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"THE UNHEARD SOULS OF RAJA CHELLIAH COMMITTEE- AN EXCLUSIVE STUDY ON TAX REFORMS IN INDIA"

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Abstract:

Taxation is an important source of revenue for any country. It helps in securing social justice, reducing inequalities in income and wealth, mobilizing savings and discouraging undesirable investment. The Objective behind reform is orienting the tax structure towards an open and competitive economy by improving its efficiencies and tax revenues on a sustainable basis. Tax reforms should aim at augmenting the tax revenue to meet ``the growing expenditure, enhance the income elasticity of the revenue , the efficiency cost of taxation must be minimized, reforms must aim at designing an appropriate policy of tax incentives , Equity is very important objective of tax reforms is to make the system very simple as possible , ensure Flexibility and stability, Improving the Tax Administration so that the fiscal deficit may be brought down to a reasonable level, lowering the tax rates and broadening the tax base, higher revenue realization should be possible with better compliance these all the above objectives are included in the Raja Chelliah Committee Report. The study is Descriptive in Nature and Data collected from secondary sources.The objective of the present paper is to study the Tax Reform Measures Suggested by Chelliah Committee and Relevance on Economic Development.

KEY WORDS: Tax Reforms, Efficiency, Tax Revenue,Tax – GDP Ratio, Equity, Growth.

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Introduction

Taxation is a key tool of fiscal policy. In developing economy like India, tax occupies a strategically important position in the overall development of the country due to its significant contribution to the national exchequer, which is ultimately spent on the overall development of different sectors of the economy. There have been the major changes in tax systems of countries with a wide variety of economic systems and levels of development during the last two decades. The motivation for these reforms has varied from one country to another and the thrust of reforms has differed from time to time depending on the development strategy and philosophy of the times. In many developing countries, the immediate reason for tax reforms has been the need to enhance revenues to meet impending fiscal crises. As Bird (1993) states, “Fiscal crisis has been proven to be the mother of tax reform”. Such reforms, however, are often ad hoc and are done to meet immediate exigencies of revenue. In most cases, such reforms are not in the nature of systemic improvements to enhance the long run productivity of the tax system.During the last two decades, there has been severe deterioration in the fiscal health at the states level although the decline in the fiscal position of the state has been mainly due to uncontrolled expenditure growth an important factor has also been the marked decline in the tax productivity. Indian states derive approximately 65 percent of revenue from own sources, the remaining 35 percent being the transfers from the centre. Over the years central transfers to states as ratio to GDP stagnated and consequently, in view of the growing expenditure needs the dependency on own revenue increased. However, the growth of own tax revenue of almost all the states has been on the decline which has aggravated the pressure on the fiscal balance in course of time. It became responsible for the decline in the quality of expenditure. There is also a need to adjust the taxation to suit the needs of growing market orientation to the economy which calls for reducing the tax differentials across the states, broadening the tax base with minimal exemption and incentives and bringing about the much needed transparency for better tax compliance.

One of the most important reasons for recent tax reforms in many developing and transitional economies has been to evolve a tax system to meet the requirements of international competition (Rao 1992). The transition from a predominantly centrally planned development strategy to market based resources allocation has changed the perspective of the role of the state in development. The transition from a public sector based, heavy industry dominated, import substituting industrialization strategy to one of allocating resources according to market signals has necessitated systemic changes in the tax system. In an export-led open economy, the tax system should not only raise the necessary revenues to provide the social and physical infrastructure but also minimize distortions. Thus, the tax system has to adjust to the requirements of a market economy international competitiveness. As in other countries, the systemic reforms in the tax system in India in the 1990s were the product of crisis but the reforms were calibrated on the basis of detailed analysis. Indian taxation system has always been under criticism because of number of defects in the present tax system e.g. complex nature of taxes, multiplicity of taxes, more dependence on indirect taxes, problem of tax evasion, narrow base of the taxes,unnecessary Tax Exemption like PF, PPF, NPS, Difficult to calculate and understand old system, very difficult process of Tax Collection, Government Tinker with Tax Rates every year, Uncertainty Tax Rate to Corporate, Investors and Individuals, Exempt-Exempt Tax system etc. considering all these defects there is an urgent need of tax reforms in India. In this tune the government of India appointed various committees from time to time for making recommendations to improve the existing tax system.

