

TAX PLANNING STRATEGIES AMONG THE INDIVIDUAL SALARIED TAX PAYERS IN BENGALURU CITY

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Abstract

The present research investigates the relationship between tax planning strategies and personal income growth among individual salaried taxpayers in Bengaluru City. Tax planning encompasses various strategies intended to minimize tax liability from total taxable income. The study aims to explore how effective tax planning can enhance income generation using both academic insights and practical data. It also examines the impact of tax laws, rules, and regulations on salaried income growth. Individuals who understand and apply tax planning strategies tend to increase their accrued income compared to those who do not. Awareness of tax options allows salaried taxpayers to reduce their tax burden, reinvest the saved income, and focus on long-term wealth creation.

Keywords: *Tax Planning Strategies, Tax Liability, Taxable Income, Long-term Wealth, Tax Burden*

Introduction

Strategic tax planning is a systematic methodology for managing finances and enabling individuals to optimize income and savings while complying with India's tax regulations. Salaried individuals contribute significantly to national revenue, and Bengaluru—often referred to as India's Silicon City is home to a large population of professionals including IT employees, factory workers, and researchers. These individuals face complex tax challenges. With the introduction of the new tax regime in 2020 and various tax policies, understanding tax planning strategies has become critical for maximizing income. This study examines the awareness, preferences, and approaches of salaried individuals in Bengaluru in leveraging tax planning strategies for financial stability. It also explores demographic factors such as age, gender, income, and profession to assess how tax planning influences personal financial outcomes and contributes to the broader economy of the city

Review of Literature

Mohammed Umair and R. Ganapathi (2021):This paper is more concentrating on various Two Hundred BPO Millennial in Bengaluru, from that Sixty-three percent [63%] individual invest initially but absence of complete tax knowledge and only Thirty percent [30%] were efficiently consuming tax-saving decisions like deductions U/s 80 C to 80 Unexclusive to Bengaluru city, it highlights a tech savvy yet financially naïve workforce. The author's supporter for workshops to bridge this gap, offering insights into the city's young professionals' tax planning challenges.

Yagna Vyas and Vijay R. Gondaliya (2020):This study focused on Two hundred and fifty [250] individual salaried initiate that Seventy Percent [70%] depend on on professional advice for tax filing, a tendency likely predominant in Bengaluru due to its composite tax environment and high living costs. A preference for nonviolent investments similar to fixed deposits over riskier mutual funds and suggests a need for stability, possibly mirroring Bengaluru's salaried class. The authors call for enhanced tax literacy programs.

Dhondge, Siddhaarth, and Vilas Epper (2020):This research of One hundred and twenty [120] salaried individuals originate that Sixty-seven percent [67%] in Favor of Public Provident Fund[PPF] for tax savings and a preference that may request to Bengaluru's risk-averse IT professionals. Only Twenty-Five Percent [25%] are discovered various tax saving tools and aiming to low attentiveness. The authors suggest that the urban salaried classes need wider acquaintance to various tax strategies and directly important to Bengaluru's workforce.

M. Kumaraswamy and Divakar Velya (2020):In Divaka's research is emphasized on Hundred [100] different individuals exhibited that Seventy percent [70%] are using housing loans for tax liberation. A substantial tendency in Bengaluru's flourishing real estate market. Though, only Thirty-Five percent [35%] are fully leveraged connected to the various deductions. This study mentions that stronger procedures for salaried owners, proposing practical insights for Bengaluru's property-owning salaried class.

Bitto Benny (2018):In the Benny's Bangalore-based study of various 200 salaried individuals institute that only Sixty percent [60%] are line up to different tax-saving investments such as Life Insurance Corporation (LIC) policies. While basic tax alertness occurs, deeper awareness of deductions is requiring. This study suggests that awareness drives are very much pertinent for Bengaluru's salaried class looking for to enhance take-home pay.

Pallavi and Anuradha (2017):In this study, by measuring of 150 salaried workers, establish that only Sixty percent [60%]had link to tax planning savings and the importance given in Bengaluru to its high rents and costs of living. Whereas consciousness of deductions U/s 80 C was great, actual implementation covered. The present study author support for applied tax learning and proposing for valuable comprehensions for enlightening the outcomes of tax planning among Bengaluru's salaried professionals.

Objectives of the Study

1. To study the impact of active tax planning on income optimization.
2. To explore individuals' perceptions of the benefits and limitations of tax management.
3. To evaluate the role of tax preparation in protecting personal income.

