Assessment of the Personal Income Tax System of India

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Abstract

An effort has been made in the current article to shed light on the current personal income tax structure in India. The study provides a brief analysis of the problems caused by the high tax burden on low- and middle-income individuals. The researcher comes to the conclusion that more reforms in the personal income tax structure are still required, including raising the exemption thresholds, reducing tax rates, realigning the various income tax slabs, and streamlining the entire tax process to encourage people to comply with the law.

Keywords

Personal Income Tax, Taxpayers, Slabs, Structure, Financial Year.

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Introduction

Income tax is a sort of tax that the federal government levies on the money that people and businesses make over the course of a fiscal year. The government receives funding via taxes. The government uses these funds for various welfare programs, infrastructure improvements, healthcare and education services, and subsidies for farmers and the agricultural industry. Direct taxes and indirect taxes are the two primary categories of taxes. Direct tax, for instance, is a type of tax that is imposed directly on income earned. The income slab rates that were in effect for that financial year are used to calculate taxes.

Taxes, in whatever form have a bearing on every citizen of the country. Anyone whose total income exceeds the maximum exemption amount is required to pay income tax at the rates outlined in the law. This includes individuals, companies, Hindu undivided families, firms, cooperative societies, and all other artificial judicial persons. Tax is also referred to as a financial charge or levy because it is not an optional contribution but rather an imposed one. Even though taxes are used to fund a variety of activities that promote social welfare, taxpayers feel resentful of the system. The truth is that the taxpayers do not want to have their hard-earned money taken away. The fight between taxpayers and tax collectors has been documented throughout history. The illogical design of personal income tax may be to blame for this. The Personal Income Tax schedule had astronomically high tax rates, tax bases, and tax slabs. by any criteria during the time under consideration. The necessity of tax structure rationalization was long felt, although not much. The need for reform is well known.

Review of Literature

Although it is widely believed that taxes on income and wealth are a modern development, there is sufficient evidence to prove that income taxes in some form or another were imposed even in ancient times.**The tax structure in India** is a three-tier structure. The central government, state governments, and local municipal bodies make up this structure. Article 256 of the constitution states that “No tax shall be levied or collected except by the authority of law”.Indian tax laws have their roots in ancient books like the Arthashastra and Manusmriti. These manuscripts suggest that agricultural products, silver, or gold would have served as the tax payment method for farmers and craftspeople throughout that time. Based on these sources, Sir James Wilson developed the fundamental ideas for the contemporary Indi0000000an tax system in 1860, a time of British administration in India. But once India gained its independence, the newly formed Indian Government modified the system to further the nation’s economic growth. The Indian tax system has undergone numerous changes during this time.

In Pawan. K. Agarwal's (1991) research, the responsiveness of the personal income tax to changes in income distribution inequality was estimated. According to his findings, the yield of personal income tax in India grows when tax inequality among taxpayers increases. The calculated elasticity, 1.17, will change if inequality changes between 1966–1967 and 1983–1984.

In his work, Bagchi (1993) attempted to examine how contemporary information technology affects tax collection. He contrasted the use of IT in India with that in other nations, including Canada, the United States, Singapore, New Zealand, Spain, Mexico, Chile, and Kenya.The study concluded that organizational reform, human resource training, standardization, and a supportive legal framework were necessary to fully employ current information technology.The study concluded that organizational reform, human resource training, standardization, and a supportive legal framework were necessary to fully employ current information technology.

(Agarwal,1991) High tax revenue responsiveness to changes in public entity income or national income is a sign of a successful tax system; the method of measurement. Tax elasticity and tax buoyancy describe this reaction. Tax code forms a crucial component of the process of development in expanding economy The overall amount of tax income depends on the tax base, national income, and tax rate make up the three variables.

(Ankita 2009) analyzed in her study that changes to the taxation system can result from tax reforms. It can be challenging for a taxpayer to determine whether a change in their tax liability is the result of legislative alterations to the federal tax code or modifications to their situation.

