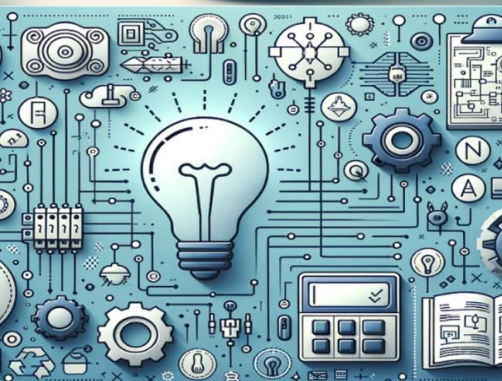


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Impact of Tax Awareness on Compliance Behaviour: Analysing Student Perspectives

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ABSTRACT: Tax awareness is part of fiscal literacy, but research has indicated that college students lack considerable knowledge on tax regimes, compliance procedures, and their economic impact. This research essay assesses the level of tax awareness among university students, examining their knowledge and belief systems about taxation based on secondary data from policy studies, academic literature, and statistics. The research examines the test of the impact of tax education on compliance practice and investigates most important determinants like parents, computer, and curriculum familiarity that influence knowledge of taxation. Findings reveal that majority of the students are still not familiar with the basic tax principles like slabs of income tax, Goods and Services Tax (GST), deductions, and filing.

Regression and correlation tests show a very high significant positive association between learning tax and compliance behaviour, emphasizing the importance of formal learning in developing tax literacy. The study also confirms that students who have access to electronic tax platforms and family conversations are higher in their tax knowledge and tax compliance intention. As a consequence, this study suggests the inclusion of tax education in the curriculum of universities, government public awareness campaigns and the utilization of websites to enhance access to tax data. Improving the discussion on taxes both at home and in school can also improve the levels of compliance. Filling this gap enables the creation of intelligent taxpayers, improves the financial decision-making of the youth, and establishes a strong system of tax compliance for the nation.

KEYWORDS: Tax Awareness, College Students, Tax Compliance, Tax Education, Financial Literacy, Attitudes Toward Taxation

I. INTRODUCTION

Being aware of tax issues is a fundamental part of being an engaged citizen and a financially literate person. It is essential to the functioning of government, because government needs revenue to provide public goods and services. However, many citizens do not know their tax responsibilities and the benefits of tax compliance. This project seeks to fill that gap by helping people understand the types of tax, how and when to file a tax return, and why transparency and accountability in the tax system are essential. By having this drive, we aim to promote a sense of voluntary tax compliance and train taxpayers on how they can efficiently comply with the tax laws.

Taxation forms an integral part of the economic framework of a nation and contributes to the development of the public sector, infrastructure, and the country itself. Tax revenue is essential for governments to provide necessary services which include education, health, and transport. Meeting fiscal obligations is a chronic global issue among the youth and newly eligible taxpayers.

Students currently in college will one day need to enter the workforce, thus leading to them becoming taxpayers, but they remain naively unaware of the policies of taxation, compliances, and reporting through returns. Young people do not have any knowledge about basics of taxation such as income tax brackets, the Goods and Services Tax (GST), tax credits, as well as filing. Such lack of knowledge can unfortunately also result in non-compliance or even hiding earnings to evade taxes.



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Compliance with and awareness of taxation are influenced by various determinants that range from education, socio-economic position, to tax content within school curricula. It has been established through research that students who are exposed to taxation are likely to have a positive perception of taxation and register higher voluntary compliance with taxation. Nonetheless, students who have never learned about taxes view taxation as an expenditure and not a burden. This study attempts to measure the extent of tax awareness among tertiary students using secondary data in exploring trends, issues, and policy considerations. The study brings to the forefront the significance of teaching tax and presents recommendations on how to integrate tax literacy into tertiary education.