The Tax Reform Committees	**Main Recommendations**
Taxation Enquiry Commission (1954)	Incidence of Taxation, Effect of Taxation on Capital Formation, Fiscal instrument to control inflation and deflation.
One Man Committee Nicholas (1956)	Annual tax on Wealth tax, Tax on Capital Gain, General Gift Tax & personal Expenditure Tax.
Direct Tax Administration Enquiry Committee(Mahavir Tyagi Committee 1958)	(i)Return of income accruing from business and profession should be allowed to be submitted after four months of closing date of accounting year, and for others up to 30th June, (ii) The prescribed forms of return of assessment, should be sent by post to the accesses from the income tax department.
Bhoota Lingam Committee (1967)	Rationalization and Simplification
Wanchoo Committee (1970)	To Check Tax Evasion, Avoidance and Black money.

K.M. Raj Committee(1972)	Agriculture Holding Tax
L.K. Jha Committee(1976)	Progressive Tax, VAT, Abolition of Octroi.
Chokshi Committee (1977)	Gift Tax Continuation.
Chelliah Committee (1991)	Lowering of the Corporate tax, Gift Tax Continuation, Tax Account Information System. Reduction in duty rates, Improvement of Tax Collection Procedure, **Increasing the Elasticity** of the tax revenues, **Identifying** new areas of taxation to increase Productivity.**Rationalization** of the Existing Direct Tax system, **Clubbing of Income of minor child** with that of the parent.
Kelkar Committee (2002)	Personal Income Tax, Two tier system of tax rates, Incentives-wise borrowing for housing loans was suggested, Reforms in agricultural income, Corporate Tax rate, Wealth tax should be abolished,Permanent Account Number, Block assessment of search and seizure cases should be abolished, All excise duties should be replaced by CENVAT, Uniformity in all state legislations relating to VAT.

Source:Public Finance (Fiscal Policy) S. Chand publishing ISBN 81-219-0997-X

Reforms of the tax have been one of the key elements of the structured reforms undertaken by the Indian Government since July 1991. The basic approach has been to move to tax structure which is simple, relies on moderate tax rates with a wider base and better enforcement and serves the objectives of equity and administrative efficiency. India's tax structure is quite comprehensive. Now almost every conceivable direct and indirect tax is levied in this country. In terms of the ratios of tax proceeds to national income, India is one of the highly taxes countries. And if today the government feels that its resources are inadequate and it has no alternative but to have resource to public debt and deficit financing, it is mainly due to its colossal unproductive expenditure and complete indifference to the canon of economy.

Review of Literature

Govinda Rao (2000) pointed out that there has been a change in the philosophy of tax reforms over years. This is the result of the changing perception of the role of the state. There is emphasis upon minimizing distortions in tax policy, which implies reduction in the marginal rates of taxation with a view to keeping the economy competitive.

Gupta and Dinesh (2003) discussed about direct taxation, indirect taxation and various tax reforms committees. They suggested for increasing the tax collections to meet the growing demands of government expenditure by reducing concession and exemptions, tapping the rural rich, need of rationalization disclosure scheme with stiff penalties.

Sharma and Shyam (1999) critically analyzed background of the post- 1991 tax reforms measures, observed that changes in respect of exemption limit and the rate structure have served the objective of ushering in an era of moderate tax rates with the hope that this will contribute to an improvement in tax compliance.

Helene Poirson(2006)assessed the effects of India's tax system on growth, through the level and productivity of private investment, comparisons of India's indicators shows that the Indian tax system is characterized by a high dependence on indirect taxes, large tax induced distortions on investment and financing decisions. They suggested that tax reforms combining lower statutory rates with base broadening would help to achieve pro growth fiscal adjustment in India. Average effective tax rates and tax productivity estimates suggest ample scope for raising direct tax revenue through the removal of exemptions, improved tax administration and compliance.

Bird (1992) recalls Bauer's advocacy of lower tax rates in contrast to Kaldor's advocacy of higher rates in the fifties. His description of the views of Kaldor and Bauer is worth quoting. Tax more said Kaldor: Tax less said Bauer. Increase public spending to encourage development said Kaldor: reducing public spending to encourage development said Bauer. Tax the rich especially heavily said Kaldor: tax the rich said if at all with great care said Bauer. After nearly forty years, Bauer's views on taxation are becoming acceptable in India.