(Troy et all) Personal circumstances have changed. Rates of income taxation, tax brackets, and the frequency of surcharges to time. Rates at 10, 20, and 30 have remained constant since 1997–1998.Following the Kargil war, a 5 percent surcharge on income tax was implemented in 2002–03 but was later removed. However, a separate 10 was added in its place. all taxpayers with taxable incomes are subject to a percent surcharge. (Raoen all)By gathering original data from 100 tax consultants working in Punjab and Haryana, Singh, and Sharma (2007) attempted to investigate how tax professionals felt about the Indian Income Tax System. Data factor analysis revealed seven factors, including a decrease in tax evasion, the expansion of taxpayer relief, incentives for dependents and truthful taxpayers, a larger tax base, electronic filing of taxes, and the sufficiency of deductions and the effect of the exempt-exempt tax structure were key factors in deciding how effective tax system in India. It was noted that the majority of tax consultants were content with the current tax rates.

However, regarding pricing level adjustments, the majority expressed discontent. Additionally, it was noted that the majority of taxpayers used tax consultants because they thought it was affordable. In her study, (V Rani 2011) discussed the taxation of income in India after economic liberalization and the implications of this for policy. She has evaluated the functioning of the income tax department, the growth of tax revenue, and the views of tax experts on the Indian tax system. The research discovered that the government has made an effort to fulfill the goal of social welfare by offering a variety of incentives for health, housing, savings, pension plans, and so forth.The implementation of PAN, electronic filing of income tax returns, an online tax accounting system, and other initiatives have been taken by the government to broaden the tax base. Additionally, it was discovered that the percentage of direct taxes in the Central Government's overall tax revenue, the number of people subjected to income tax assessments, the ratio of income taxes to GDP, and the buoyancy coefficient all increased throughout this time.

Objectives of the Study

The primary goal of the study is to analyze how income taxation has operated in India during the past ten years, with the following specific goals:

1. To examine the growth in income tax receipts over the study period.
2. To assess the current situation and potential developments for the current income tax system.
3. Based on findings, offer suggestions for improving India's income taxation system.

Limitation and Scope of the Study

As one of the key sources of governmental funding, income tax requires special consideration in developing economies. Since the colonial era till the present, India's tax system has advanced significantly.

The tax system's restructuring has been a key part of fiscal changes implemented since 1991. By broadening the tax base, increasing voluntary tax compliance, and streamlining administrative procedures, the fundamental goal of these improvements has been to increase tax revenue. According to a review of the literature on the subject, many researchers have focused on researching different aspects of the income tax system, particularly with regard to tax structure, tax incentives, compliance costs, unreported income, overworked income tax officials, a lack of a systematic plan for computerization, an increase in the number of pending assessments, outstanding refunds, etc. It is important to note that the scope of current studies is constrained, or that enough time has passed since their completion. Hence, the present research paper is being undertaken.

Research Methodology:Data Collection

Data has been collected for the study from secondary sources, including the different Finance Acts, the Income Tax Act 1961, reports of the CAG of India on direct taxes, websites of the Income Tax Department, and the Ministry of Finance. It relates to the years 2011-12 to 2021-22.

Statistical tools including simple frequencies, percentages, averages, simple growth rates, compound annual growth rates (CAGR), buoyancy coefficients, average weighted scores, etc. have been used to analyze the data acquired. The two more general issues of tax revenue growth and the effectiveness of the Indian Income Tax Department's administration are the focus of the study.

The current study has undergone from the following stages:

1. Composition and comparison of tax-exempt income.
2. Calculation of the overall tax liability for all taxpayers throughout the review period.
3. Calculation of the tax burden's growth rate.
4. Calculation of tax obligations based on various income brackets.
5. Results and discussion.

