

# “Teaching of Taxation Laws in Indian Law Schools: Strategy for Teaching Law in 21<sup>st</sup> Century”

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This article provides an overview of the teaching of taxation laws in Indian law schools. With a focus on both direct and indirect taxes, as well as international taxation, the curriculum aims to equip students with a comprehensive understanding of the complex tax landscape in India. The article discusses the courses and specializations available, the fundamental concepts covered, and the practical approach adopted in teaching taxation laws. It highlights the key topics covered, including income tax, corporate tax, GST, international tax law, tax planning, tax litigation, and tax policy. The article also emphasizes the importance of case studies, guest lectures, workshops, moot court competitions, and research projects in enhancing students' understanding and application of taxation laws. By shedding light on the teaching methodologies and curriculum design, this article contributes to a deeper understanding of how Indian law schools prepare students for the intricacies of taxation laws and fosters their development into skilled tax professionals.

**Keywords:** Taxation Law, Corporate Laws, Income Tax Act, Specialization, Teaching.

## 1. Introduction

A country's legal education system is only as strong as its teachers, and a law professor is a crucial cog in that wheel. Following India's independence, the country's policymakers failed to provide adequate funding for the country's legal education system. The current issues and difficulties in the field of legal education warrant serious consideration. The current system of legal education has to be updated in light of global competitiveness. The difficulties of educating future lawyers are the primary emphasis of this presentation. There has not been a significant focus on developing students' practical abilities in legal education thus far. There has been a shift towards providing more real-world experience to legal students. Improving one's capacity to acquire new information is a crucial skill for pupils. Law professors are more concerned with evaluating the finished result than they are with the process through which it was created. If law schools used effective methods to evaluate their students' progress, they might help their students learn more. The best way for Indian law schools to achieve this goal is through the use of rigorous evaluation procedures that provide constructive feedback to students. Students can benefit from learning how to evaluate their own performance, and teachers can gain valuable insight into their students' progress towards learning goals when they implement self-assessment strategies. The instructor will increase the life long learning skills of law students and make them expert learners by introducing and maintaining the training in skills and utilising more effective evaluation procedures. The ability to study effectively should be the primary goal of any legal education programme.

The B.A.LL.B.(Hons) curriculum requires students to take Taxation Law. This course stands on its own and covers both the direct and indirect tax systems in India. Governments use taxation to steer the economy and encourage or discourage certain behaviours related to investment, output, and consumption. The course will get off with a discussion of the historical and contemporary economic and social background of taxes. Revenue collection, redistribution, and regulation through taxation are

all topics up for discussion. The primary goal of this course is to familiarise students with the system of income and transaction taxation in India by exploring core principles of income tax and GST law. In addition, students will be given a basic introduction to Indian customs legislation to the degree that such an understanding is necessary for comprehending the tax consequences of international transactions.

There is a widespread belief that law schools are in jeopardy and that professors aren't doing enough to ensure their students are ready for the demands of the legal profession. To better educate law students for the practise of law, the Indian legal education system should emphasise practical skills and effective evaluation mechanisms. This essay provides an analysis of the difficulties confronted by Indian law professors in this environment. The Bar Council of India, the affiliating university, the State Government, and the University Grants Commission all have a hand in governing legal education in India. Numerous studies have focused on the difficulties of being a law professor in India. The Supreme Court's observation in *Bar Council of India v. Bonnie Foi Law College & Ors*, (2023) as well as the Law Commission of India's 14<sup>th</sup> and 184<sup>th</sup> reports (1958 and 2002, respectively) and the National Knowledge Commission's 2007 report all bear on the difficulties that law professors face today. In India, students can get a law degree from a number of different sources, including grant-in-aid private law schools, government law schools, National Law Universities, Deemed Universities, private universities, Global Universities, etc. My professional experience includes working as a full-time law professor in a private law school. My own observations have led me to classify the issues faced by law professors into two categories: those concerning the working conditions and perks of the profession, and those concerning the quality of legal education and its impact on the legal community, the judicial system, and the public at large.

The present study aims to:

- ❖ To learn the ins and outs of the complex legal framework controlling taxes regulations.
- ❖ To investigate and evaluate the problems associated with teaching tax law in Indian law schools.
- ❖ To become well-versed in various resources and information pertaining to Taxation law.

### THE INDIAN CONTEXT FOR LEGAL EDUCATION AND SCHOLARSHIP

According to Prof. Upendra Baxi, there are the commonly accepted truths of law school; to begin, there has been an unprecedented increase in the number of people enrolling in law school. Second, unlike medical school, most juris doctorate and juris doctorate programmes are part-time. Third, the majority of LL.B. are taught in institutions with inadequate classroom and library facilities. The fourth issue is that although university law programmes are expanding, they remain underfunded in comparison to other social science disciplines. Fifth, the demoralisation of full-time law instructors is more widespread than that of part-time law professors because of the effects of mass education on admissions, teaching, and assessment standards. As a result of LL.B and LL.M courses being more widely available, regional languages are increasingly being used as the medium of instruction and assessment. Some of these details no longer hold true in their original context. Most law professors feel they have to spend too much time on administrative tasks and too little time conducting the research and writing necessary to advance in their careers (assuming they haven't already been appointed as full-time professors). Professor Upendra Baxi says that law professors in India are responsible for the following:

- a) Some legal educators in India believe that reforming and modernising the country's judicial system should be a lawyer's top priority.
- b) Some legal educators see being an excellent educator as their primary calling.
- c) Some legal educators, citing study and writing as essential to effective classroom instruction, say this. Educators who share this view often publish academic works that integrate their two passions: teaching and research.
- d) Some professors of law believe it is their primary duty to develop expertise in a particular field and to make lasting contributions to the academic literature on that topic.
- e) Some law professors who have been exposed to the legal education and scholarship in the United States think their position necessitates unconventional approaches to both teaching and writing about law.