Rao (2005) opined that the Indian tax system was characterized by a high dependence on indirect taxes, low average effective tax rates, high marginal effective tax rates and large tax induced distortions on investment and financing decisions and therefore reforms should be aimed at improving fiscal consolidations, lowering the marginal tax burden and reducing tax induced distortions.

Om Prakash (1993) examined about the objectives of Direct Tax Reforms and suggested that there is an immediate need to widen the tax base tax net to improve the share of tax revenues in the overall revenue of the Government and also suggested that the direct tax reforms should necessarily aim at controlling tax

M.K. Mohanty& Dr. G.K.Sharma In this article author discussed the systemic reforms in the tax system in India, Paradigms of Tax Reforms. Tax Reforms attempts until 1990 Implementation of Reforms since 1991, State tax system, Revenue Implications of Reforms, Tax Reforms and E-Commerce, Challenges. In this they have recommended rationalization, simplification, Improving of Productivity, efficient and transparent tax system.

Objectives of the Study

1. To Study the Tax Reforms Measures Suggested by Raja Chelliah Committee, Government Implementation and its Impact on Indian Economic Development.
2. To Examine the Tax payers perception on Indian Tax System.

Scope of the Study

The Scope of the study is looking into the following aspects to find ways for taking further steps towards Reforms in Indian Tax System. To give suitable Measures to take further steps towards Reforming to overcome the Loopholes in the Tax System.The study was confined to Raja Chelliah Committee Report the period from 1991 to 2000 its impact on Tax Revenue and Tax-GDP ratio are taken into consideration.

Significance of the Study

The Significance of the study is looking into the following aspects to find ways for talking further steps towards reform in Indian Taxation, find measures to expand tax payers base and increase tax compliance in overall strategy of tax reforms, determine ways to improve tax collection, boost Tax- GDP ratio: Improve Tax Administration, Ensure flexibility and stability, broadening the tax base and Equity higher revenue realization should be possible with better compliance.

Limitations of the study

Even though attempts were made to make the study perfect and objective, it is not free from limitations. Due to resource and time constraint, only Chelliah Committee Report and period from 1991 to 2000,its impact on Tax Revenue and Tax-GDP ratio has been selected for detailed study. However, maximum care has been taken to ensure the reliability of the information gathered through Secondary data.

Research Methodology

The present study Descriptive in Nature, data extracted fromsecondary Sources viz. Reports of various Tax Reforms committees constituted by Government, Government Reports, Economic Survey Reports, Books, Journals, News Paper, materials available on web site and Statistical Reports published by the Government have been scanned.

Tax Reform Measures and Recommendations of Raja Chelliah committees:

Since Independence, a number of committees were constituted by the Government of India for suggesting reforms in the Indian Tax System. The Government of India constituted a committee in August 1991 a high level committee under the Chairmanship of Dr. Raja Chelliah in order to examine and recommend. The committee made several important recommendation covering both direct and indirect taxes including tax administration. The recommendations are follows:

Measures and Recommendations:

1. Finding ways and means for **Increasing the Elasticity** of the tax revenues in both direct and indirect taxes.
2. **Restructuring** the Tax System as broad based and fairer particularly with regard to personal taxation.
3. **Rationalization** of the Existing Direct Tax system for removing anomalies, improving equity and sustaining economic incentives.
4. **Identifying** new areas of taxation to increase Productivity.
5. **Raising** of Income tax Exemption limits.
6. **Reduction in the** number of income tax rate slabs.
7. **Lowering the Tax Rates**.

8. **Clubbing of Income of minor child** with that of the parent

9. Finding ways and means of improving compliance of direct taxes and strengthening their enforcement.

10. Introduction of the presumptive tax on small retail traders with annual turnover not exceeding Rs. 5 lakhs

11. Imposition of Wealth Tax @ 1% of the value of nonproductive assets in excess of Rs. 15lacs.

12. Limiting the perquisite value of rent free or concessional rent residential accommodation provided by employer to employees whose annual salary exceeds Rs. 36000 to equivalent of 20% of the salary or the actual expenditure incurred by employer, whichever is less.

