	9
3 – 4 is good	54
5 is excellent	4

Source: Complied data

The survey reveals that the vast majority of respondents (193) rate their knowledge of tax-saving schemes as "very poor" (1). While some consider their knowledge "good" (54) or "average" (9), and a few "excellent" (4), the overwhelming sentiment is a significant lack of understanding among the surveyed population regarding tax-saving schemes.

Tax Planning Review Frequency

Table -16: Number of Respondents based on Tax Planning Review Frequency

Tax planning review frequency	Respondents
Annually	109
Quarterly	115
Monthly	31
Rarely	4
Never	1

Source: Complied data

The survey indicates that respondents most frequently review their tax planning quarterly (115 respondents), closely followed by annually (109 respondents). This suggests a strong preference for regular, but not overly frequent, reviews. Monthly reviews are far less common (31 respondents), while only a minimal number of individuals review their tax planning rarely (4) or never (1). This highlights a generally proactive approach to tax planning reviews among the surveyed population, with a leaning towards periodic rather than constant monitoring.

Sources of Tax Information

Table -17: Number of Respondents based on Source of Tax Information

Source of tax information	Respondents
Tax professionals or financial advisor	119
Tax related websites	26
Tax related books	109
Friends and Family	4
Other	2

Source: Complied data

The survey indicates that tax professionals/financial advisors (119 respondents) and tax-related books (109 respondents) are the primary sources of tax information for respondents. Tax-related websites (26 respondents) are a less common source, while friends/family (4 respondents) and other sources (2 respondents) are rarely utilized. This suggests a reliance on more traditional and authoritative sources for tax information.

Effectiveness of Tax - Saving Schemes

Table -18: Number of Respondents based on Effectiveness of Tax Saving Schemes

Effectiveness of tax saving schemes	Respondents
Very effective	115
Moderately effective	132
Slightly effective	12
Not effective	1

Source: Complied data

The survey indicates that respondents generally find tax-saving schemes effective, with the majority viewing them as "moderately effective" (132 respondents) or "very effective" (115 respondents). Only a small fraction found them "slightly effective" (12) or "not effective" (1). This suggests a high overall satisfaction with the effectiveness of these schemes among the surveyed population.

Frequency Distribution for Estimated Tax Liability Before Tax Planning

Tax Liability Before (numerical)	Midpoints (INR)	No. of Respondent
50000 – 100000	75000	156
100001 – 200000	150000.5	13
200001 – 500000	350000.5	91
More than 500001	550000.5	
Total		260

Average	281250.375
Standard Deviation	213478.302
Count	4
Minimum	75000
Maximum	550000.5
Median	250000.5

Frequency Distribution for Estimated Tax Liability After Tax Planning

Tax Liability After (numerical)	Midpoints (INR)	No. of Respondent
Less than 20000	10000	133
20000 - 50000	35000	123
50001 - 100000	75000.5	3
More than 200000	250000.5	1
Total		260

Average	92500.25
standard deviation	108359.1867
count	4
Minimum	10000
Maximum	250000.5
median	55000.25

Descriptive Statistics and Paired Samples t-test Result for Tax Liability Before and After-Tax planning

Variables	N	Mean Tax Liability (INR)	Standard Deviation (INR)
Tax Liability Before Tax planning	4	281250.375	213478.302
Tax Liability After Tax planning	4	92500.25	108359.1867
Paired Samples T-Test Result			
p-value (two-tail)	0.047624528		

Decision Rule

A p-value of 0.05 or less indicates a statistically significant difference. If the p-value is greater than 0.05, the difference is not statistically significant. Since the p-value (0.0476) is less than chosen significance level. Null Hypothesis (H0) for this t-test was likely that "there is no significant difference between the mean tax liability before and after-tax planning." Rejecting the null hypothesis means that there is statistically significant difference between the tax lability before tax planning and after-tax planning for salaried individuals.

Accepting the alternative hypothesis means that there is statistically significant difference between the tax lability before tax planning and after-tax planning for salaried individuals.

The observed changes in tax liability after planning. So, a p-value of 0.047624528 is a strong indicator that tax planning strategies do indeed have a measurable impact on tax liability for salaried individuals.

