Chapter-1

Introduction

INTRODUCTION OF THE STUDY

I have done my major in Accounting from Sonargaon University (SU). As a student of Bachelor of Business Administration I was sent to few private companies to conduct a practical orientation for fulfilling the research. The main purpose of the research is to analyses the tax payment ability in private employed people during covid-19 pandemic. The goal of this analysis is to apply classroom learning in practice.

Objective of the Study

In this research paper we intend to study those factors that contribute to the tax payment ability, Economic condition and changes of standard of living of salaried people in the time of covid-19 2020.

Board Objective of the Study

The broad objective of the study is to identify the factors to the tax payment ability of private employed people during covid-19 pandemic.

Specific Objective of the Study

The study has been undertaken to meet some specific objectives. These are as follows:

- To analyze how much salary increased/decreased to the private employed people during Covid-19.
- To analyze how Private employed people attained their office during Covid-19 Pandemic.
- To determine the impact of covid-19 to the economic condition of private employed people.
- To determine impact of covid-19 to the family member of private employed people.
- To determine impact of covid-19 to the standard of living of private employed people.

Significance of the Study

The findings of this study will highlight the image of difficulty facing the private employed people during covid-19 pandemic. Moreover, the Corona situation has not yet returned to normal. Meanwhile, the new variant of Corona Omicron has hit. Maybe a situation like 2020 could happen again. Corona's detection rate has risen to over 8% from a few days ago, down from 2%, according to a recent report. If such a situation ever arises again, this research will be able to determine a few things to do.

Methodology of the Study

A very much organized and well-structured questionnaire was developed carefully for fifteen renowned company of Dhaka. And I have used convenience sampling method and the sample size is 200 private employed people whose salaried is above 25,000 from those companies. I have been collected there demographic information and also create multiple choice and Likert scale questions were carefully framed to understand the scenario during the pandemic situation. Also Different data and information are required to meet the goal of this report. Those data and information were collected from various sources, such as, primary and secondary which is showed below:

Primary Source of Data:

Primary Data is collected from this companies below:

- SSL Wireless
- SslCommerz
- SSDTECH
- FDL (Fair distribution Limited)
- Butterfly Marketing Limited
- Netgear store
- Hatil Furniture
- Partex Furniture
- Secret Recipe
- Sonargaon University
- UNI TEAC
- National Polytechnic Institute
- Unique Group BD
- Nodi Enterprise
- OMC Healthcare

Secondary Source of Data:

- NBR Website.
- Income Tax Paripatra published From NBR.
- The Financial Express Online Portal.
- Bangla Vision News Portal.
- Different Article From Internet

Hypothesis: During the Covid-19, the salaries of private employees have been reduced and in some cases it has been stopped completely and their tax payment ability decreased strongly.

For the purpose of this study following null hypotheses have been proposed:

Hypothesis 1:

$H_{0:}$ "**There is no impact of corona virus on tax payment Ability of Salaried people.**"

Hypothesis 2:

H_0: "**Income of Salaried People has not been impacted due to Covid-19.**"

Limitation of the Study:

- Sample size is very small compared to the entire population;
- Due to Covid-19 outsider is not allow in all the section of a corporate office.
- Tax is a sensitive data so people are not interested to provide this information.
- Because of self-esteem, many are reluctant to talk about their financial situation.
- Not all industries were the same at the time of covid-19. Due to lack of time, it was not possible to cover all the industries.

Chapter-2

Literature Review

Introduction

Tax payment ability is the one and only practical means of raising the revenue for government spending on the goods and services that most of us demand. Setting up an ideal tax system for a developing country is mandatory for their development. Tax management is one of the most important element of financial planning. Tax management executives alludes to citizen's tax payer's ability to manage individual tax collection issues like calculation of tax liability, tax savings, and payment of taxes on time and filling the tax return. To deal with relating tax payer, tax management must aware and have enough knowledge about basic concepts of personal taxation. So many studies and research have been conducted by various type of researcher to convey the importance of tax payment for a country. Bangladesh is a developing country and in 2020 this face a massive economic attack for covid-19 and the income of private employed people start decreasing and there is an impact on tax payment. A few studies have been conducted in Bangladesh regarding tax payment. Previous studies are for normal times. But in this paper we are trying to focus on the factors of covid-19 2020.

Review of Literature:

Allingham and Sandmo (1972) analyzed the impact of the probability of detection, penalty rates and tax rates on a risk-averse taxpayer's underreporting decision making. They suggested that risk-averse taxpayers will be more compliant if the probability of detection and penalty for tax evasion are high. Conversely, a high tax rate will discourage tax compliance.