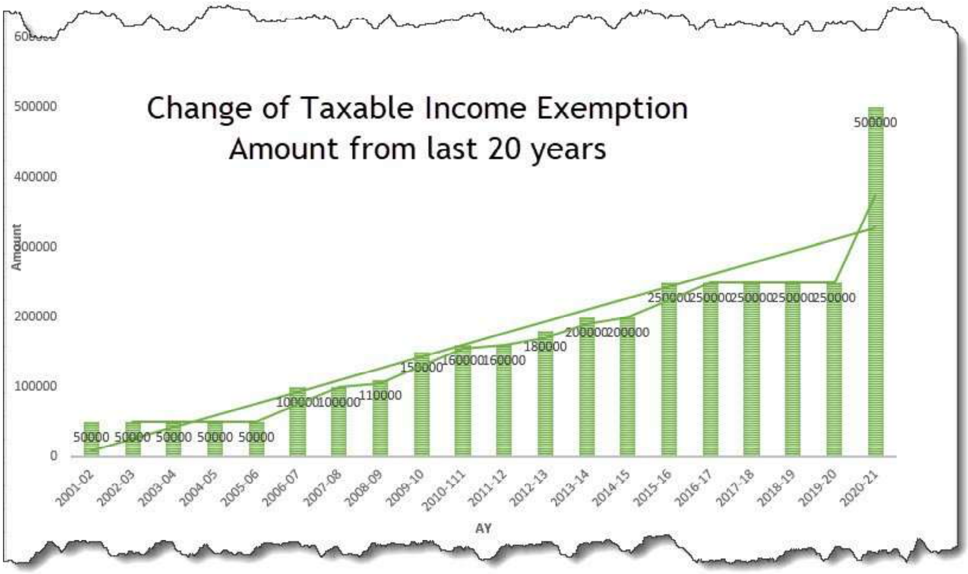
1. Composition and Comparison of Tax-Exempt Income

Male, female, and senior citizen tax-free income is shown in Table 1 below. According to the study, the exemption ceiling held steady for the first six fiscal years under consideration despite rising living expenses and more demands for a better quality of life. Although the percentage of tax-free income that grew after that is significant, the rate of increase has not kept up with generally rising costs.

Table 1

S. N.	Financial Year	Male	Female	Senior Citizen	Very Senior Citizen
1.	2012-2013	2,00,000	2,00,000	2,50,000	5,00,000
2.	2013-2014	2,00,000	2,00,000	2,50,000	5,00,000
3.	2014-2015	2,50,000	2,50,000	3,00,000	5,00,000
4.	2015-2016	2,50,000	2,50,000	3,00,000	5,00,000
5.	2016-2017	2,50,000	2,50,000	3,00,000	5,00,000
6.	2017-2018	2,50,000	2,50,000	3,00,000	5,00,000
7.	2018-2019	2,50,000	2,50,000	3,00,000	5,00,000
8.	2019-2020	2,50,000	2,50,000	3,00,000	5,00,000
9.	2020-2021	2,50,000	2,50,000	3,00,000	5,00,000
10.	2021-2022	2,50,000	2,50,000	3,00,000	5,00,000
11.	2022-2023	2,50,000	2,50,000	3,00,000	5,00,000

For those above 80 years old, a new category called “Very elderly citizen” was added in 2011–2012. Currently, there are two categories of senior citizens: “Senior citizens” up to 60 years old, and “Very senior citizens” 80 years of age or above. For newly constituted categories of assesses, the maximum amount of income that is free from taxation is Rs500,000; after that, they must pay tax at the then-current rates.The interesting thing about this is that the more money that is free from tax, the more people will fall into the last category.



2. **Calculation of overall Tax Liability for All Taxpayers Throughout the Review Period**

Income tax slab rate under the New Tax System for FY 2020–21

Finance Minister Nirmala Sitharaman has revealed a new tax structure in the 2020 budget. Taxpayers now have two options under this new system: either pay income tax at lower rates under the New Tax regime in exchange for giving up some permissible exemptions and deductions available under the Income Tax Act, or pay income tax at higher rates under the New Tax regime. Taxpayers can also keep paying taxes at the current rates. By adhering to the previous system and paying tax at the then-currently higher rate, the assessee is eligible for discounts and exemptions. Although the new tax system has more tax brackets and lower tax rates, the taxpayer is unable to take use of the exemptions and deductions that were previously accessible.

Tax Liability in Old Scheme (Table 2.1)

Financial Year	Income (in Rs)	Rate	Liability	Income (in Rs)	Rate	Liability	Income (in Rs)	Rate	Liability
2012-13	2,00,001 to 5,00,000	10%	30,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2013-14	2,00,001 to 5,00,000	10%	30,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2014-15	2,50,001 to 5,00,000	10%	25,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2015-16	2,50,001 to 5,00,000	10%	25,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2016-17	2,50,001 to 5,00,000	10%	25,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2017-18	2,50,001 to 5,00,000	10%	25,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2018-19	2,50,001 to 5,00,000	10%	25,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2019-20	2,50,001 to 5,00,000	10%	25,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2020-21	2,50,001 to 5,00,000	5%	12,500	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2021-22	2,50,001 to 5,00,000	5%	12,500	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2022-23	2,50,001 to 5,00,000	5%	12,500	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000