Findings of the study

- A significant disparity in the public's awareness of various tax-saving avenues in India. While Section 80C (deductions for investments like PPF, ELSS, EPF, life insurance premiums, etc.), 80D (health insurance premiums), and 80E (interest on education loan) are widely recognized by a large majority of respondents, the National Pension System (NPS) suffers from remarkably low recognition.
- A majority of individuals (56.2%) rely on tax professionals or financial advisors for their tax planning, indicating the perceived complexity of tax laws and the value placed on expert guidance. 43.5% of people plan their taxes using tax planning software, and 36.2% do so by attending tax-related seminars.
- A considerable portion of the population utilizes tax planning software (43.5%) and attends tax-related seminars (36.2%), showcasing the adoption of technology and a desire for accessible educational resources in tax management.
- A significant number of people actively update their tax planning strategies, with 44.2% doing so quarterly and 11.9% monthly, highlighting a proactive approach to managing their financial and tax affairs throughout the year.
- There is a statistically significant and positive impact of implementing tax planning strategies on reducing the estimated tax liability for salaried individuals, validating the effectiveness and benefits of such efforts.
- Individuals invest in tax-saving schemes not solely for immediate tax reduction, but also driven by broader financial goals such such as securing retirement and achieving specific financial objectives, demonstrating a holistic approach to wealth management.

Suggestions of the study

- ➢ A Critical Challenge identified in my first data point, where schemes like the NPS have very low familiarity compared to 80C, 80D, and 80E. Enhancing awareness isn't just about informing people that a scheme exists, but also educating them about its benefits, eligibility, and how it fits into a broader financial plan. For instance, the NPS, while having a lock-in period, offers significant tax advantages and is a crucial tool for retirement planning.
- ➢ It focuses on the *method* of communication. Tax laws and financial schemes can be notoriously complex, often filled with jargon. Official bodies like the Income Tax Department and CBDT (Central Board of Direct Taxes) are credible sources, but their communication often caters to a technically savvy audience. Simplifying this information into digestible formats like infographics, animated videos, short explanatory guides (like FAQs or "Tax-Saving Scheme X in 5 minutes"), and even interactive online tools can significantly bridge the knowledge gap.
- ➢ Partner with financial institutions, employers, and professional bodies (e.g., ICAI, IFAs) to disseminate accurate and comprehensive information about all available tax-saving instruments. This could involve joint webinars, workshops at workplaces, distribution of official brochures and simplified guides through bank branches, training

programs for HR departments on tax-saving schemes, and encouraging IFAs to integrate broader scheme awareness into their client consultations.

➢ Tax professionals should encourage clients to review their tax planning strategies more frequently than just annually. Tax professionals, who are already a primary source of tax planning (56.2% consult them), are uniquely positioned to advocate for and facilitate more frequent reviews. This means moving away from a "year-end rush" approach to a more continuous, proactive strategy.

➢ People should be encouraged to plan their taxes early in the financial year. Employers could encourage employees to submit their tax-saving investment proofs earlier in the year. Financial advisors can guide clients to set up systematic investment plans (SIPs) for tax-saving instruments at the beginning of the financial year.

➢ Meeting taxpayers where they are means embracing the digital realm, extending far beyond basic, static FAQs. It's crucial to develop user-friendly, interactive online tools. Picture personalized calculators that go beyond simple estimations, actively suggesting suitable tax-saving options. These tools could tailor recommendations based on an individual's income, age, specific financial goals like retirement or a child's education, and their personal risk appetite. This dynamic approach transforms passive information into actionable, customized guidance.

IV. CONCLUSION

This study offers key insights into how individual taxpayers in Hyderabad approach tax-saving schemes. It reveals that while popular sections like **80C, 80D, and 80E** are widely recognized, there's a significant lack of awareness about other beneficial schemes, such as the **National Pension System (NPS)**. This gap suggests that taxpayers are missing out on opportunities to fully optimize their savings, and it also points to a broader missed chance for the government to promote greater financial security among its citizens. The research also highlights that a substantial portion of the population relies on external channels like **tax professionals, financial advisors, tax planning software, or seminars** to navigate their tax planning. This underscores the crucial role these resources play in disseminating vital information and guiding taxpayers through the complexities of tax regulations. Finally, the study confirms that while people are motivated to invest in tax-saving schemes primarily to **reduce their tax burden and secure their future**, many still lack comprehensive knowledge about all the available options to achieve these goals.

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