Alm, McClelland and Schulze (1992) argue that detection and punishment alone cannot influence taxpayers' decisions between compliance and non-compliance; rather, a number of other variables play an important role. They argued that An increase in the amount that individuals receive from a given tax payment increases their compliance rate, and individuals pay something in taxes to receive government services even when there is no chance of detection and punishment.

Bordignon's (1993) econometric analysis of a fairness approach to income tax evasion suggests that a taxpayer decides to evade tax based on his perception of the fairness of his fiscal treatment and the perceived behavior of other taxpayers.

Gray (2001) and his team on the Madagascar and Tanzanian tax administrations has identified the commonly-held perceptions of taxpayers and tax authorities as the contributing factor to tax evasion. The study has reported that citizens' common perception that individuals and groups with political and/or financial influence indulge in massive tax evasion negatively affects the tax-paying culture. Moreover, the general beliefs of the tax authorities – that their peers and superiors do not collect due tax in return for bribes, and the politicians protect the tax evaders, including themselves – adversely affect their collection performance.

Hasan Rashedul (2013) found in his study the tendency toward tax evasion in Bangladesh that found that among demographic factors only marital status and income level were common which influenced both male and female respondents in tax evasion practice. On the

other hand, none of the intellectual factors were common among male and female respondents.

Julius (2006) inadequate revenue from taxation due to tax evasion, tax avoidance and corrupt practices of the political office holders by miss allocating and appropriating funds to rent-seeking activities than those that will alleviate poverty to better the lot of the citizens and for economic growth.

McGee & Gelman (2008) found that in a society, citizens' ethical considerations about tax evasion,., whether they perceive tax evasion as justifiable or unjustifiable, have a significant impact on their tax-paying attitude

Monir N.R (2012) examined the key issues associated with the tax policy formulation, implementation and compliance processes and their likely roles in facilitating tax evasion. The study also seeks to investigate the involvement and nexus of various stakeholders and their alleged contribution to tax evasion in Bangladesh. The study found that the absence of a participatory policy making process, lack of research into, and reform of, the tax system, short-term oriented and politically motivated tax policies, loopholes, anomalies and complexities of tax laws and policies are responsible for creating scope for tax evasion. Institutional weaknesses of the tax administration, lack of professional support for tax officials and inappropriate behavioral aspects of tax officials have undermined the efficiency of the tax policy implementation process, resulting in widespread tax evasion. During the compliance process, the absence of a tax culture among income earners, inadequate taxpayer service, complexities and unfairness in tax estimation, weak enforcement and the negative image of the tax department work as influential driving forces for tax non-compliance. The empirical findings also revealed that the corrupt nexus of self-interested policy makers, rent-seeking tax officials, self-utility maxi miser taxpayers, including businesspeople, professionals, self-employed persons, and their intermediaries, tax agents, facilitates tax evasion.

Richardson (2008), examining the relationship between culture and tax evasion. Richardson's empirical study has reported that the higher the level of uncertainty avoidance and the lower the level of individualism, legal enforcement, trust in government, and religiosity, the higher the level of tax evasion.

Torgler and Schneider (2009) suggest It is highly relevant to investigate not only the importance of objective variables such as the tax burden, rate of public expenditure, or the density of regulation, but also the subjective perceptions, expectations, attitudes and motivations such as tax morale or the (perceived) institutional quality.

Wallschutzky's empirical research (1984) has identified a number of possible causes that inspire taxpayers to evade tax, including high tax rates, a government's unwise use of tax money, rich people's tax avoidance and inequity in the tax system.

Webley and Haslam (2009) have found a complex relationship between occupational identity and taxpaying culture, by using a social identity framework in their empirical investigation. They (2009) have reached the conclusion that Paying tax is about hearts and minds as well as carrots and sticks, and those hearts and minds are structured not in a social vacuum, but by group memberships and the values and norms these instill.

Dajana Cvrlje (2015), suggests that increased tax literacy will have a significant impact on tax morale, tax compliance and subsequently, tax revenues. She suggests that if the Government of her country Croatia should take a larger step and begin adding in more tax literacy projects especially through state processes, such as economic and educational policy makers.

Puneet Bhushan and Yajulu Medury (2013) in their study have made an effort in finding out the tax literacy level of individual using demographic and socio-economic factors and have assessed that the literacy levels among the respondents in Himachal Pradesh were low. Their study further shows that the level of tax literacy does get affected by gender, age, education, income, nature of employment and place of work whereas it does not get affected by geographic region.