Tax Liability in New Scheme (Table 2.2)

Financial Year	Income (in Rs)	Rate	Liability	Income (in Rs)	Rate	Liability	Income (in Rs)	Rate	Liability
2012-13	2,00,001 to 5,00,000	10%	30,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2013-14	2,00,001 to 5,00,000	10%	30,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000

2014-15	2,50,001 to 5,00,000	10%	25,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2015-16	2,50,001 to 5,00,000	10%	25,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2016-17	2,50,001 to 5,00,000	10%	25,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2017-18	2,50,001 to 5,00,000	10%	25,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2018-19	2,50,001 to 5,00,000	10%	25,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2019-20	2,50,001 to 5,00,000	10%	25,000	5,00,001 to 10,00,000	20%	1,00,000	10,00,001 to 11,00,000	30%	30,000
2020-2021	2,50,001 to 5,00,000	5%	12,500	7,50,001 to 10,00,000	15%	37,500	12,50,001 to 15,00,000	25%	62,500
	5,00,001 to 7,50,000	10%	25,000	10,00,001 to 12,50,000	20%	50,000	15,00,001 to 16,00,000	30%	30,000
2021-2022	2,50,001 to 5,00,000	5%	12,500	7,50,001 to 10,00,000	15%	37,500	12,50,001 to 15,00,000	25%	62,500
	5,00,001 to 7,50,000	10%	25,000	10,00,001 to 12,50,000	20%	50,000	15,00,001 to 16,00,000	30%	30,000
2022-2023	2,50,001 to 5,00,000	5%	12,500	7,50,001 to 10,00,000	15%	37,500	12,50,001 to 15,00,000	25%	62,500
	5,00,001 to 7,50,000	10%	25,000	10,00,001 to 12,50,000	20%	50,000	15,00,001 to 16,00,000	30%	30,000

Table 2 shows the computation of the individual taxpayer's total individual income tax liability for each fiscal year from FY 2012-13 to FY 2022-23 (tax on all three slabs). Here, the tax burden on each bracket is determined from 2012-13bycordance with the tax liability up to Rs11,00,000 and from 2020-21 to 2022-23 tax liability is calculated on the total income of Rs 16,00,000. For the entire review period, different tax slabs were introduced by the income tax department due to which tax liability varied almost in every year. In 2012-13 and in 2013-14 tax liability goes down by Rs2000 and remains at Rs 30,000 only. From 2014-15 and 2019-20, it again goes down and remains at only Rs 25,000. From the year 2020-21, two tax schemes were given to the taxpayers. In the old scheme, the tax slab was reduced to 5%, 20% and 30% so the total tax liability in the first band is Rs 12500 only.

The second income band had a ceiling of Rs 1,00,000 from 2012–13 to 2022-2023.Tax obligation for the third income group is Rs 30,000 from 2012-13 to 2022-2023.

The total tax burden is declining from 2014 –2015 but this is only one side of the story because those in the third income group typically have high incomes. People who fall into the low and medium income group are more heavily taxed than their counterparts who are in the third income bracket, according to the rising trend of the tax burden in the case of the first and second income slabs throughout the time under consideration.

In 2020-21, a new tax scheme was introduced by the income tax department. As per the new scheme, different tax rates were introduced, so from 2020-21 to 2022-2023, the total tax liability is Rs 2,12, 500 on total income of Rs 16,00,000. The government has gradually added new provisions to the Income Tax Act in an effort to reduce citizens' tax obligations. The income tax legislation offers taxpayers more than 70 exemptions and deductions that they might use to lower their tax obligations. Our salary includes a number of exemptions that can be used to lower our taxable income, including House Rent Allowance, Leave Traveling Allowance, and others.