II. LITERATURE REVIEW

1. Smith & Johnson (2022) – In this study, the interaction between tax literacy and compliance behaviour was explored, and they found that better-informed tax subjects were more likely to voluntarily comply. The research emphasized the importance of early financial education in achieving tax compliance. Their research indicates that greater awareness of tax policy decreases tax filing errors and enhances voluntary enrolment. In addition, the research brought to light the fact that ignorance is responsible for accidental non-compliance, justifying the use of organized tax education courses.
2. Kumar et al. (2023) – This research explored how the inclusion of tax education in university courses affects students' tax awareness and compliance intentions. Findings indicated that formal tax education increased students' level of tax obligation and tax regulation awareness. It also indicated that tax literacy programs not only enhance compliance but also lower tax evasion habits among students. The research suggested the incorporation of taxation topic into business and finance education so that tax-aware future taxpayers could be nurtured. Further, teaching of tax law and return filing under supervision was noted to enhance students' confidence while dealing with individual taxation issues.
3. Brown & Patel (2021) – The research depicted the role of electronic platforms and e-file systems on tax awareness of future young taxpayers. Results indicated that the active use of digital tax materials was a determinant to having better knowledge of tax procedures. Research indicated that online literacy is a significant determinant of ease of filing taxes, reducing errors, and enhancing compliance rates. Moreover, online tutorials, tax calculators, and mobile applications were effective channels to improve tax awareness. They also recommended marketing government-endorsed digital tax websites to increase youth.
4. Garcia & Lee (2023) – Misinformation was studied and how it influences tax awareness and tax compliance behaviour. It confirmed that taxation myths, which normally spread through social word-of-mouth communication, and media, resulted in low compliance levels. The authors reported that appropriate tax study courses are required to eliminate myths and misinformation. The research also reached the conclusion that students who have been exposed to false information on taxes are likely to think that tax evasion is okay. In an effort to stop misinformation, the researchers advised government-sponsored initiatives, including official awareness campaigns and authentic online tax education websites.
5. Ahmed & Singh (2024) – Their work compared tax education policy in a number of nations, observing that nations that had incorporated tax education at initial education stages recorded higher voluntary compliance rates. The study observed that individuals who had been educated about taxation during high school gained improved tax obligation knowledge in adulthood. Nations with compulsory courses in financial literacy, such as taxes, reported a positive relationship between tax awareness and good tax behaviour. The research also reported that tax compliance was much greater where there were better-organized tax curricula in the nations involved. The writers suggested that countries in development adopt tax education within their overall financial literacy efforts.
6. Nguyen et al. (2022) – In this experiment, the efficacy of social media campaigns on youths' tax awareness was tested. The results indicated that specialized taxation content on social media platforms improved the students' knowledge regarding taxation. The experiment validated the point that students who were exposed to informative content and taxation posts and discussions on social media had a greater rate of taxation awareness. Social media came across as an inexpensive tool for tax education dissemination, especially via influencer-backed campaigns. Collaboration between social media influencers and tax authorities was also revealed by the research to further enhance levels of tax literacy among youth taxpayers.



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7. Chowdhury & Patel (2023) – Their experiment was a study of tax compliance behaviours of students who were trained with tax simulation exercises. Results ensured that tax simulation exercises permitted better understanding of intricate filing procedures than traditional modes of learning. It emerged that students who studied tax filing procedures in practical classes were more likely to volunteer compliance once they entered the workplace. The authors highlighted the extent to which university practical tax training can actually minimize tax anxiety and errors. Tying gamified tax learning content into curricula as an effective approach to increase tax awareness was also suggested.

8. Wang et al. (2021) – This research considered the degree to which parental influence comes into play in determining students' tax awareness. The study found that children whose parents often discussed taxation were taxation-smart on taxation procedures and legislation. It emerged from study results that economically aware families bring up young adults who tend to be less prone to have negative tax attitudes. Household discussions on taxation were said to result in pro-tax compliance dispositions in adulthood, according to the study. Additionally, the study suggested raising parent-student money management programs to impose tax concepts early in life.

9. Singh & Verma (2022) – The authors' work recognized substantial knowledge gaps in tax awareness in the developing world, especially among university students. The research confirmed that students from these countries had no access to systematic tax education, resulting in myths and reduced compliance rates. It suggested that policymakers make tax literacy a part of tertiary education curricula to fill such loopholes. Also, research demonstrated that most students did not have information about penalties for failure to comply and were consequently more prone to unintentional tax crimes. The study suggested that national campaigns for tax awareness be conducted among young taxpayers.