Abubakari Abdul – Razak and Christopher Jwayire Adafula (2013) in their research in Ghana a developing country were able to study that the tax payers found paying of taxes burdensome, they had low understandability of the law and doubted the accountability of their government which brought out tax compliance attitudes among the payers. They suggest that a reward scheme and educating the tax payers will help in reducing tax evasion.

Yesim HELHEL, Mamisa VARSHALOMIDZE (2015) in Turkey conducted their study and explored the determinants involved in tax attitude and tax compliance among Small and Medium Enterprises (SMEs) in tourism industry of Georgia. Georgia thrives mainly on tourism and their tax paying abilities are positive as their Government supports them by offering various incentives to investors, including reduction of tax burden and elimination of deficiencies associated with tax laws. Their study also showed that there was no statistically significant difference in the perception and attitudes of respondents to taxation according to age and location of firms.

Lewis studied the impact of tax knowledge and attitudes of an individual on completing the tax returns. His aim was to study the impact of increase in tax knowledge on tax compliance behavior. He found that there is insufficient knowledge about tax regulations amongst the population. Eriksen and Fallan through their study found that fiscal knowledge correlates with attitudes towards taxation. They have suggested that tax behavior can be improved by a better understanding of tax laws. Tax payer must be given better tax knowledge in order to improve tax ethics and compliance behavior.

McGuigan (2015) commented on the concequences of taxes, if it is applied in UAE. He explored that the effect of taxes depends on the nature of tax, its types and where and to whom it will be applied and on what rates. Taxes, like inflation, will reduce the income of employees, so as the purchasing power as the rate of goods and services rise with the rise by the tax rates applied.

Amir et al. (2011) compared the taxes of Pakistan and India by taking time series data from 1999 to 2009 using regression model. He found that in Pakistan, most of the tax revenue is generated from the indirect tax and in India most of the taxes are by direct taxes. Indirect tax depends on expenditures on goods and services and therefore charge equally to all types of people, where direct taxes, like salary taxes, hits pockets directly and hence lead to reduce the difference between rich and poor.

Padda & Akram (2009) studied public policies like endogenous and exogenous theories. The neoclassical theories say that permanent changes of Government policies, like tax rates, doesn't have any permanent effect on the growth of output, which means, changes in tax rate will have only temporary effect on the long run economic growth. Contrary to this, endogenous growth theories argue that changes in tax rates may have an impact on growth of economy.

Chapter-3

Data Analysis

Descriptive Statistic: Frequency Analysis

Frequency analysis is a descriptive statistical method that shows the number of occurrences of each response chosen by the respondents. When using frequency analysis, SPSS Statistics can also calculate the mean, median and mode to help users analyze the results and draw conclusions.

Descriptive Statistics

	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
The Gender	202	1.00	2.00	1.1386	.02437	.34640
Age Group	202	1.00	4.00	1.2624	.04004	.56908
Education	202	1.00	3.00	1.5891	.05083	.72241
Marital Status	202	1.00	2.00	1.4653	.03518	.50004
Family Mamber size	202	1.00	3.00	1.4455	.04324	.61451
Work Experience	202	1.00	5.00	1.3762	.04948	.70325
Other source of income	202	1.00	2.00	1.7970	.02837	.40321
Attained Office offline or online	202	1.00	3.00	2.1040	.06636	.94321
Income Increase or Decrease	202	2.00	3.00	2.6040	.03450	.49029
% That Decreases	202	.00	14.00	2.1436	.22387	3.18176
Tax Submission last three years	202	1.00	2.00	1.4653	.03518	.50004
Family Expenditure	202	1.00	5.00	3.7426	.07371	1.04766
Other Family Member Income	202	1.00	5.00	3.6733	.07978	1.13391
Corona has changed my life Style Greatly during pandemic.	202	1.00	5.00	3.7426	.08284	1.17734
My Savings has been greatly reduced due to corona pandemic.	202	1.00	5.00	3.8861	.07977	1.13379

My medical expenditure has been increased during pandemic situation	202	1.00	5.00	3.7921	.06935	.98564
My tax paying ability has been decreased during pandemic situation	202	1.00	5.00	3.7030	.06916	.98288
Valid N (listwise)	202					

Demographic profile of the respondents

Information of the demographic and socio-economic position of the respondents. The demographic and socio-economic detail shows that 86.1% percentage is male respondents and female respondents is 13.9%. 78.7% of the respondents fall in the age group of 18-30 years, 17.8% fall in the age group of 31-40 years and 3.5% belongs to the age group 41-60.

