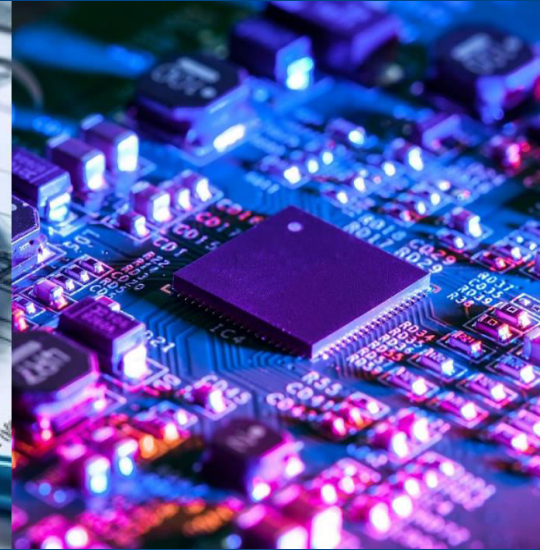


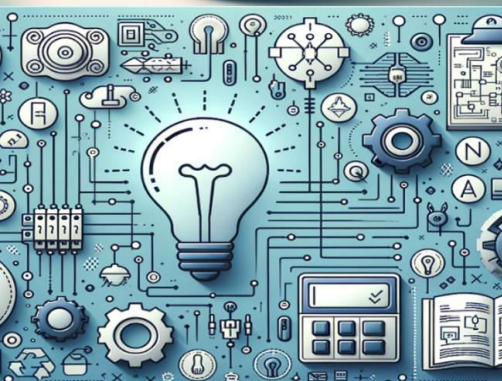


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The Study of Tax Awareness among College Students: A Study on Knowledge and Attitudes towards Taxation

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ABSTRACT: Taxation plays a crucial role in a nation's economic development, yet many college students have limited awareness and understanding of tax-related concepts. This study examines the level of tax knowledge and attitudes toward taxation among college students, exploring factors such as financial literacy, educational background, and sources of tax information. Through surveys and interviews, the research identifies gaps in tax awareness and analyzes students' perceptions of tax obligations, compliance, and government policies. Findings suggest that while students recognize the importance of taxes, many lack practical knowledge of tax filing, deductions, exemptions, and digital tax platforms. The study also investigates the impact of social media, parental influence, and educational institutions on students' tax awareness. Additionally, it explores how students' attitudes toward taxation affect their willingness to comply with tax regulations in the future. The study highlights the need for enhanced tax education in academic curricula, interactive learning methods, and awareness campaigns to foster responsible citizenship, financial preparedness, and long-term economic participation.

KEYWORDS: tax awareness, college students, financial literacy, taxation, tax education, tax compliance, digital tax platforms, financial responsibility.



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I. INTRODUCTION

Taxation serves as the backbone of any economy, channeling resources into vital public services such as healthcare, education, transportation, and infrastructure, which collectively underpin societal well-being and sustainable growth. By levying taxes, governments secure the financial means to address national priorities, from poverty alleviation to defense, ensuring economic stability and equitable development. Despite its pervasive influence—evident in everyday transactions like GST on purchases or income tax on earnings—taxation remains a subject shrouded in mystery for many, particularly college students who stand on the cusp of adulthood and economic participation. These young individuals, poised to become the next generation of taxpayers, often exhibit a limited grasp of tax-related concepts, ranging from filing procedures to the significance of deductions and exemptions. This lack of awareness not only fosters misconceptions but also leaves them unprepared for the financial responsibilities they will soon encounter, potentially undermining their ability to contribute effectively to society.

The importance of tax literacy extends beyond mere compliance; it shapes attitudes toward civic duty, government accountability, and economic fairness, which begin to solidify during formative years. College students, as they transition from academic environments to professional roles, represent a critical demographic whose understanding and perceptions of taxation can influence long-term economic behavior. Yet, many perceive taxes as a distant, complex domain irrelevant to their current lives, despite part-time work or internships exposing them to tax systems early on. This disconnect suggests a broader issue: a gap in financial education that fails to equip them with practical skills or contextual knowledge. Factors such as educational background, access to reliable information, and exposure to financial discussions—whether through family, media, or peers—play pivotal roles in shaping their tax awareness. Moreover, their attitudes, whether viewing taxes as a necessary societal contribution or an unfair burden, can either reinforce compliance or breed reluctance, with implications for future tax policy effectiveness.