To assess the scope for increasing income through effective tax planning

Research Methodology

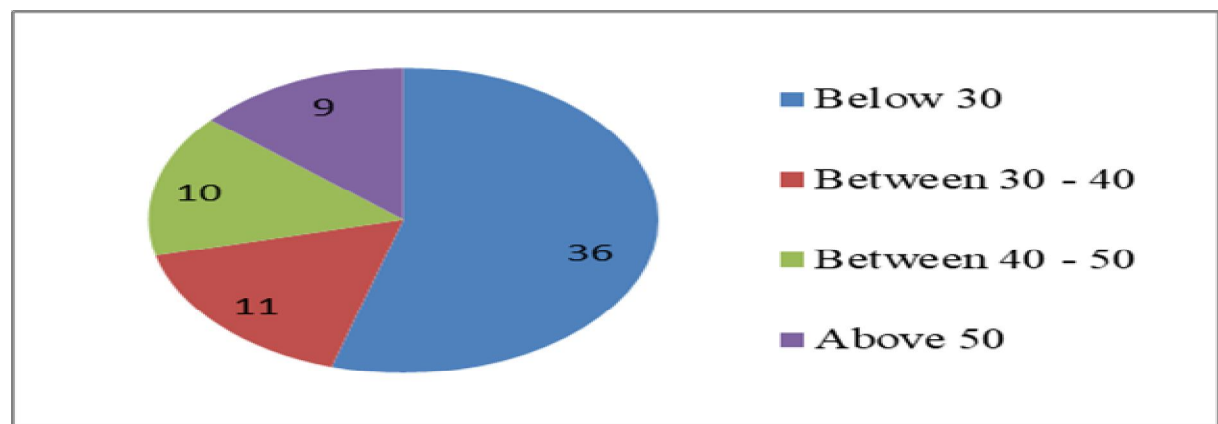
Primary data: It refers to the data which are in corporate unique and unrefined evidence acquired from directly with the first hand sources, like individual personal explanations and it is essential for research for its raw genuineness. The present study employments an organized methodology for collection of data by collecting responses from the respondents. To make sure a comprehensive scale of understandings, we are accompanying the individual discussions with individual salaried to discover their perceptions on strategies of different tax planning.

Secondary data: The secondary data are refers to the data which are formerly composed evidence or information throughout ward gatherings, frequently for different determinations, which are reutilized to sustenance for new research. We had comprehensively studied wide-ranging collection of scholarly articles authored by academics and students, together with books from recognized publishers. Furthermore, we have refer to reliable newspapers and online sources to obtain appropriate and sincere data to enrich the healthiness of our research.

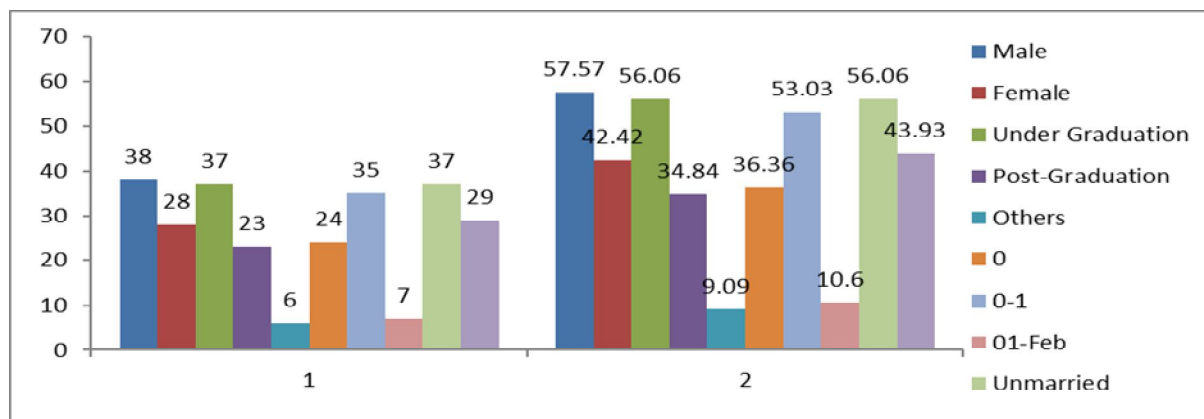
Data Analysis and Interpretation

Demographic profile

Age	Frequency	Percent
Below 30	36	54.54
Between 30 - 40	11	16.66
Between 40 - 50	10	15.15
Above 50	9	13.63
Total	66	100