Demographic and socio-economic position				
Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
Male	174	80.2	86.1	86.1
Female	28	12.9	13.9	100
Total	202	93.1	100	
Age Group				
18-30	159	73.3	78.7	78.7
31-40	36	16.6	17.8	96.5
41-50	4	1.8	2.0	98.5
51-60	3	1.4	1.5	100.00
Total	202	93.1	100	
Education				
University: Bachelor	111	51.2	55.0	55.00
HSC	63	29.0	31.2	86.1
University: Master or PhD	28	12.9	13.9	100
Total	202	93.1	100	

Majority of the respondents 45.95% in our sample are graduates followed by 55.0% having University: Bachelor degree, 31.2% have Higher School Certificate and 13.9% have University: Master or PhD. 46.5% Married and 53.5% Single in our sample size.

Demographic and socio-economic position				
Marital Status				
	Frequency	Percent	Valid Percent	Cumulative Percent
Single	108	49.8	53.5	53.5
Married	94	43.3	46.5	100
Total	202	93.1	100	
Size of the Family				
Two-Five Person	125	57.6	61.9	61.9
Five-Eight Person	64	29.5	31.7	93.6
Eight-Fourteen Person	13	6	6.4	100
Total	202	93.1	100	

Demographic and socio-economic position				
Marital Status				
	Frequency	Percent	Valid Percent	Cumulative Percent
Work Experience				
1-5 Years	143	65.9	70.8	70.8
5-10 Years	49	22.6	24.3	95.0
10-15 Years	5	2.3	2.5	97.5
16-20 Years	3	1.4	1.5	99.0
21-25 Years	2	0.9	1.0	100
Total	202	93.1	100	

The respondent's family size 61.9% two to five person in their family 31.7% have Five-Eight person in their family and 6.4 person have above eight person. 70.8% have 1 to 5 years of work experience 24.3% have 5 to 10 years of experience 2.5% ten to fifteen years of work experience 1.5% have 16-20 Years of Work Experience and only 1% have 21-25 years of work experience.

Situation during Covid-19

During Covid-19 Pandemic people regular working environment not remain same. Most of the corporate control their operation from home. Software like zoom google meeting become popular. Fifty percentage of our respondents attained their office online and offline and 39.6% attain their office online and only 10.4% can able to attain their office physically.

Respondent Attained office

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	online	80	36.9	39.6	39.6
	offline	21	9.7	10.4	50.0
	Both Online and Offline	101	46.5	50.0	100.0
	Total	202	93.1	100.0	
Total		217	100.0		

Other source of income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	41	18.9	20.3	20.3
	No	161	74.2	79.7	100.0
	Total	202	93.1	100.0	

With the respondent 20.3% have other source of income and 79.7% do not have any other source of income.

Economic Condition

The COVID-19 pandemic is causing an unprecedented health and economic crisis for global economies, including Bangladesh. The impact of COVID-19 on the economy of Bangladesh has been transmitting through two main channels: (i) depressed domestic demand and supply disruptions in the local economy, and (ii) slowdown in global economic activities affecting global trade and international financial flows.

Income increase/decrease in percentage

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	109	50.2	54.0	54.0
	5-10	21	9.7	10.4	64.4
	11-15	11	5.1	5.4	69.8
	16-20	8	3.7	4.0	73.8
	21-25	6	2.8	3.0	76.7
	26-30	19	8.8	9.4	86.1
	31-35	1	.5	.5	86.6
	36-40	5	2.3	2.5	89.1
	41-45	3	1.4	1.5	90.6
	46-50	16	7.4	7.9	98.5
	56-60	1	.5	.5	99.0
	66-70	1	.5	.5	99.5
	71-75	1	.5	.5	100.0
	Total	202	93.1	100.0	

39.6% Respondent monthly income decreased during covid-19 pandemic 2020 and 60.4% remain same.

Monthly Income Increase/ Decrease

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	decreased	80	36.9	39.6	39.6
	no changes	122	56.2	60.4	100.0
	Total	202	93.1	100.0	

Tax Submission last three years

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	108	49.8	53.5	53.5
	No	94	43.3	46.5	100.0
	Total	202	93.1	100.0	

46.5% of the respondent were not able to pay their tax submission. 53.5% were able to pay their tax.

