

A Study on Effect of Consumption Taxes on Household Behaviours

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Abstract: *This study examines that how consumption taxes affect its household buying behavior, paying attention to saving and budgeting behavior, spending trends on any household products and its financial decision-making. All indirect taxes including Value-Added Tax (VAT), Sales Tax, and Excise Duties are examples of consumption taxes, which are indirect taxes and imposed on goods and services. These are effective to generating income for governments in many ways. If will compared to income taxes, they are easier to administer and have lower opportunities for evasion and avoidance. Thus, because they are regressive, they may not appropriately affect low-income households, affecting their necessary consumption and their lifestyle choices. Therefore, particular reference to the US, Japan, and India, this study investigates the historical background of consumption taxes and looks at how they relate to other types of household taxes and its household behaviors.*

Keywords: Consumption Taxes, Household behaviors