13. Inflation adjustments for capital gains for tax purpose.

14. Inclusive of 15% of leave travel allowances, sitting allowances received by MPs and MLAs etc.

15. Implementation of estimated income schemes with respect to those assesses whose total annual business turnover is more than Rs. 5 lakhs but less than Rs. 20 or Rs. 25 lakhs.

16. Corporation profit tax including taxation of foreign entities, the issue relating to business taxation, interest tax, agricultural income taxation, gift tax and tax on charitable organizations.

17. Further reforms of the system of Domestic Indirect taxes particularly at the central level.

18. Improvement in tax administration procedures, removal of harsh and complicated provisions and appellate procedures.

19. Major problems relating to tax administration.

20. Revenue audit.

21. Improvement of Tax Collection Procedure Constitution of a settlement Commission for quick and final settlement of complicated cases. Efforts should be made for a Stable Tax Regime.

22. Targets for tax collection should be fixed on some realistic basis.

23. The assessing officers should be made accountable for their actions so as to remove harassment caused to the assesses.

24. The Committee recommended the lowering of the corporate tax for all domestic companies from 51.75 per cent to 45 per cent in 1993-94 and to 40 per cent in 1994-95.

25. The multiplicity of rates of excise duty should be reduced to two or three rates at 10, 15 or 20 per cent.

26. A High rate of 30, 40 or 50 per cent could be levied on non- essential commodities or commodities injurious to health.

27. The Tax base should be enlarged by including services within the tax net.

28. The Present excise tax system should be gradually transformed into VAT at the manufacturing level.

29. The law and procedure relating to valuation should be simplified and specific duties should be replaced by ad valorem duties in respect of most goods.

30. The Committee recommended the abolition of interest tax as it acts as a wedge between the reward to the savers and return on investments.

31. The Committee recommended the continuance of the levy of gift tax, since it discourages transfer of assets for reducing the total tax liability of a family. The exemption limit may be raised to Rs. 30,000 from the present level of Rs. 20,000

Source: indiabudget.nic.in Tax reforms in India P.T. Chaudharishreeniwas publications Jaipur 2003. ISBN: 81-88730-02-5

The Main aim of the Recommendations of Chelliah Committee thus proved to be Rationalization,Restructuring the Tax System,simplification of tax structure and tax administration to make them equal with internationalstandards. Secondly it aimed at widening the tax base. Thirdly large number of exemptions was to be removed. Fourthly lowering the tax rateswas aimed at. In recent years, various budgets have implemented most of these recommendations in modified form.

Steps Taken by the Central Government for Implementation.

The Government of India accepted most of the recommendations made by Dr. Raja. J. Chelliah committee. Some of their recommendations so far taken up by the government for implementation have been duly enacted through the finance act. They are given below;

Recommendations Implemented by the Government

1. Reduction in the Rates of Personal Taxations.

2. Taxation of Capital gains through Inflation adjustment.

3. Clubbing of Income of Minor children in the hands of their parents.

4. Introduction of presumptive taxation scheme for small businessman.

5. Restructuring and Rationalization of the Procedure relating to assessment of firms.

6. Restricting Taxation of Wealth to unproductive assets.

7. Raising the monetary limit of contributions to charitable organizations.

8. Revision of Tax Exemption limit.

9. Improvement in Tax Administration Procedures.

10. Raising gift Tax Exemption limit to Rs. 30000(now abolished).

11. Amendment of section 132 regarding searches etc.

Source: Tax reforms in India P.T. Chaudharishreeniwas publications Jaipur 2003. ISBN: 81-88730-02-5

The other recommendations of the committee which have been already accepted by the government are also in the process of implementation in a phased manner.

HYPOTHESIS

H0: There is no significant impact of Tax Reforms Measures Suggested by Chelliah Committee on the Tax Revenue generation by Government of India during the post-reforms period.

H1: There is a significant impact of Tax Reforms Measures Suggested by Chelliah Committee on the Tax Revenue generation by Government of India during the post-reforms period.

H0: The Tax Reforms suggested by Chelliah Committeehave not led to higher TAX - GDP Ratio during the post-reforms period.

H2: The Tax Reforms suggested by Chelliah Committeehave led to higher TAX - GDP Ratio during the post-reforms period.

Data analysis and Results

The purpose of the study is focusing on the Tax Reforms Measures suggested by Chelliah Committee, its Impact on Tax – GDP Ratio, Total Tax Revenue, and it’s Relevance on Indian economic Development as a whole. The collected data is tested with Statistical tools like Mean, Standard Deviation, Descriptive Statistics and Regression Analysis and interpreted the results accordingly.