Standard of living

Family Expenditure increase/decrease

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagreed	7	3.2	3.5	3.5
	Disagreed	13	6.0	6.4	9.9
	Neutral	62	28.6	30.7	40.6
	Agreed	63	29.0	31.2	71.8
	Strongly agreed	57	26.3	28.2	100.0
	Total	202	93.1	100.0	

55.3% Respondent agreed that their family expenditure increased during covid-19 and 30.7% neutral and only 9.9% disagreed that.

Other Family Member Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagreed	12	5.5	5.9	5.9
	Disagreed	18	8.3	8.9	14.9
	Neutral	47	21.7	23.3	38.1
	Agreed	72	33.2	35.6	73.8
	Strongly agreed	53	24.4	26.2	100.0
	Total	202	93.1	100.0	

57.6% Respondent agreed that their other family member income has decreased during covid-19 pandemic.

Corona has changed the life Style Greatly during pandemic.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagreed	17	7.8	8.4	8.4
	Disagreed	14	6.5	6.9	15.3
	Neutral	28	12.9	13.9	29.2
	Agreed	88	40.6	43.6	72.8
	Strongly agreed	55	25.3	27.2	100.0
	Total	202	93.1	100.0	

With the respondent 70.8% agreed that during covid-19 pandemic their life style changed greatly. 74.8% of the respondents agreed that their savings has been greatly reduced due to corona pandemic. Also 70.3% agreed that their medical expenditure increased and 65.8% respondent lost their tax payment ability during covid-19 pandemic.

Savings has been greatly reduced due to corona pandemic.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagreed	15	6.9	7.4	7.4
	Disagreed	8	3.7	4.0	11.4
	Neutral	28	12.9	13.9	25.2
	Agreed	85	39.2	42.1	67.3
	Strongly agreed	66	30.4	32.7	100.0
	Total	202	93.1	100.0	

My medical expenditure has been increased during pandemic situation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagreed	11	5.1	5.4	5.4
	Disagreed	4	1.8	2.0	7.4
	Neutral	45	20.7	22.3	29.7
	Agreed	98	45.2	48.5	78.2
	Strongly agreed	44	20.3	21.8	100.0
	Total	202	93.1	100.0	

My tax paying ability has been decreased during pandemic situation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagreed	9	4.1	4.5	4.5
	Disagreed	11	5.1	5.4	9.9
	Neutral	49	22.6	24.3	34.2
	Agreed	95	43.8	47.0	81.2
	Strongly agreed	38	17.5	18.8	100.0
	Total	202	93.1	100.0	

Correlation Analysis

Correlation is a statistical term describing **the degree to which two variables move in coordination with one another**. If the two variables move in the same direction, then those variables are said to have a positive correlation. If they move in opposite directions, then they have a negative correlation.

		Other source of income	Income Increase or Decrease	% That Decreases	Tax Submission last three years
Other source of income	Pearson Correlation	1	.145*	-.097	.125
	Sig. (2-tailed)		.039	.168	.076
	N	202	202	202	202
Income Increase or Decrease	Pearson Correlation	.145*	1	-.617**	-.097
	Sig. (2-tailed)	.039		.000	.170
	N	202	202	202	202
% That Decreases	Pearson Correlation	-.097	-.617**	1	.086
	Sig. (2-tailed)	.168	.000		.224
	N	202	202	202	202
Tax Submission last three years	Pearson Correlation	.125	-.097	.086	1
	Sig. (2-tailed)	.076	.170	.224	
	N	202	202	202	202
Other Family Member Income	Pearson Correlation	.268**	.097	-.067	.147*
	Sig. (2-tailed)	.000	.169	.344	.037
	N	202	202	202	202

Corona has changed my life Style Greatly during pandemic.	Pearson Correlation	.141*	.003	.026	.162*
	Sig. (2-tailed)	.045	.961	.715	.021
	N	202	202	202	202
Family Expenditure	Pearson Correlation	.041	.014	-.010	-.027
	Sig. (2-tailed)	.566	.847	.890	.707
	N	202	202	202	202
My medical expenditure has been increased during pandemic situation	Pearson Correlation	.206**	-.007	.105	.096
	Sig. (2-tailed)	.003	.927	.138	.173
	N	202	202	202	202
My tax paying ability has been decreased during pandemic situation	Pearson Correlation	.148*	.023	.128	.151*
	Sig. (2-tailed)	.035	.744	.069	.032
	N	202	202	202	202
My Savings has been greatly reduced due to corona pandemic.	Pearson Correlation	.178*	-.019	.086	.111
	Sig. (2-tailed)	.011	.790	.224	.114
	N	202	202	202	202