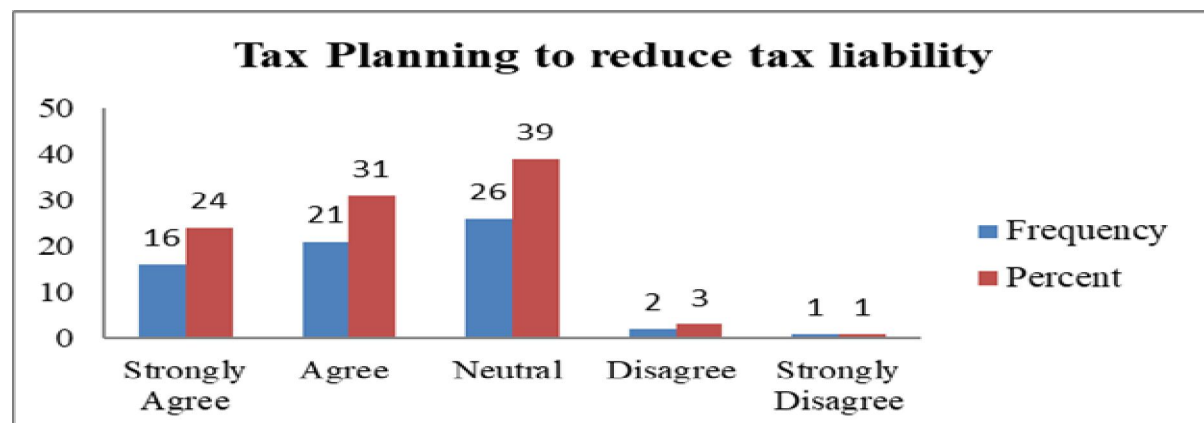
Particulars	Frequency	Percent
Gender		
Male	38	57.57
Female	28	42.42
Education Level		
Under Graduation	37	56.06
Post-Graduation	23	34.84
Others	6	9.09
No of dependents		
0	24	36.36
0-1	35	53.03
1-2	7	10.60
Marital status		
Unmarried	37	56.06
Married	29	43.93



Interpretation: Maximum of respondents are younger [below 30], male, and hold an undergraduate degree. It highlights the need for embattled financial literacy programs for young, tech-savvy but relatively inexperienced professionals. Female involvement is lower, representing a prospective gender gap in financial commitment.

Awareness of Tax Planning Benefits

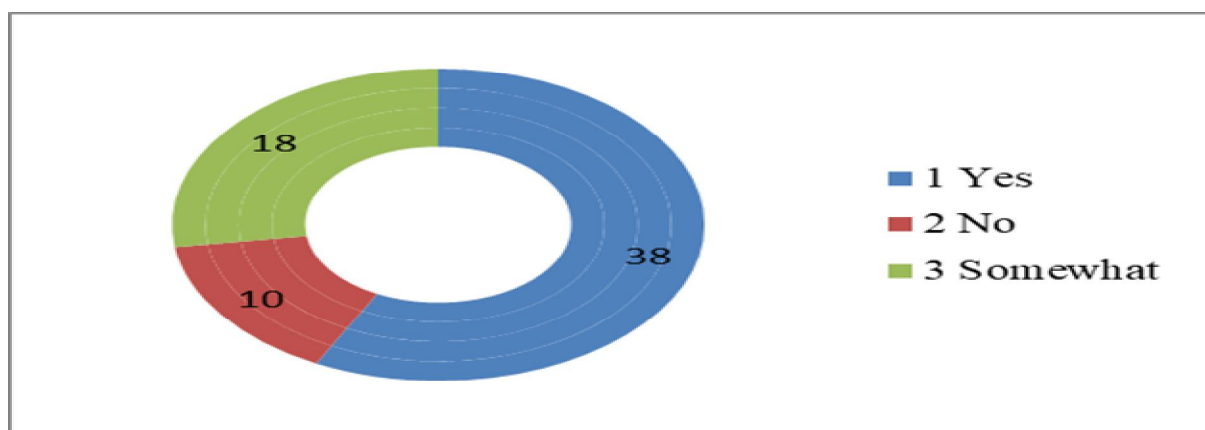
Response	Frequency	Percent
Strongly Agree	16	24
Agree	21	31
Neutral	26	39
Disagree	2	3
Strongly Disagree	1	1



Interpretation: The above table and chart is indicating that the maximum respondents are either Agree or Neutral [31% and 39%] for tax planning helps to minimize the amount of tax liability. 24% of the total respondents are strongly agreed that smart tax planning strategies help out to reduce the burden of tax liability. The minority of the total respondents [2% and 1%] are uncertain or unaware about the benefits of tax planning strategies in reducing the tax liability.