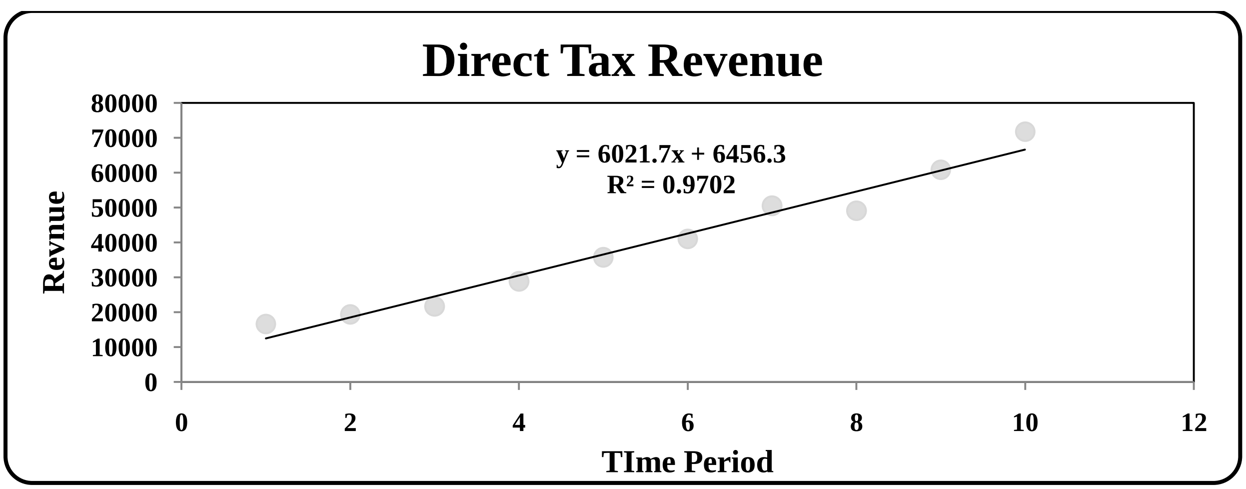
Table 5

Tax Revenue of Centre and the States from 1991-92 to 2000-01 (Rs. Crore)

Year	Total Tax Revenue (All India)		
	Direct	**Indirect**	**Total**
1991-92	16657	86541	103198
1992-93	19387	94779	114166
1993-94	21713	100248	121961
1994-95	28878	118971	147849
1995-96	35777	139482	175259
1996-97	41061	159995	201056
1997-98	50538	170121	220659
1998-99	49119	183898	233017
1999-00	60864	213719	274583
2000-01	71762	233558	305322

Source: Public Finance Statistics Report 2014-15

The Graph 1 showing Tax Revenue of Centre and the States from 1991-92 to 2000-01 (Rs. Crore)



Inferences: The Direct Tax Revenue of India from 1991-92 to 2000-01 is under taken after the inception of the Chelliah committee. The implementation of the Chelliah committee made significant recommendation on the tax structure of Indian Economy and these recommendations are implemented in India during 1991-92. The present study is undertaken to check whether the implementation of the recommendations of the Chelliah committee made any remarkable changes in the Tax Revenue of India.

The impact of the Chelliah committee recommendations is studied by fitting the linear regression line to the Direct Tax Revenue of India from 1991-92 to 2000-01. The constructed regression model is a time series model in which time period is independent variable and Direct Tax Revenue is dependent variable. The proposed model examines whether the regression coefficient of the model is differ significantly from zero because the impact of the Chelliah committee recommendations are assumed to made significant impact on the Direct Tax Revenue.

$Y = a + bX$

Here Y = Direct Tax Revenue

X = Time Period, SE = Standard Error

a and b are regression coefficients where b indicates the impact of time period on Direct Tax Revenue.

By using the data, the following model is constructed.

$\hat{Y} = 6456.333 + 6021.685\,X$

SE = (2315.258) (373.1376)

t = (2.7886) (16.1379)

Sig = (0.0236) (0.0000)

From the above model the impact of time period on Direct Tax Revenue is positive. The regression coefficient of 6021.685 indicates that Direct Tax Revenue is has upward trend during the period 1991-92 to 2000-01. The regression coefficient of 6021.685 has the t value of 16.1379 and it is statistically significant at 5% since the p value of the regression coefficient is .0000. Therefore it can be conclude that the Direct Tax Revenue is increased significantly from 1991-92 to 2000-01 and it is significantly different from zero.