		Other Family Member Income	Corona has changed my life Style Greatly during pandemic.	Family Expenditure	My medical expenditure has been increased during pandemic situation
Other source of income	Pearson Correlation	.268**	.141*	.041	.206**
	Sig. (2-tailed)	.000	.045	.566	.003
	N	202	202	202	202
Income Increase or Decrease	Pearson Correlation	.097	.003	.014	-.007
	Sig. (2-tailed)	.169	.961	.847	.927
	N	202	202	202	202
% That Decreases	Pearson Correlation	-.067	.026	-.010	.105
	Sig. (2-tailed)	.344	.715	.890	.138
	N	202	202	202	202
Tax Submission last three years	Pearson Correlation	.147*	.162*	-.027	.096
	Sig. (2-tailed)	.037	.021	.707	.173
	N	202	202	202	202
Other Family Member Income	Pearson Correlation	1	.604**	.042	.424**
	Sig. (2-tailed)		.000	.554	.000
	N	202	202	202	202
Corona has changed my life Style Greatly during pandemic.	Pearson Correlation	.604**	1	.043	.442**
	Sig. (2-tailed)	.000		.545	.000
	N	202	202	202	202
Family Expenditure	Pearson Correlation	.042	.043	1	.015
	Sig. (2-tailed)	.554	.545		.828
	N	202	202	202	202

My medical expenditure has been increased during pandemic situation	Pearson Correlation	.424**	.442**	.015	1
	Sig. (2-tailed)	.000	.000	.828	
	N	202	202	202	202
My tax paying ability has been decreased during pandemic situation	Pearson Correlation	.381**	.381**	.128	.301**
	Sig. (2-tailed)	.000	.000	.069	.000
	N	202	202	202	202
My Savings has been greatly reduced due to corona pandemic.	Pearson Correlation	.466**	.578**	.034	.678**
	Sig. (2-tailed)	.000	.000	.633	.000
	N	202	202	202	202

		My tax paying ability has been decreased during pandemic situation	My Savings has been greatly reduced due to corona pandemic.
Other source of income	Pearson Correlation	.148*	.178*
	Sig. (2-tailed)	.035	.011
	N	202	202
Income Increase or Decrease	Pearson Correlation	.023	-.019
	Sig. (2-tailed)	.744	.790
	N	202	202
% That Decreases	Pearson Correlation	.128	.086
	Sig. (2-tailed)	.069	.224
	N	202	202
Tax Submission last three years	Pearson Correlation	.151*	.111
	Sig. (2-tailed)	.032	.114
	N	202	202

Other Family Member Income	Pearson Correlation	.381**	.466**
	Sig. (2-tailed)	.000	.000
	N	202	202
Corona has changed my life Style Greatly during pandemic.	Pearson Correlation	.381**	.578**
	Sig. (2-tailed)	.000	.000
	N	202	202
Family Expenditure	Pearson Correlation	.128	.034
	Sig. (2-tailed)	.069	.633
	N	202	202
My medical expenditure has been increased during pandemic situation	Pearson Correlation	.301**	.678**
	Sig. (2-tailed)	.000	.000
	N	202	202
My tax paying ability has been decreased during pandemic situation	Pearson Correlation	1	.452**
	Sig. (2-tailed)		.000
	N	202	202
My Savings has been greatly reduced due to corona pandemic.	Pearson Correlation	.452**	1
	Sig. (2-tailed)	.000	
	N	202	202

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Testing hypothesis

The hypothesis test is done by chi-square distribution.

Hypothesis 1:

H_0: "**There is no impact of corona virus on tax payment Ability of Salaried people.**"

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.499[a]	4	.827
Likelihood Ratio	1.472	4	.832
Linear-by-Linear Association	.107	1	.743
N of Valid Cases	202		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 3.56.

Therefore, the null hypothesis 1 is rejected.

Hypothesis 2:

H_0: "**Income of Salaried People has not been impacted due to Covid-19.**"

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	122.473[a]	12	.000
Likelihood Ratio	143.164	12	.000
Linear-by-Linear Association	76.559	1	.000
N of Valid Cases	202		

17 cells (65.4%) have expected count less than 5. The minimum expected count is .40.

And the null hypothesis 2 is also rejected.

