

REVIEWER'S REPORT

Manuscript No.: IJAR-59146

Title: Role of Taxation in Reducing Income Inequality: An Analysis of the Dual Taxation System in India

Recommendation:

Accept as it is

Accept after minor revision.....

Accept after major revision

Do not accept (*Reasons below*)

Rating	Excel.	Good	Fair	Poor
Originality		✓		
Techn. Quality			✓	
Clarity		✓		
Significance		✓		

Reviewer's ID: JPR-002

Detailed Reviewer's Report

1. Relevance and originality:

The manuscript addresses an important and socially relevant topic by examining the role of taxation in reducing income inequality in India. The discussion of direct and indirect taxation within the Indian dual taxation framework provides a useful broad perspective. However, the originality of the contribution should be made more explicit by identifying the precise research gap and explaining how this review differs from existing studies on taxation and inequality.

2. Research design:

The paper clearly identifies itself as a review-based study using a qualitative and descriptive approach based on secondary sources. However, the methodology requires greater detail regarding the literature-search process, databases searched, number of studies initially identified, screening procedure, and final number of sources included. The manuscript mentions Google Scholar but does not provide a sufficiently reproducible systematic search procedure.

3. Literature review:

The literature review includes several recent studies covering progressive taxation, GST, poverty, income distribution, and economic growth. However, the discussion is largely descriptive. The authors should provide a stronger synthesis by comparing the findings of previous studies, identifying areas of agreement and disagreement, and establishing a clearer connection between taxation structures and inequality outcomes.

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4. **Data sources and verification:**

The manuscript uses government reports, Union Budget documents, Economic Survey reports, RBI and Ministry of Finance publications, and international sources. This is appropriate for a secondary-data review. Nevertheless, all numerical data should be traced to the exact original source and reporting period. The authors should distinguish clearly between official statistics, estimates from research studies, and illustrative figures.

5. **Concern regarding inequality data:**

Particular attention is required for the Gini coefficient and top-1% income-share tables. The manuscript itself describes the Gini series as an “**Illustrative Trend Using Recognized Inequality Estimates**” and states that these figures are derived from different datasets and policy research rather than one authoritative source. Such data should not be presented as a directly comparable time series without clearly identifying the underlying source, methodology, and comparability limitations.

6. **Analysis of direct and indirect taxation:**

The comparison of direct and indirect tax collections from 2019–20 to 2023–24 provides useful descriptive information. However, the statement that increasing direct-tax collections necessarily indicate greater progressivity or improved income redistribution requires stronger empirical support. Tax revenue growth and tax progressivity are distinct concepts and should be analytically differentiated.

7. **GST and inequality discussion:**

The manuscript appropriately recognizes that indirect taxation can have different distributional consequences across income groups. However, claims concerning the distribution of GST burden, particularly the figures attributed to Oxfam India, should be presented with precise source attribution and methodological context. The authors should also distinguish between tax incidence and the amount of GST revenue collected from different population groups.

8. **Structure and organization:**

The chapter structure is comprehensive, covering introduction, literature review, methodology, data analysis, findings, case studies, implications, limitations, future recommendations, ethics, and conclusion. However, there is some structural inconsistency—for example, the heading “**Chapter 5: Chapter 6: Findings / Results**” should be corrected. Some sections also repeat arguments concerning progressive taxation, welfare expenditure, and inequality. Editing and consolidation would improve the manuscript's flow.

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9. Interpretation and limitations:

The manuscript appropriately acknowledges that taxation alone cannot explain changes in inequality and recognizes the limitations of relying on secondary data. The discussion would be strengthened by more clearly separating descriptive observations from causal conclusions. Since the research is review-based and does not conduct econometric or primary empirical analysis, causal claims regarding particular tax measures and inequality should be expressed cautiously.

10. Conclusion and contribution:

The conclusion effectively summarizes the manuscript's central argument that the distributional effects of taxation depend on the balance between direct and indirect taxes and the way government revenue is utilized. However, the conclusion should be more closely tied to the evidence actually presented in the review. The manuscript would benefit from a clearer statement of its academic contribution, stronger source verification, improved methodological transparency, and careful revision of numerical and policy claims before publication.