Hypothesis

H0: There is no significant impact of Tax Reforms Measures Suggested by Chelliah Committee on the Tax Revenue generation by Government of India during the post-reforms period.

Conclusion:

From this model it can be infer that the impact of Chelliah committee recommendation is significantly increased the Direct Tax Revenue between 1991-92 to 2000-01. Hence the **Null hypothesis is rejected.**

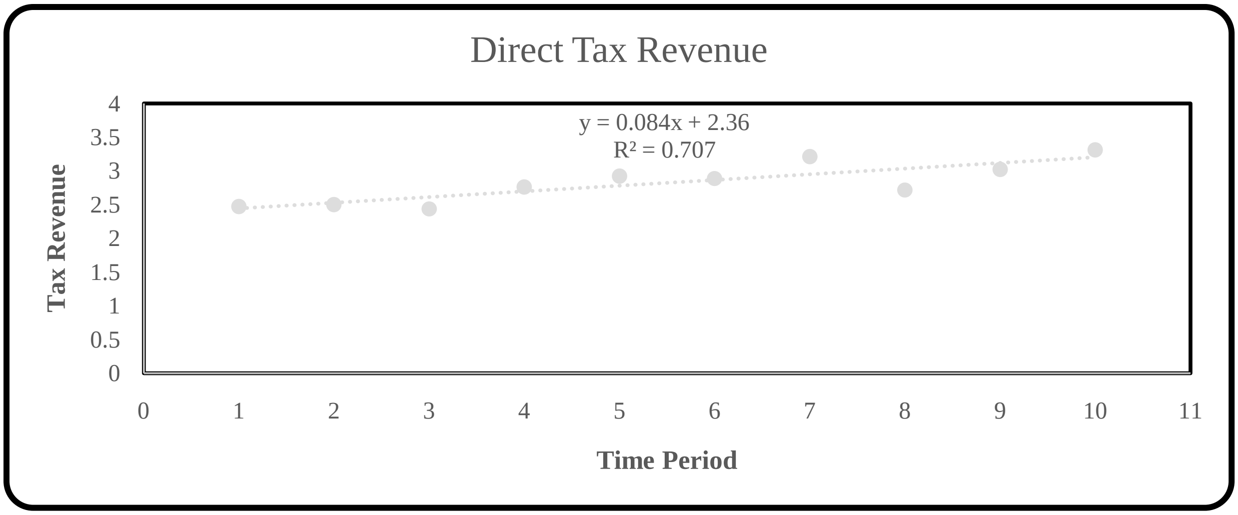
Table 2

Tax – GDP Ratios from 1991-92 to 2000-01

Year	**Total Tax Revenue (All India)**		
	Direct	Indirect	Total
1991-92	2.47	12.84	15.31
1992-93	2.50	12.24	14.74
1993-94	2.44	11.25	13.68
1994-95	2.76	11.38	14.14
1995-96	2.92	11.37	14.29
1996-97	2.89	11.27	14.17
1997-98	3.21	10.82	14.03
1998-99	2.72	10.20	12.92
1999-00	3.02	10.62	13.65
2000-01	3.31	10.77	14.08

Source: Public Finance Statistics of India

The Graph 2 showing Tax – GDP Ratios from 1991-92 to 2000-01



Inferences: The tax to GDP ratio of India from 1991-92 to 2000-01 is under taken after the inception of the Chelliah committee. The implementation of the Chelliah committee made significant recommendation on the tax structure of Indian Economy and these recommendations are implemented in India during 1991-92. The present study is undertaken to check whether the implementation of the recommendations of the Chelliah committee made any remarkable changes in the Tax to GDP ratio of India.

The impact of the Chelliah committee recommendations is studied by fitting the linear regression line to the Tax to GDP ratio of India from 1991-92 to 2000-01. The constructed regression model is a time series model in which time period is independent variable and Tax to GDP ratio is dependent variable. The proposed model examines whether the regression coefficient of the model is differ significantly from zero because the impact of the Chelliah committee recommendations are assumed to made significant impact on the Tax to GDP ratio.