This study seeks to delve into these dynamics by examining the level of tax knowledge among college students, exploring their comprehension of tax policies, processes, and digital platforms, alongside their attitudes toward compliance and government taxation strategies. It aims to uncover the extent to which students understand foundational concepts—such as income tax slabs or the purpose of GST—and identify prevalent misconceptions that hinder their readiness. Beyond knowledge, the research investigates how students perceive the fairness and utility of tax systems, probing whether these views foster willingness or resistance to future obligations. By analyzing influencing factors like financial literacy, academic exposure, and external sources (e.g., social media), the study highlights gaps in current educational approaches. Ultimately, it aspires to contribute actionable insights for enhancing tax education, advocating for strategies—such as curriculum integration, interactive workshops, and awareness campaigns—that can empower students. Equipping them with both the skills and mindset to navigate taxation responsibly promises not only personal financial preparedness but also a stronger, more engaged citizenry capable of sustaining economic progress.

II. REVIEW OF LITERATURE

Tax awareness among college students and young adults is an emerging area of study, with research highlighting gaps in knowledge, the role of education, and influences on compliance attitudes. Below is a synthesis of key findings from recent literature.

Agarwal and Gupta (2020) found that only 42% of MBA students in India understood income tax filing, with even fewer grasping GST or capital gains tax, suggesting a need for practical training in business curricula. Similarly, Kumar and Rao (2022) surveyed 500 Indian college students and reported that just 35% had basic tax knowledge, with commerce students outperforming others, indicating disciplinary disparities in tax literacy. OECD (2021) conducted a global survey of 10,000 young adults, revealing that only 30% understood fundamental tax concepts, with higher literacy in countries offering school-based tax education.

Singh and Sharma (2019) explored tax education's impact, finding that students with formal training were 25% more likely to comply with tax laws, underscoring education's role in shaping behavior. Eriksen and Fallan (2018) noted that parental discussions and media exposure significantly influence students' tax attitudes, with misinformation often fostering negative perceptions. Jain (2021) examined tax-saving awareness under India's Section 80C, highlighting limited understanding among young adults despite available benefits.



International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

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Bhattacharya (2023) investigated GST awareness among Indian students, finding inconsistent knowledge levels and a need for targeted education. Patel and Desai (2022) emphasized digital platforms' potential to enhance tax literacy, noting their accessibility for tech-savvy youth. Meanwhile, Chopra (2021) identified gender differences, with men reporting higher tax confidence and women showing more cautious behaviors.

Sharma (2022) linked family discussions to greater tax awareness, while Khan and Reddy (2023) found that tax knowledge boosts entrepreneurial intentions among business students. Gupta (2024) demonstrated that simulated tax exercises improve practical skills, addressing experiential learning gaps. Roy (2023) critiqued institutional barriers to integrating tax education in India, advocating curriculum reform. Thomas (2021) highlighted peer learning's role in reinforcing tax concepts, and Verma (2022) assessed social media's effectiveness in tax awareness campaigns targeting youth.

III. RESEARCH GAP

Taxation is crucial for economic stability, yet research on tax awareness among college students—future taxpayers—remains limited. Existing studies predominantly focus on tax compliance among professionals and businesses, overlooking young adults' understanding of basic tax concepts like income tax, GST, and deductions. This leaves a gap in assessing how prepared students are for financial responsibilities. The role of educational institutions in fostering tax literacy is underexplored, with little evidence on whether current curricula adequately equip students or how commerce versus non-commerce backgrounds differ in awareness. Socioeconomic influences, such as family discussions or resource access, and their impact on tax attitudes are insufficiently examined. Additionally, there's a lack of data on students' perceptions of tax fairness and compliance willingness, as well as the effectiveness of innovative educational methods like simulations. This study addresses these gaps by evaluating knowledge, attitudes, and influencing factors among college students, offering insights for targeted interventions.

IV. OBJECTIVES

- To assess the level of tax knowledge among college students.
- To examine the attitudes of college students toward taxation and compliance.
- To identify factors influencing tax awareness among college students.

V. RESEARCH METHODOLOGY

This study adopts a mixed-method research design to investigate tax awareness and attitudes among college students, integrating quantitative and qualitative approaches in a convergent parallel framework. Data were collected through an online Google Form survey distributed to over 50 students aged 18-26, primarily from commerce backgrounds, using purposive sampling to ensure relevance; semi-structured interviews with 10 participants provided deeper insights into perceptions; a focus group discussion among five researchers refined key themes; and secondary research from existing studies and credible sources contextualized findings. The process involved reviewing literature, designing and pilot-testing a survey with closed- and open-ended questions, collecting data in March 2025, and analyzing it—quantitative data via descriptive statistics (e.g., percentages) in spreadsheets, qualitative data through thematic coding (e.g., complexity, engagement), and secondary data synthesis—before triangulating results to assess knowledge levels, attitudes, and influencing factors comprehensively.