3. Calculation of The Tax Burden's Growth Rate.

Table 3.1

Growth Rate of Tax Burden as per Old Scheme

Financial Year	Tax Burden in 1st Slab Rs	Tax Burden in 2nd Slab Rs	Tax Burden in 3rd Slab Rs	Total Tax Burden Rs	Total Taxable Income Rs	Tax Burden in %
2012-13	30,000	1,00,000	30,000	1,60,000	11,00,000	14.55
2013-14	30,000	1,00,000	30,000	1,60,000	11,00,000	14.55
2014-15	25,000	1,00,000	30,000	1,55,000	11,00,000	14.09
2015-16	25,000	1,00,000	30,000	1,55,000	11,00,000	14.09
2016-17	25,000	1,00,000	30,000	1,55,000	11,00,000	14.09
2017-18	25,000	1,00,000	30,000	1,55,000	11,00,000	14.09
2018-19	25,000	1,00,000	30,000	1,55,000	11,00,000	14.09
2019-20	25,000	1,00,000	30,000	1,55,000	11,00,000	14.09
2020-21	12,500	1,00,000	30,000	1,42,500	11,00,000	12.95
2021-22	12,500	1,00,000	30,000	1,42,500	11,00,000	12.95
2022-23	12,500	1,00,000	30,000	1,42,500	11,00,000	12.95

(Source: Data compiled from information given in table 2.1)

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Table 3.2

Growth Rate of Tax Burden as per New Scheme

Financial Year	Tax Burden in 1st Slab Rs	Tax Burden in 2nd Slab Rs	Tax Burden in 3rd Slab Rs	Total Tax Burden Rs	Total Taxable Income Rs	Tax Burden in %
2012-13	30,000	1,00,000	30,000	1,60,000	11,00,000	14.55
2013-14	30,000	1,00,000	30,000	1,60,000	11,00,000	14.55
2014-15	25,000	1,00,000	30,000	1,55,000	11,00,000	14.09
2015-16	25,000	1,00,000	30,000	1,55,000	11,00,000	14.09
2016-17	25,000	1,00,000	30,000	1,55,000	11,00,000	14.09
2017-18	25,000	1,00,000	30,000	1,55,000	11,00,000	14.09
2018-19	25,000	1,00,000	30,000	1,55,000	11,00,000	14.09
2019-20	25,000	1,00,000	30,000	1,55,000	11,00,000	14.09

(Source: Data calculated as above in table 2.1)

Calculation of Tax Burden as per New Scheme forTaxable Income 11,00,000)

Financial Year	Tax Burden in 1st Slab Rs (5%)	Tax Burden in 2nd Slab Rs (10%)	Tax Burden in 3rd Slab Rs (15%)	Tax Burden in 4th Slab Rs (20%)	Tax Burden in 5th Slab Rs (25%)	Tax Burden in 6th Slab Rs (30%)	Total Tax Burden Rs	Tax Burden in %
2020-21	12,500	25,000	37,500	50,000	62,500	30,000	2,17,500	13.59
2021-22	12,500	25,000	37,500	50,000	62,500	30,000	2,17,500	13.59
2022-23	12,500	25,000	37,500	50,000	62,500	30,000	2,17,500	13.59

(Source: Data calculated as above in table 2.2)

The rising rate of the overall tax burden under the old plan ranges from 14.55 percent to 14.09 percent from 2012–13 to 2022–23, as further evidenced by Table 3.1. Given the rising tax rates on the first and second income groups, there is strong support for the idea that the current system of personal income taxation has to be altered by lowering tax rates.The country's inclination toward inflation causes citizens who are subject to taxation to experience a double bind, which may negatively impact both their ability to support themselves and their willingness to pay taxes. Table 3.2 reveals that range of tax burden is increased in the new scheme up to 13.59 percent in 2020-21 to 2022-23 in comparison to the old scheme. But in comparison to previous years, the tax burden is decreased in new scheme in 2020-2021. In this plan, the finance minister gives more tax slabs to the taxpayer and offer the choice to pay tax as per any one of the plan.

4. Calculation of Tax Obligations as per the Old Scheme Based on Various Income Brackets

The researcher has computed the tax loads for various slabs, which are shown in table 4.1 and table 4.2 along with their increase rates in corresponding tables. Although the amount covered by various tax slabs and their composition has changed from time to time, most people in our country fall within the first two slabs according to their income levels and are referred to as a common man. Since the assesses whose earnings span all three slabs are people with high-income levels and the people who fall into the first and second tax brackets are people in the middle-income group, the tax burden on the various tax slabs gives us a distinct picture. This is practically a clear viewpoint.