Y = a + bX

Here Y = Tax to GDP ratio

X = Time Period, SE = Standard Error

a and b are regression coefficients where b indicates the impact of time period on Tax to GDP ratio.

By using the data, the following model is constructed.

$\hat{Y}$ = 2.3600 + 0.0844 X

SE = (0.1190) (0.0192)

t = (19.8356) (4.3997)

Sig = (0.0000) (0.0023)

From the above model the impact of time period on Tax to GDP ratio is positive. The regression coefficient of 0.0844 indicates that Tax to GDP ratio is has upward trend during the period 1991-92 to 2000-01. The regression coefficient of 0.0844 has the t value of 4.3997 and it is statistically significant at 5% since the p value of the regression coefficient is .0023. Therefore it can be conclude that the Tax to GDP ratio is increased significantly from 1991-92 to 2000-01 and it is significantly different from zero.

Hypothesis

H0: The Tax Reforms suggested by Chelliah Committeehave not led to higher TAX - GDP Ratio during the post-reforms period.

Conclusion:

From this model it can be infer that the impact of Chelliah committee recommendation is significantly increased the Tax to GDP ratio between 1991-92 to 2000-01. Hence the **Null hypothesis is rejected.**

Objectives 2: Profile of Respondents

Gender

Particular	Frequency	Percent
Male	100	66.7
Female	50	33.3
Total	150	100.0

Work Experience

Particular	Frequency	Percent
Less than 5years	57	38.0
5 – 10 Years	58	38.7
10 - 20 Years	25	16.7
More than 20yrs	10	6.7
Total	150	100.0

Occupation / Designation

Particular	Frequency	Percent
Tax Professional (CA)	60	40.0
Tax Administrators	20	13.3
Corporate Tax Payers	10	6.7
Non Corporate Tax Payers	60	40.0
Total	150	100.0

Education Qualification

Particular	Frequency	Percent
DEGREE	47	31.3
POST GRADUATION	55	36.7
Professional Degree	45	30.0
Ph.D	3	2.0
Total	150	100.0

Source: Primary data

Inference; from the analysis out of 150 respondents, 67% Male respondents and 33% Female respondents. 60 respondents are Charted Accountants, 20 respondents are Tax Administrators, 10 are Corporate Tax Payers and 60 respondents are Non Corporate Tax payers.

Table

Tax Payers Perception on Present Tax System

Particular	**SDA**	**%**	**DA**	**%**	**N**	**%**	**A**	**%**	**SA**	**%**	**Mean**	**Std. De**
Are you satisfied with the Current Tax System	**33**	**22**	**69**	**46**	**10**	**6.7**	**27**	**18**	**11**	**7.3**	2.43	1.223
Are you satisfied with present tax slab	**33**	**22**	**90**	**60**	**5**	**3**	**13**	**8.7**	**9**	**6**	2.17	1.058
Present Tax system is not yielding adequate Tax Revenue.	1	.7	14	9.3	18	12	87	58	30	**20**	3.87	.862
Current tax system is difficult to calculate and understand	**1**	**.7**	**27**	**18**	**23**	**15.3**	**67**	**44.7**	**32**	**21.3**	3.68	1.025
Restructure of Indian taxation is necessary	**4**	**2.7**	**7**	**4.7**	**8**	**5.3**	**75**	**50**	**56**	**37.3**	4.15	.915

Inference : From the table it can be infer that 22% and 46%of the respondents are dissatisfied about Current tax system mean is 2.43 and standard deviation is 1.223, 22% and 60% of the respondents are dissatisfied with present tax slabs mean is 2.17 and standard deviation is 1.058. 20% and 58% of respondents are strongly agree and agree that Present Tax system is not yielding adequate Tax Revenue the mean is 3.87 and standard deviation is .862. 21% and 44% of the respondents are strongly agree and agree Current tax system is difficult to calculate and understand the mean is 3.68 and standard deviation is 1.058. 37% and 50% of the respondents are strongly agree and agree that Restructure of Indian taxation is necessary the mean 4.15 and standard deviation is .915.

Major Findings of the Study

The Major findings of the study based on primary and secondary data are as follows.