Awareness of Tax Deductions and Exemptions

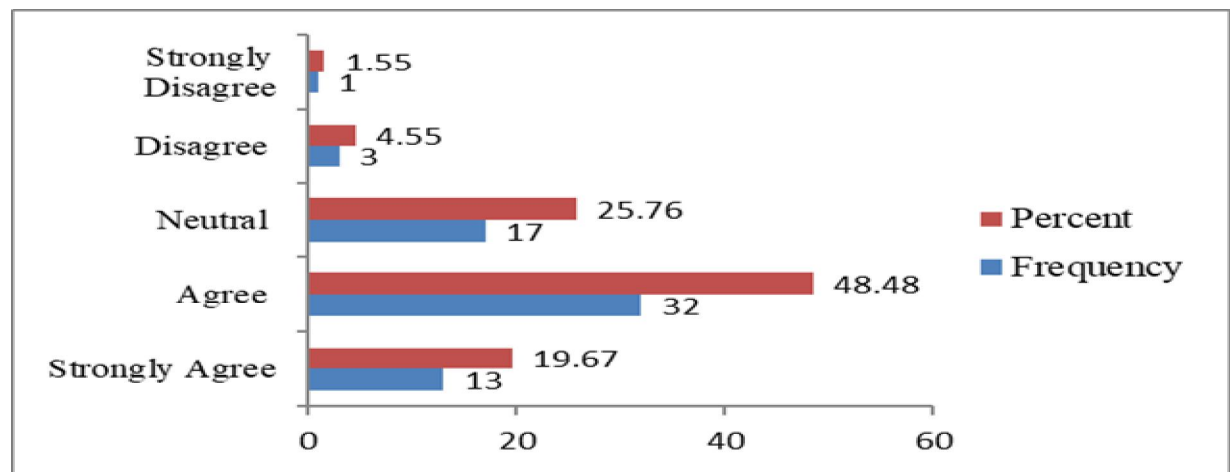
Response	Frequency	Percent
Yes	38	57.57
No	10	15.15
Somewhat	18	27.27



Interpretation: The above table and chart is indicating that there are 38 respondents out of 66 [57.57%] are aware and having a knowledge about the different deductions and exemptions given by the government to salaried individuals. The range of unawareness about the various deductions and exemptions given to salaried individuals are 10 respondents out of 66 [15.15%] and it indicating that minority of the salaried individuals having a negative perception on tax deductions and exemptions. It is also indicates that there is a considerable number of individuals [18 out of 66] 27.27% are not agree or disagree to this statement. There is a best part of respondents consider that individual salaried are much awake of various exemptions and deductions, a considerable number of respondents detained as neutral position, and a slighter section of respondents uttered to discrepancy concerning to the intensity of attentiveness among salaried individuals. The overall outcome is indicating that there is a combined opinion.

Tax Planning and Personal Financial Growth:

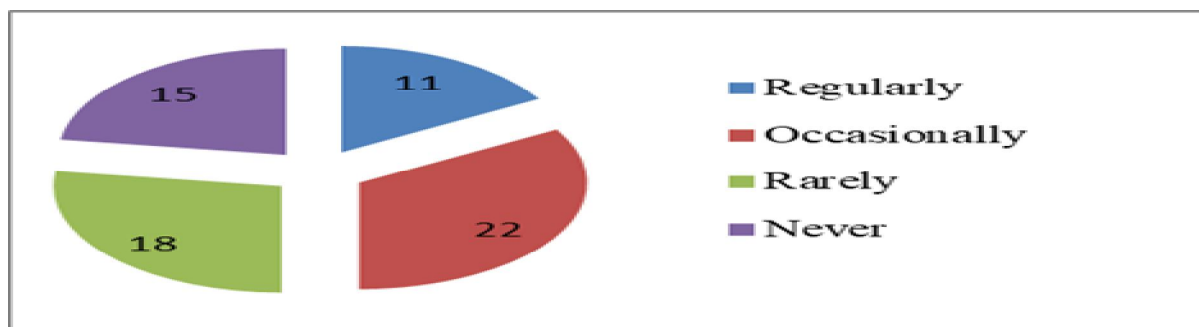
Response	Frequency	Percent
Strongly Agree	13	19.67
Agree	32	48.48
Neutral	17	25.76
Disagree	3	4.55
Strongly Disagree	1	1.55



