Chapter 11

Technologies Reduced Tax evsaion: Oppotunities and Challnges

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Abstract

This study looks at how artificial intelligence (AI) is incorporated into tax systems, with an emphasis on how it might be used to improve tax collection efficiency and fight tax evasion. It talks about how direct and indirect taxes should be distributed fairly, what constitutes tax evasion, and how artificial intelligence may help with tax- related issues. The study is to examine potential applications of AI tools in the tax system in the future.

Keywords: Tax Evasion, Artificial Intelligence, Tax System, IT Sector

Introduction

This paper's introduction covers a number of topics, including how artificial intelligence might help prevent tax evasion, how direct and indirect taxes should be distributed equitably, what tax evasion is, and some methods that people can use to lower their tax obligations.Artificial intelligence was crucial to the tax system's ability to accurately collect taxes, compute taxes, recognize trends, detect fraud effectively and efficiently, increase tax compliance, and combat all forms of tax evasion [1].

Both direct and indirect taxes are gathered, with the proportionate percentage of each in India's total tax revenue for the fiscal year 2018–2023. 51.5% of taxes were from direct sources, and indirect taxes

48.5% of the central taxes collected were accounted for.

direct taxes, such as income taxes on wages, real estate, capital gains, business and profession, and other sources of revenue. Tax evasion is the unlawful practice of someone or an organization purposefully failing to pay taxes or minimizing their tax liability.The public evades taxes mostly through artificial intelligence (IT) controls, which lowers the percentage of tax

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