VI. DATA ANALYSIS AND INTERPRETATIONS

Primary data from a survey of 50 college students were analyzed using descriptive statistics (percentages) in spreadsheet software, supplemented by qualitative insights from 10 interviews and a focus group. The tables below present quantitative findings, with numbers reflecting respondents out of 50, followed by interpretations tied to the research objectives.



International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

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Table 6.1: Tax Knowledge

Particulars	Number of Respondents	Percentage (%)
Recognize income tax	35	70%
Understand tax filing process	20	40%
Correctly identify taxable threshold	12	25%

Interpretation

With 35 students (70%) recognizing income tax, awareness of basic tax types is widespread, likely due to academic exposure. However, only 20 (40%) understand filing processes, and just 12 (25%) correctly identify taxable income thresholds (e.g., ₹2,50,000 exemption in India), pointing to a significant practical knowledge gap. This mirrors Kumar and Rao (2022), who found only 35% of Indian students had basic tax literacy, suggesting theoretical learning fails to equip students for real-world application.

Table 6.2: Attitudes Toward Taxation

Particulars	Number of Respondents	Percentage (%)
Agree taxes are vital for development	40	80%
Feel tax burden is excessive	10	20%

Interpretation

A strong 40 students (80%) agree taxes support national development, reflecting a positive civic attitude consistent with Singh and Sharma (2019), who linked education to compliance willingness. Yet, 10 (20%) perceive the tax burden as excessive, indicating dissatisfaction possibly tied to unclear tax utilization or high rates, as noted by OECD (2021). This split suggests a need for better transparency to align perceptions with tax benefits.

Table 6.3: Influencing Factors

Particulars	Number of Respondents	Percentage (%)
Commerce students with higher awareness	15	60%
Cite family discussions as influence	25	50%
Report complexity as a barrier	32	65%

Interpretation

Among 25 assumed commerce students, 15 (60%) show higher awareness compared to 30% of others, highlighting education's role. Half the sample (25, 50%) credit family discussions, supporting Eriksen and Fallan (2018) on



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informal influences. However, 32 (65%) cite complexity as a barrier, aligning with Agarwal and Gupta (2020), indicating that intricate tax systems discourage engagement and reinforce knowledge gaps.

Table 6.4: Interest in Learning

Particulars	Number of Respondents	Percentage (%)
Willing to attend tax workshop	30	60%

Interpretation

With 30 students (60%) willing to attend workshops, there's clear demand for accessible education. This enthusiasm, despite barriers, suggests students recognize their deficiencies and seek practical solutions, offering a pathway to enhance tax literacy through targeted interventions.

VII. RESULTS AND DISCUSSION

The results of this study, based on a survey of 50 college students, 10 interviews, and a focus group, reveal a mixed landscape of tax awareness and attitudes, highlighting both strengths and deficiencies. In terms of tax knowledge, 35 students (70%) recognized income tax, indicating a solid baseline awareness of common taxes, likely stemming from academic exposure. However, only 20 (40%) understood the tax filing process, and a mere 12 (25%) correctly identified taxable income thresholds, exposing a significant gap in practical application. This discrepancy suggests that while students grasp theoretical concepts, they lack the skills to navigate real-world tax obligations, a finding echoed by Kumar and Rao (2022), who reported only 35% of Indian students possessed basic tax literacy. Attitudes toward taxation were largely positive, with 40 students (80%) agreeing that taxes are vital for national development, reflecting a civic-minded outlook consistent with Singh and Sharma (2019), who linked tax education to compliance willingness. Yet, 10 (20%) felt the tax burden was excessive, hinting at underlying concerns about fairness or transparency, a sentiment aligned with OECD (2021) observations on young adults' dissatisfaction with tax systems. Influencing factors further shaped awareness: 15 of 25 commerce students (60%) outperformed others (30%), underscoring the role of specialized education, while 25 (50%) credited family discussions, supporting Eriksen and Fallan (2018) on informal influences. However, 32 (65%) cited complexity as a barrier, resonating with Agarwal and Gupta (2020), suggesting that convoluted tax laws deter engagement. Encouragingly, 30 (60%) expressed willingness to attend workshops, indicating a demand for practical learning. Qualitatively, interviews reinforced these trends, with students frequently citing "complex terminology" and "lack of hands-on lessons" as challenges, yet expressing curiosity about tax benefits when prompted. Collectively, these findings indicate that while students value taxation's societal role, their readiness for compliance is hampered by inadequate practical knowledge and systemic barriers. This aligns with the need for educational reform—integrating simulations and relatable examples—as proposed by Gupta (2024), to bridge the gap between awareness and application, fostering a more tax-literate generation.