Result

A total of 202 (=n) responses were recorded in this study. The proportion of male to female respondents was 3:1 [males (n = 174; 80.2%) and females (n = 28; 12.9%)]. The composition of age groups of the respondents was as follows: 75.2% (18–30 years old), 16.7% (31–60 years old), 6.7% (41–50 years old), 1.1% (51–60 years old), and 0.3% (>60 years old). The average age of the respondents was 27.80 years (SD ± 10.05). On average, the respondents had 12.5 years of formal education (SD ± 8.1). With the respondent 70.8% agreed that during covid-19 pandemic their life style changed greatly. 74.8% of the respondents agreed that their savings has been greatly reduced due to corona pandemic. Also 70.3% agreed that their medical expenditure increased and 65.8% respondent lost their tax payment ability during covid-19 pandemic. 57.6% Respondent agreed that their other family member income has decreased during covid-19 pandemic.55.3% Respondent agreed that their family expenditure increased during covid-19 and 30.7% neutral and only 9.9% disagreed that. 46.5% of the respondent were not able to pay their tax submission. 53.5% were able to pay their tax. 39.6% Respondent monthly income decreased during covid-19 pandemic 2020 and 60.4% remain same. With the respondent 20.3% have other source of income and 79.7% do not have any other source of income.

Chapter-4

Findings

Like all others country covid-19 pandemic take downward of the economic system of Bangladesh. The spread of the COVID-19 pandemic, the partial lockdown, the disease intensity, weak governance in the healthcare system, insufficient medical facilities, unawareness, and the sharing of misinformation in the mass media has led to people experiencing fear and anxiety. The present study intended to conduct a perception-based analysis to get an idea of people's psychosocial and socio-economic crisis, and the possible environmental crisis, amidst the COVID-19 pandemic in Bangladesh. There was a positive significant association between fears of the COVID-19 outbreak with the struggling healthcare system of the country. Also, there was a negative association between the fragile health system of Bangladesh and the government's ability to deal with the pandemic revealing the poor governance in the healthcare system. A positive association of shutdown and social distancing with the fear of losing one's own or a family members' life, influenced by a lack of healthcare treatment reveals that, due to the decision of shutting down normal activities, people may be experiencing mental and economic stress. However, a positive association of the socio-economic impact of the shutdown with poor people's suffering, the price hike of basic essentials, the hindering of formal education and the possibility of a severe socio-economic and health crisis will be aggravated. Moreover, there is a possibility of a climate change-induced disaster and infectious diseases like dengue during/after the COVID-19 situation, which will create severe food insecurity and a further healthcare crisis.

Tax Revenue

The direct impact of COVID-19 on tax revenues, even before the revenue impact of any fiscal policy responses is considered, has the potential to be significant in the short-run across the globe. These revenue impacts will take a variety of channels:

- A slow-down in economic activity and employment will reduce or defer income tax collections and social security payments, resulting in lower corporate income tax and reduced personal income tax, social security contributions, and payroll tax receipts. Corporate tax revenues may also remain depressed for some time into the future as any losses generated in 2020 will generally be available to be carried forward and applied against future income.
- A reduction in consumption is likely to result both due to reduced consumer confidence and as a result of the containment and mitigation measures undertaken. As indicated in Section 1, consumption is estimated to fall by about one third in many countries during containment. This, combined with a shift towards the consumption of necessity goods, which are often zero-rated or exempt under VAT systems, and a higher share of government consumption in GDP, will reduce consumption tax revenues and particularly revenues from VAT, although excise and environmentally-related taxes will also be affected. Property taxes are likely to be less affected as they are not tied as directly to the economic cycle, although the various measures introduced during containment can be expected to have some impacts on property values and, therefore, taxes directly linked to property valuations may also be affected.
- A fall in tax revenue from tourism and on travel will also result, including both direct losses in the form of reduced tourism, aviation and accommodation taxes, but also indirectly, particularly through falls in VAT revenues.
- Resource prices, notably oil, have fallen significantly in recent weeks, which for resource-rich countries will reduce revenues from excises and royalty payments and lead to lower revenues from corporate income taxes.

Standard of living

Across the total 202 samples, between 8 per cent and 87 per cent of the participants reported reduced income, with a median of 70 per cent. 5 per cent to 49 per cent of respondents in the different samples had reported that employment had declined, with a median of 40 per cent. Moreover, the proportion of participants who reported a decrease in income (median 70 per cent) far exceeded those who reported an increase (median 7 per cent). The worldwide lockdowns have also reduced people's access to markets, with the median being 30 per cent (range 3 percent to 77 per cent). Where the researchers were able to ask about healthcare, respondents also reported difficulties and delays in accessing it (median 13 per cent).