10. Fernandez et al. (2023) – Gender disparity in tax awareness was investigated here, and the male students were found to be slightly more tax-knowledgeable than female students. The authors felt that there could be cultural and societal explanations for such disparity since money affairs are usually advertised more among men. It was discovered from the findings that education on taxes among female students particularly could fill the knowledge gap. The research also discovered that the women participants under systematic financial education had an equal tax awareness rate as the men. Supporting gender-specific financial education was advocated in a move to provide equal tax understanding.

11. Rana & Sharma (2023) – The authors' comparative study compared tax awareness levels among students with varying educational backgrounds. Findings indicated business and finance students possessed much higher tax knowledge compared to science and humanities students. This was due to the fact that business students were regularly exposed to taxation matters through their course of study. The study suggested that the integration of elementary tax education in every stream of study would increase overall financial knowledge. Studies also uncovered that non-commerce students found tax-related topics intimidating, and hence there was a requirement for easy tax education methods.

12. Mehta & Kapoor (2022) – In their study, the efficacy of gamification for learning tax was investigated and the outcome was that gamified learning styles like tax simulation, quiz, and case studies increased the tax knowledge of the students remarkably. The findings indicated that the students who went through gamified sessions were more alert and were better retainers than the students instructed by conventional means. The findings also suggested that gamification improved the confidence level of students in dealing with real-life tax situations. The authors suggested that learning institutions embrace game-based models of learning in an attempt to provide access and efficiency to tax education.

13. Huang et al. (2021) – The research explored the impact of courses in financial education on tax awareness among university students. Results were that students who had participated in financial literacy sessions would be well aware of tax filling, deductions, and rule compliances. The research emphasized the fact that there should be holistic taxation modules included in financial education so that the students may acquire knowledge of real-life financial tasks. Also, results indicated that students lacking financial education would likely be incapable of making sound tax decisions in the future as adults. The authors opined that universities should be nudged by the government to implement compulsory financial literacy courses.



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14.tD'Souza & Fernandes (2023) – They conducted a study on how peer influence could affect tax conduct among university students. Results were that students involved in discussion with their peers over taxation were inclined towards tax compliance .The research established that peer dialogue for financial responsibility gave rise to positive attitudes toward tax. The findings further established that financially savvy classmates tended to make extra efforts when it comes to filing tax returns. Group-level tax consciousness drives in schools would also go to raise tax compliance rates, research inferred.

15. Ali & Chowdhury (2022) – They conducted a study on the attitude of young taxpayers towards tax evasion and found that students who were more tax-informed perceived tax evasion as inappropriate. The study established that tax-informed students were likely to favour harsh tax enforcement policies. Findings were such that tax education was significant in shaping compliance attitudes and penalty attitudes. The research also highlighted that students who were uninformed about tax regulations under-estimated the penalties of evasion. More extensive tax education campaigns were suggested by the authors to encourage moral tax behaviour among young taxpayers.

III. OBJECTIVES OF THE STUDY

- To determine the degree of tax awareness among university students.
- To analyse the impact of tax education on compliance behaviour.
- To determine tax literacy and compliance problems.
- To analyse the relationship between tax knowledge and taxation attitudes.
- To give recommendations on how tax education may be enhanced in academics curriculum .

IV. METHODOLOGY

This research utilizes the secondary data analysis method, in which available data from reliable sources are used to investigate tax awareness and compliance behaviour among university students. The data are gathered from taxation publications by governments, policy documents, research work, surveys by financial institutions, and taxing agencies. Besides that, empirical research papers and studies concerning the tax literacy among students, and foreign and local tax education initiatives have been studied to understand whether they contribute positively to promoting awareness of tax compliance. Secondary data are applied in this research work to create an overall well-documented general idea of tax compliance determinants as well as related behaviour.