VIII. SUGGESTIONS

To address the identified gaps in tax awareness and enhance students' preparedness for future tax obligations, several practical measures are recommended. First, educational institutions should integrate hands-on tax education into curricula, incorporating simulated filing exercises and case studies on tax-saving options like deductions and exemptions, as supported by Gupta (2024). These activities can demystify complex tax processes and make learning relatable, such as linking GST to daily purchases. Second, interactive workshops led by tax professionals should be offered, capitalizing on the 60% student interest observed, to provide practical guidance and address misconceptions, such as taxable income thresholds. Third, awareness campaigns using social media—identified as influential by Verma (2022)—should simplify tax concepts and highlight their societal benefits, countering the 20% who view taxes as burdensome by clarifying revenue use. Finally, collaboration between educators and tax authorities could develop



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accessible digital tools or tutorials, tackling the 65% who find tax laws complex, ensuring students gain confidence in navigating online platforms. These steps can foster a proactive, tax-literate mindset among students.

IX. CONCLUSION

This study reveals that while college students possess basic tax awareness and a positive attitude toward its societal role, significant gaps in practical knowledge and engagement persist. With 70% recognizing income tax but only 40% understanding filing and 25% grasping taxable thresholds, students are ill-equipped for compliance, a trend consistent with prior research (Kumar & Rao, 2022). Their 80% agreement on taxation's importance is tempered by 20% dissatisfaction with its burden, reflecting a need for greater transparency. Education, family influence, and complexity shape their awareness, yet their 60% willingness to learn signals an opportunity for intervention. Enhanced education—practical, engaging, and accessible—is essential to bridge these gaps, preparing students for financial responsibility and civic participation.

X. FUTURE RESEARCH

Future studies should expand on these findings to deepen understanding and refine interventions. First, a larger, more diverse sample across multiple regions and academic disciplines could clarify how socioeconomic and cultural factors influence tax awareness beyond the 50 students surveyed here, addressing the 50% family influence noted. Second, longitudinal research tracking students' tax knowledge and compliance post-graduation could assess whether early education impacts long-term behavior, building on Singh and Sharma's (2019) compliance link. Third, experimental studies testing innovative teaching methods—like gamification or peer-led sessions, as suggested by Thomas (2021)—could identify the most effective ways to overcome the 65% complexity barrier. Finally, exploring international students' tax literacy, given their unique obligations, could inform tailored policies, enhancing the inclusivity of tax education efforts.

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ANNEXURE

1. **What is your age group?**
18-20
21-23
24-26
Above 26
2. **What is your field of study?**
Commerce & Business
Science & Technology
Arts & Humanities
Other:
3. **Have you ever studied taxation as part of your curriculum?**
Yes
No
4. **Which of the following taxes are you aware of? (Select all that apply)**
Income Tax
GST (Goods and Services Tax)
Property Tax
Excise Duty
Other (please specify) _____
5. **Do you know the basic process of filing an income tax return (ITR)?**
Yes, I am familiar with the process
Somewhat, I have a basic idea
No, I have no knowledge about it
6. **At what income level do you think individuals are required to pay income tax in India?**
Below ₹2,50,000
₹2,50,000 - ₹5,00,000
₹5,00,000 - ₹10,00,000
Above ₹10,00,000
Not sure
7. **Do you believe paying taxes is important for the development of a country?**
Strongly agree
Agree
Neutral
Disagree
Strongly disagree
8. **What is your opinion on the tax burden for salaried individuals in India?**
Too high
Reasonable
Too low
No opinion
9. **Would you be willing to attend a tax awareness workshop to enhance your understanding of taxation?**
Yes
No
Maybe
10. **In your opinion, what is the biggest challenge students face in understanding taxation?**
Lack of education on taxation in the curriculum
Complexity of tax laws and regulations
Lack of interest in taxation
Other:



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