Interpretation: In this table and chart, the outcome is indicating that 13 respondents out of 66 [19.67%] are strongly agreed that there is an impact of tax planning on personal financial growth and also 48.48% [32 out of 66] agree with the above statement. Hence, 17 respondents [25.76%] are either agreed or not agreed for contribution of tax planning to the personal growth of the individuals. However, 3 respondents [4.55%] who are disagree for the statement and 1 respondent who strongly disagreed with the above statement.

Consultation with Tax Experts

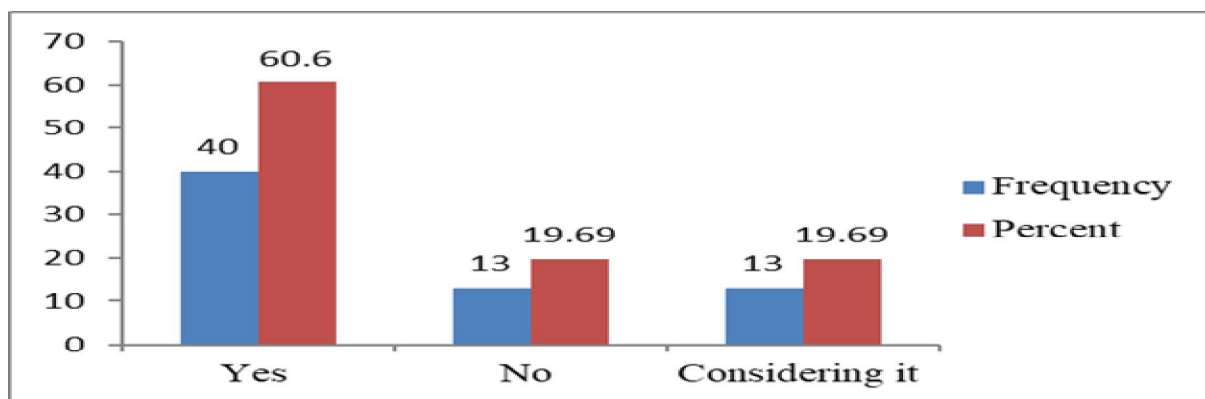
Response	Frequency	Percent
Regularly	11	16.67
Occasionally	22	33.33
Rarely	18	27.27
Never	15	22.72



Interpretation: The maximum portion of the workers who are strongly agreed and agreed, they try to find the advice from the experts to reduce the tax burden. Around 11 individual out of 66 [16.67%] are regularly consulting the tax experts to reduce the tax liability, and 22 respondents [33.33%] are occasionally agreed with the statement. Hence, 18 respondents [27.27%] hold a neutral stage on the said issue which signifies that there is unawareness about this concept. The small portion of the respondents [15 out of 66] is against to the concept of getting advice from the experts to minimize the tax liability

Real Estate as an Income Source

Response	Frequency	Percent
Yes	40	60.60
No	13	19.69
Considering it	13	19.69



Interpretation: The outcome from the table and chart is that considerable amount of salaried respondents [40 out of 66] around 60.60% who are strongly agreed that investment in a real estate sector is quite getting additional income to their primary source of income, in adding to the primary income respondents, 13 respondents [19.69%] are being to be in the neutral stage and the same portion respondents are oppose to the concept of generating additional income from the investment in the real estate sector.

Findings

- 55% of total respondents believe that tax planning reduces tax liability.
- 57.57% respondents are aware of different tax deductions and exemptions.
- 68.15% of respondents are agree that tax planning contributes to financial growth.
- 60.60% respondents identify government-provided information as adequate.
- 50% respondents consult financial advisors, whereas 27.27% rarely and 22.72% never consult.
- 60.60% respondents think about real estate as a means for additional income.

Suggestions

- Improve tax literacy programs and workshops.
- Support professional assistance for tax planning.
- Increase knowledge concerning to various investment options.
- Simplify government communication on tax settlement.
- Address gender inequalities in financial planning contribution.

Conclusion

Dynamic tax planning is significant for income and wealth accumulation. Though, gaps stick with in the government communication and financial knowledge among salaried individuals in Bengaluru city. By increasing awareness programs and providing competent recommended admittance can significantly extend tax optimization and support organized wealth construction.

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