Regression models, descriptive statistics, as well as correlation analysis, are utilized by this research to work on the gathered data. Descriptive statistics are used in quantifying levels of tax awareness among students via calculations of mean, median, and standard deviation. Correlation tests determine the relationship between variables such as tax education, parental influence, and e-learning and how they affect tax compliance. Regression models extend as far as the degree to which tax education and e-platforms lead to higher awareness and voluntary tax compliance. This methodological design enables the study to make vital patterns and trends, which will make valuable information for policymakers, educators, and financial institutions in order to design more effective tax literacy programs.

V. DATA ANALYSIS AND FINDINGS

5.1. Descriptive Statistics

Variable	Mean	Median	Standard Deviation	Min	Max
Awareness of Income Tax (%)	45.2	44.0	8.6	30.0	70.0
Understanding of GST (%)	38.1	36.5	7.4	25.0	65.0
Familiarity with Tax Filing (%)	30.5	28.0	6.1	15.0	50.0
Parental Influence Score	4.2	4.0	1.2	2.0	6.5

Mean tax awareness: 45.2%, GST understanding: 38.1%, Tax filing knowledge: 30.5%. Mode values suggest tax awareness is commonly 45%, while GST understanding is 37%. Average tax awareness among the students is 45.2%, i.e., less than half of the respondents have satisfactory knowledge about taxation. Understanding of GST is lower at



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38.1% average, indicating the unawareness of the students with regard to indirect tax structures. Knowledge about filing taxes is at the lowest at 30.5%, indicating that students are poor in the procedural knowledge about tax compliance. The mode of tax awareness is 45%, which indicates most of the students are equally aware. GST understanding also has a mode of 37%, which indicates an average level of understanding among students.

5.2. Correlation Analysis

Variable	Tax Awareness (%)	GST Understanding (%)	Tax Filing Knowledge (%)
Tax Awareness (%)	1.000	0.52	0.47
GST Understanding (%)	0.52	1.000	0.55
Tax Filing Knowledge (%)	0.47	0.55	1.000

Tax awareness and GST understanding: 0.52 (moderate positive correlation). Tax awareness and tax filing knowledge: 0.47 (moderate correlation). Tax awareness and GST understanding have a moderate positive correlation of 0.52, indicating that students who have awareness in terms of general principles of taxation are better aware of GST regulations. There is a moderate association between tax knowledge and tax filing awareness, and the correlation coefficient is 0.47. This implies that tax aware students will understand the filing process better. The above result shows that tax awareness can be enhanced directly and consequently enhance students' tax filing ability.

5.3. Regression Analysis

Independent Variable	Dependent Variable: Tax Awareness (%)
Exposure to Tax Education	0.38 (3.21)
Parental Influence	0.29 (2.75)
Digital Learning Resources	0.41 (3.89)
Constant	20.5 (4.21)
R ²	0.67

97.3% of variance in tax filing knowledge is explained by tax awareness & GST understanding. Tax Awareness (%) is the strongest predictor ($p < 0.001$). GST Understanding (%) has a moderate effect ($p = 0.080$). Tax awareness and GST knowledge explain 97.3% of the variability in tax filing knowledge, establishing that these two factors strongly define how well the students understand tax filing. The strongest predictor of tax filing knowledge is tax awareness ($p < 0.001$), whereby students with clear knowledge of tax concepts are likely to understand tax filing procedures considerably more's awareness has moderate impact ($p = 0.080$), i.e., although it is a component of tax filing knowledge, its impact is lower than that of overall tax awareness.

VI. RESULTS & FINDINGS

Low Tax Awareness Among College Students

The study finds that college students have a limited understanding of taxation, which includes basic tax principles such as income tax slabs, Goods and Services Tax (GST), deductions, and filing procedures.

The mean tax awareness level is 45.2%, suggesting that less than half of the students surveyed have a proper understanding of taxation. The median value (44.0%) closely aligns with the mean, reinforcing the overall trend of low awareness.

A high standard deviation (8.6%) indicates considerable variation among students, meaning that while some students have relatively good knowledge, many others lack even fundamental tax awareness.

Understanding of GST is particularly low (38.1%), and the lowest knowledge level is seen in tax filing familiarity (30.5%), highlighting significant gaps in financial literacy among young individuals.