Table 4.1

Tax Obligations as per Old Scheme

Financial Year	Tax Burden in 1st Slab Rs	Tax Burden in 2nd Slab Rs	Tax Burden in 3rd Slab Rs	Total Tax Burden Rs
2012-13	30,000	1,00,000	30,000	1,60,000
2013-14	30,000	1,00,000	30,000	1,60,000
2014-15	25,000	1,00,000	30,000	1,55,000
2015-16	25,000	1,00,000	30,000	1,55,000
2016-17	25,000	1,00,000	30,000	1,55,000
2017-18	25,000	1,00,000	30,000	1,55,000
2018-19	25,000	1,00,000	30,000	1,55,000
2019-20	25,000	1,00,000	30,000	1,55,000
2020-21	12,500	1,00,000	30,000	1,42,500
2021-22	12,500	1,00,000	30,000	1,42,500
2022-23	12,500	1,00,000	30,000	1,42,500

Table 4.2

Tax Obligations as per NewScheme

Financial Year	Tax Burden in 1st Slab Rs	Tax Burden in 2nd Slab Rs	Tax Burden in 3rdSlab Rs	Total Tax Burden Rs
2012-13	30,000	1,00,000	30,000	1,60,000
2013-14	30,000	1,00,000	30,000	1,60,000
2014-15	25,000	1,00,000	30,000	1,55,000
2015-16	25,000	1,00,000	30,000	1,55,000
2016-17	25,000	1,00,000	30,000	1,55,000
2017-18	25,000	1,00,000	30,000	1,55,000
2018-19	25,000	1,00,000	30,000	1,55,000
2019-20	25,000	1,00,000	30,000	1,55,000

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Finance Minister, Nirmala Sitharaman has revealed a new tax structure in the 2020 budget. The new tax system has more tax brackets and lower tax rates. The calculation of tax obligation as per new is discussed in the table 4.2. Tax liability remains the same for the years 2011-2012 to 2019-2020 as in Table 4.1

Tax Obligations as per NewScheme from 2020-21 to 2022-23

Financial Year	Tax Burden in 1st Slab Rs (5%)	Tax Burden in 2nd Slab Rs (10%)	Tax Burden in 3rd Slab Rs (15%)	Tax Burden in 4th Slab Rs (20%)	Tax Burden in 5th Slab Rs (25%)	Tax Burden in 6th Slab Rs (30%)	Total Tax Burden Rs
2020-21	12,500	25,000	37,500	50,000	62,500	30,000	2,17,500
2021-22	12,500	25,000	37,500	50,000	62,500	30,000	2,17,500
2022-23	12,500	25,000	37,500	50,000	62,500	30,000	2,17,500

Table 5

The trend of Tax Liability on the First Slab

Financial Year	Growth Rate in (%)
2012-14	----
2014-2020	16.67
2020-2021	58.33
2021-2022	58.33
2022-2023	58.33

(Source: Data as above table 4.1 & 4.2)

In table 5, the growth rate is calculated by the formula using,

Current Year – Previous YearX 100

Previous Year

The first tax band carries a hefty tax burden, as seen in table 5 by the significant increase rate in the tax burden that corresponds to it. An inverse correlation between income obtained by assesses and the level of tax imposed on them is being revealed by continuously increasing the dose of tax on a low income. In order for people to behave in conformity with tax law, proper care must be taken by the tax administration to have a low tax liability at the lowest level.

In comparison to the first tax bracket, the third tax bracket has a lower tax burden.To reduce the distortion brought on by bracket creep, there should be fewer tax slabs with a fairly wide range of rates. This is another option to change the personal income tax structure. Numerous studies have found that tax rate reductions have a positive effect on tax buoyancy.

Conclusion

Despite the fact that paying taxes is a moral obligation and that taxpaying citizens are aware that the money collected in this way by the government is used for social welfare, the high personal income tax rates and other absurdities in the current tax code make taxpayers feel a little squeezed as they make contributions to this admirable cause. This circumstance causes people to dislike paying income taxes, which makes it more likely that they will try everything in their power to conceal their income and avoid paying taxes—a serious setback for the nation's ability to expand economically.In order to encourage those who, fall victim to tax traps to come forward and feel proud to pay taxes, it is urgent to improve the current tax system by drafting tax-friendly laws. To make them feel even more at ease and to further draw them in The fundamental exemption threshold must be reasonable. It is necessary to modify the tax brackets and tax tariff so that higher tax rates are applied to incomes over a certain threshold and lower rates are applied to incomes below that threshold.

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