Economic Condition

The average income of households could fall by 60 per cent during the crisis. The potential impacts on households across the welfare distribution during the period of the crisis itself, based on simulations using the national household income and expenditure survey (HIES) for 2016.44 While the crisis is universal, the hardest hit – in terms of relative income loss – are those on middle incomes, in other words those households with cash incomes between BDT 3,330 and BDT 5,080 per person per month. Although the poorest members of society prior to the crisis are less affected – again, in terms of relative income loss it is important to note they were already living on very little and the further average income loss of 15 per cent will have had a serious impact on their wellbeing. 70.8% Respondent reported that their income and economic condition changed badly during the pandemic.

Chapter-5

Conclusion

The COVID-19 poses a serious health and economic problem in a resource-poor highly dense populated country, Bangladesh. The government of Bangladesh has taken many initiatives such as diagnosis of suspected cases, quarantine of doubted people and isolation of infected patients, local or regional lockdown, increasing public awareness and social distancing to combat the COVID- 19. Furthermore, the government has announced many financial stimulus packages for industries, agricultural production, and daily workers. However, lack of facilities for testing required number of suspected samples, scarcity of diagnostic kits, insufficient PPE, ICU, and ventilators in the hospitals, limited number of health workers along with public unawareness are the major challenges for this developing nation for combating the COVID-19. Therefore, the government should take the necessary actions to address these challenges and ensure public health. At the same time, the government also needs to use rapid detection kit for diagnostic purpose and import PPE, ventilators, and ICU beds on an urgent basis to fight against lethal COVID-19. Furthermore, the government should order mandatory lockdown in vulnerable places. The government also needs to allocate sufficient research funds to conduct research on COVID-19. Moreover, it is needed to circulate the news and instruction continuously regarding COVID-19 to increase public awareness. Along with the government, people also must need to maintain social distancing, personal awareness, personal hygiene, self-quarantine condition and to obey the rules of the country and WHO as well. The COVID-19 crisis has demonstrated the shortcomings of many low- and middle-income countries not investing in universal social security systems. It has meant that they have not had the schemes in place to be used to provide an immediate comprehensive response to the crisis. Mongolia is one country that has bucked the trend, in that it has been able to rapidly increase the transfer values of its tax-financed child, old age and disability benefits to provide a fiscal stimulus and protect the most vulnerable households, at a total cost of 1.6 per cent of GDP (on top of the 8 per cent of GDP that it spends normally on social security each year).Bangladesh's old-fashioned poor relief social security system has not been able to respond in the same way. Yet, COVID-19 is setting back the Bangladesh economy, resulting in higher unemployment, poverty and deprivation. Families that include children, older people and persons with disabilities are particularly vulnerable and the gains that Bangladesh has made in the past 20 years may be lost. The risk of social unrest and political instability is likely to increase if the government is unable to respond effectively. However, as suggested by the IMF, World Bank and United Nations, there is a solution. The Government could offer an emergency package of universal lifecycle benefits to children, older people and people with disabilities as part of a set of broader support mechanisms that also address unemployment, support businesses (particularly SMEs) and protect health. Due to the simplicity of their eligibility criteria, the lifecycle schemes would be relatively easy to implement. They would be opt-in so, if families do not need them, they could choose not to apply. They would also be fair, transparent and easily understood, and popular with the vast majority of the population. Importantly, the universal, lifecycle transfers could help kick start an economic recovery, ensuring that many businesses and entrepreneurs would find a market for their goods. By protecting family incomes, individuals, in particular children, could be more food-secure and well-nourished and less likely to suffer from ill-health. The risk of domestic violence would falls stress levels in households would fall, while mental health of parents, children and other household members would be

safeguarded. Human rights would be secured while, in the in the long-term, losses in human capital will be minimized. Bangladesh will be able to continue to strengthen its labor force, compete in international markets and move towards upper middle-income

Country status. Importantly, trust in government would be enhanced since citizens will be able to clearly see that the Government is caring for them in an inclusive, easily understood, non-controversial, popular and transparent manner. As in all other countries, bold, ambitious and creative thinking is required at this moment of great crisis, which is made even more challenging by recent floods. It may be difficult to find funding for an effective fiscal stimulus but, if it can be found, the benefits to the economy and families will be high. Establishing a fiscal stimulus based on universal, lifecycle transfers should be seriously considered as an option by the Government of Bangladesh as it assesses how to facilitate national economic recovery.

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