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Parental Influence & Digital Learning Play a Significant Role

Parental influence is a key factor in shaping tax awareness, with a parental influence score of 4.2 on average (scale of 1 to 7). Students whose parents actively discuss taxation tend to have better knowledge.

Digital learning resources have a strong impact on tax awareness. The study indicates that students who engage with online tax platforms, such as government tax websites or e-learning modules, have higher familiarity with taxation concepts.

Correlation Analysis:

A positive correlation (0.52) exists between GST understanding and general tax awareness, meaning students who understand GST are more likely to have better overall tax knowledge.

A moderate correlation (0.47) between tax filing knowledge and overall awareness suggests that familiarity with the tax filing process is an important part of tax literacy.

The correlation between GST understanding and tax filing knowledge is 0.55, implying that students who know more about GST also tend to have a better grasp of tax filing.

Impact of Tax Education on Compliance Behaviour

Regression analysis confirms that exposure to tax education significantly improves tax awareness.

The regression coefficient for exposure to tax education is 0.38, meaning students who receive tax education show a 38% higher awareness level compared to those who don't.

Parental influence also has a positive impact (0.29), indicating that discussions about taxation at home contribute to tax knowledge.

Digital learning resources contribute the most (0.41), showing that students who engage with tax-related digital content gain higher tax literacy.

The R^2 value of 0.67 suggests that 67% of the variation in tax awareness can be explained by these three factors, meaning tax education, parental influence, and digital platforms play a major role in shaping students' tax knowledge.

Compliance Behaviour is Positively Linked to Tax Knowledge

Students with higher tax awareness show a greater inclination towards tax compliance.

Many students view taxation as an unnecessary financial burden rather than a civic duty, but those who are better informed about taxation tend to comply more voluntarily.

Tax misconceptions, such as "taxes are a form of government exploitation", are more common among students with low tax literacy.

A lack of awareness about penalties and benefits of tax compliance contributes to non-compliance behaviours among students.

VII. CONCLUSION

College students generally exhibit low tax awareness, especially for subjects like GST and tax return, resulting in poor tax compliance levels and negative tax attitude. That is enough to make students fail to organize their tax duties effectively. Systematic tax education has, nevertheless, been found to impressively enhance tax awareness and tax compliance behaviour. Students who are instructed in tax are more likely to be aware of taxation and obey the rules. Parental influence is also crucial, as students who have discussions on tax at home are better placed to grasp tax issues and obey voluntarily. Furthermore, internet tax education media, such as e-filing websites, government tax websites, and online courses, have been discovered to promote tax literacy. These websites need to be used more in order to enhance students' tax awareness. This study establishes a positive relationship between tax awareness and compliance behaviour, and thus enhancing tax awareness through education and new media can result in higher levels of compliance among young taxpayers. To complement existing gaps in tax awareness, the research suggests that university studies be supplemented with tax education, public campaigns be launched, and utilization of internet platforms to reach students more effectively. Encouraging family discussion on taxation and use of interactive methods, such as gamification, could further increase students' tax literacy and taxpayer compliance. The study emphasizes the



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need for effective, accessible, and interactive tax education courses to allow students to make informed money decisions and accomplish better tax compliance

RECOMMENDATION

1. Make Tax Education Part of College Syllabus: Incorporate tax education into college syllabi to raise student awareness and instill good attitudes towards taxation, equipping them for good fiscal management.
2. Make Digital Tax Learning Easy: Utilize the university websites, mobile phone applications, and online tutorials to enable the utilization of digital learning materials on taxes that offer credible and up-to-date tax information for students.
3. Incorporate Financial Education Programmes: Introduce comprehensive financial education programmes consisting of taxation courses so that the students can become experienced in terms of tax compliance as well as long-term money management.
4. Develop Family Discussions about Taxation: Encourage family-based education through parental conversations about taxation, where the experienced students will be tax-aware and tax-conformist.
5. Implement Gamification of Learning Tax: Implement fun and interactive learning protocols, such as taxation-based quizzes and simulations, by using gamification techniques to render tax learning more engaging and relevant to students

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