

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-130

Detailed Reviewer's Report

Overall Evaluation

The paper, "Role of Taxation in Reducing Income Inequality: An Analysis of the Dual Taxation System in India," addresses an important and relevant issue concerning taxation, income distribution, and inclusive economic development. The paper explains the role of direct and indirect taxation in India and discusses how tax revenues can be used for welfare, education, healthcare, infrastructure, and other developmental activities. The review-based research design and thematic approach are clearly stated. The paper has a broad coverage of taxation and income inequality and includes a literature review, taxation data, case studies, implications, limitations, and recommendations. The discussion of GST, direct taxation, public expenditure, and redistribution provides useful background. The inclusion of international comparison through the Nordic model also adds comparative perspective. However, the paper requires substantial revision before publication. The major concern is that some of the quantitative figures and interpretations are not sufficiently supported by clearly identifiable sources. For example, the paper itself states that the Gini coefficient and top 1% income-share figures are illustrative estimates derived from different datasets rather than from a single authoritative source. There are also some inconsistencies between the review-based methodology and the quantitative analysis presented later. The relationship between taxation and inequality needs to be analysed more critically rather than mainly described.

Strengths

International Journal of Advanced Research

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1. **Relevant and timely topic** - The paper focuses on taxation and income inequality, which is an important issue for economic and social development in India.
2. **Clear focus on direct and indirect taxation** - The paper appropriately discusses the different roles of direct taxes and indirect taxes and connects them with income redistribution.
3. **Good coverage of existing literature** - Several recent studies are reviewed, covering taxation, poverty, GST, fiscal policy, income distribution, and economic growth. This provides a reasonable foundation for the study.
4. **Clearly explained methodology** - The paper identifies itself as a review-based study using a qualitative and descriptive approach. It also explains the data sources, time period, inclusion and exclusion criteria, and thematic method of analysis.
5. **Use of secondary data** - The paper attempts to support its discussion with tax collection figures, GST collections, inequality indicators, and references to government publications and international sources.
6. **Case-study approach** - The GST and Direct Benefit Transfer case study, wealth concentration and corporate taxation case study, and Nordic comparison provide different perspectives on the relationship between taxation and inequality.
7. **Acknowledgement of limitations** - The authors appropriately recognize that the study is based on secondary data and that national-level averages may hide state-level, rural-urban, and income-group differences.
8. **Practical recommendations** - The paper provides recommendations concerning direct tax coverage, GST rationalization, tax administration, digitization, and social-sector expenditure.

Areas for Improvement

1. **Strengthen the research objective and research gap** - The paper discusses the importance of taxation and inequality, but the specific research gap is not clearly established. The authors should explain what is missing in previous studies and how this paper contributes something new.
2. **Improve the methodology** - Since the paper is presented as a review-based study, the process of selecting and analysing the literature should be explained in greater detail. The authors should mention the number of studies initially identified, the number finally included, and the procedure used for screening the studies.
3. **Clarify the quantitative analysis** - The paper presents tax collection and inequality figures, but the analytical relationship between these variables is not statistically examined. If the study is purely descriptive, the authors should clearly state this and avoid implying causal relationships.

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4. **Verify all statistical figures and sources** - The Gini coefficient figures and top 1% income-share figures need stronger source verification. The paper itself acknowledges that these figures are illustrative estimates from different sources. These figures should either be replaced with data from clearly identified authoritative datasets or be presented with appropriate methodological explanation.
5. **Correct unsupported causal statements** - Statements such as increased direct tax collection automatically improving income redistribution require stronger evidence. Higher tax collection does not necessarily result in lower inequality unless the incidence of taxation and use of public expenditure are also considered.
6. **Improve discussion of GST and regressivity** - The paper describes GST as regressive and discusses its effect on poorer households. This needs a more balanced and evidence-based discussion, including differences across goods and services, exemptions, tax rates, and the overall fiscal system.
7. **Strengthen the literature review** - The literature review mainly summarizes individual studies. It should synthesize the findings by identifying areas of agreement, disagreement, methodological differences, and research gaps.
8. **Improve consistency between methodology and analysis** - The methodology describes a qualitative thematic review, whereas the later chapters introduce numerical tax and inequality data. The authors should clearly explain how these quantitative data were incorporated into the review methodology.
9. **Improve references and citations** - Some references are not sufficiently detailed, and several statements in the analysis require direct citations. The reference list should follow a consistent academic referencing style, preferably APA 7th edition.
10. **Avoid overgeneralization** -Conclusions about India should consider differences between states, income groups, rural and urban populations, and formal and informal sectors. The authors themselves acknowledge that national averages may hide these differences.
11. **Improve chapter organization** - There is a structural issue in the heading “**Chapter 5: Chapter 6: Findings / Results.**” The chapter numbering should be corrected. The organization can also be streamlined to avoid repetition between findings, implications, and conclusion.
12. **Improve language and academic presentation**- Several sentences are lengthy or repetitive. The paper would benefit from careful language editing, particularly in the introduction, findings, and conclusion. Technical terms should also be used consistently.