- From the analysis it is found that the Regression analysis shows that there is an Increase of Tax revenue during the time period from 1991-92 to 2000-01.
- From the analysis it is found that the Regression analysis shows that there is a Positive Impact on Tax – GDP ratio during the time period from 1991-92 to 2000-01.
- Out of 150 respondents, 67% Male respondents and 33% Female respondents. 60 respondents are Charted Accountants, 20 respondents are Tax Administrators, 10 are Corporate Tax Payers and 60 respondents are Non Corporate Tax payers.
- From the analysis it is found that 22% and 46% of the Respondents are dissatisfied about the Current Tax System, the Mean is 2.43 and standard deviation is 1.223.
- From the analysis it is found that 22% and 60% of the respondents are dissatisfied with present tax slabs, the mean is 2.17 and standard deviation is 1.058.
- From the analysis it is found that 20% and 58% of respondents are strongly agree and agree that Present Tax system is not yielding adequate Tax Revenue the mean is 3.87 and standard deviation is .862.
- From the analysis it is found that 21% and 44% of the respondents are strongly agree and agree Current tax system is difficult to calculate and understand the mean is 3.68 and standard deviation is 1.058.

- From the analysis it is found that 37% and 50% of the respondents are strongly agree and agree that Restructure of Indian taxation is necessary the mean 4.15 and standard deviation is .915.

Conclusion

The Chelliah Committee has found out major issues of the Tax system and they suggested wonderful Recommendation which is plugged loopholes of tax system. The Government of India accepted most of the recommendations made by Raja Chelliahcommittee and implementation have been duly enacted through the finance Act some of the Recommendations are Restructuring and Rationalization of the Tax System, simplification of tax structure and tax administration to make them equal with international standards, Improvement in Tax Administration ProceduresIncentives- wise borrowing for housing loans was suggested, large number of exemptions was to be removed. Excise duty Replaced by VAT, Uniformity in legislations related to VAT.In 1990 Government of India faced financial crisis and political instability that leads to Investments slowdown, fall of Foreign Trade, Fiscal Crisis etc.., The Recommendations of Chelliah committee made a significant role in restructuring the Economic policy, Fiscal Policy and reduced loopholes in the Indian Taxation. The government of India has not implemented fully by the recommendations of the Chelliah committee. It is conclude that Government should take measure to implement all Chelliah committee recommendations because all recommendations are futuristic which are very much significant for present era to enable Foreign Direct Investments through innovative schemes, policies like Make in India, Digital India, Startup India, Stand up India, One Country One Market, Smart City Projects etc.

Suggestions of the Study

- The findings reveals that the Regression analysis shows that there is an Increase of Tax revenue during the time period from 1991-92 to 2000-01. It shows that The Chelliah committee recommendations on tax structure made a remarkable change in the Tax Revenue of India. It is suggested that Government should consider all the recommendations made by Chelliah Committee so that it can remove all the loop holes of the Tax system.
- The findings reveals that the Regression analysis shows that there is a Positive Impact on Tax – GDP ratio during the time period from 1991-92 to 2000-01. It shows that The Chelliah

committee recommendations on tax structure made a remarkable change in the Tax – GDP ratio of India. It is suggested that Chelliah committee recommendation are futurist recommendation Government should consider remaining recommendation for Implementation.

- The findings reveals that 22% and 46% of the Respondents are dissatisfied about the Current Tax System, the Mean is 2.43 and standard deviation is 1.223. It is suggested to the Government that Present tax system is full of hitches, loopholes, confusions. So Reforms are necessary.
- The findings reveals that 22% and 60% of the respondents are dissatisfied with present tax slabs, the mean is 2.17 and standard deviation is 1.058. It is suggested that government should not tinkering with the tax rates and slabs every year because it will influence the tax revenue and Tax – GDP ratio.
- The findings reveals that 21% and 44% of the respondents are strongly agree and agree that Current tax system is difficult to calculate and understand the mean is 3.68 and standard deviation is 1.058. It is suggested that reforms are made through simple calculation, simple language and single code for all transaction so that confusions and litigations are reduced.
- The findings reveals that 37% and 50% of the respondents are strongly agree and agree that Restructure of Indian taxation is necessary the mean 4.15 and standard deviation is .915. The present tax system is complicated and difficult to interpret, leading to many disputes and court cases. It is suggested that reforms are necessary for Indian Taxation so that leads to economic development of the country.

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