## ENGAGING AND EFFECTIVE APPROACHES TO TEACHING INCOME TAX LAW

First, I as an author wants to tell you about my own experience with income tax before I give you my advice on how to teach it in a fun and engaging way. My L.L.B. degree included a concentration on Income Tax Law. By the third year, I had committed every part and provision to memory. In light of the foregoing, I would like to stress that true learning lasts a lifetime whereas cramming only works in the short term. In order to retain information about income tax, it is best to learn it via comprehension rather than cramming.

### ❖ *Methods of presenting Income Tax in an engaging and informative manner:*

First, one of the benefits of income tax law is that it specifies just five different types of income that must be reported. You need just instruct your students on the top five sources of income that must be reported. What happens if you have to teach and the income tax legislation indicates a thousand other ways to earn money? Which translates to a severely reduced curriculum to cover in class. Just spend five days covering the five most important aspects of income taxation. As a second piece of advice, include some unsavoury practises, such as gratuitous abuse of others, in the Income Tax Laws of 1961. If you ask me, I can produce a list of all the problems with income tax.

In accordance with Section 194B, if the amount of a payment to a resident or non-resident (in cash or kind or partly in cash and kind) is more than Rs. 5,000, then tax withholding at the rate of 30.9% (including 3% edu cess) must be withheld from the recipient's winnings. It's a 3% surcharge. Because 30% is a relatively modest income tax, I think it's a horrible idea. So that no one buys the lottery, income tax should be collected entirely through TDS.

A win at the horses' track is treated the same as a win at the casino under Section 194BB. The IT department is encouraging this behaviour by charging only 30% TDS on it. Such endeavours should be subject to a 100% income tax.

Section 206C is the worst of the laws since it requires the prohibition of alcoholic beverages sold for human consumption and the regulation of information technology. department only deducts 10% TDS at this time. To put it another way, the IT department is saying, "Hey, you guys can sell alcohol as long as you give us a 10% cut." That's terrible news. If I may address the Prime Minister of India, I will begin by outlawing booze, lotteries, and other forms of gambling. I will provide authority to technology in the event of criminal activity. a tenfold increase in the officer's sentence. (Once, while on a government bus, I fell asleep with my ticket in my pocket. When the bus driver woke me up, he asked for my ticket and took ten times the amount I had intended to pay for booze and lottery tickets.

Another flaw in the Income Tax Law is that there is no capital punishment for corrupt politicians who stole money from the Indian people and stashed it away in offshore accounts. As a teacher, you may discover both good and terrible aspects in income tax legislation to use as examples in your lessons.

Third, give simplification an honest shot. There are a lot of confusing aspects of income tax that haven't been explained well. As a teacher, it is your moral obligation to fulfil this role so that your students may be proud of you.

### ❖ *Ways to present income tax law in a straightforward fashion*

It is your responsibility to ensure that students can figure out their own taxes based on their entire income. The process for doing this is straightforward.

- ✓ First, instruct your students to properly categorise each assessee based on their place of residence.
- ✓ Second, show him how to combine all of his taxable earnings into one lump sum.
- ✓ Assessee should be categorised third according to the type of business it is.
- ✓ Finally, make sure to include how to determine how much income tax must be paid, as well as how to deduct that amount and how to claim any income tax refunds.

In India, students may expect to learn about both domestic and international tax law throughout their time in law school. In Indian law schools, students learn about the following aspects of taxation law:

- a) Taxation law is a popular area of study in Indian law schools, and advanced students can take courses in the subject as part of their postgraduate curriculum. Students can either focus their Master of Laws (LL.M.) degree on taxation or take taxation as a free optional course. (Juris Doctor) course of study.

- b) Taxation law courses are meant to give students an in-depth familiarity with India's tax code and related regulations. Income tax, corporate tax, GST, international tax law, tax planning, tax litigation, and tax policy are only few of the topics discussed.
- c) Introduces students to the basic ideas of taxation, such as the principles of taxation, the various tax classifications, tax responsibility, tax planning, and tax avoidance.
- d) Income tax and corporation tax are two examples of direct taxes. The corporation tax provisions of the Income Tax Act of 1961 are covered in detail. Taxable income, deductions, exemptions, tax planning, and the filing process are all covered in this course.
- e) GST, customs duty, excise duty, and service tax are all examples of indirect taxes. The GST Act, India's principal indirect tax law, is the core emphasis of the programme. The GST structure, registration, compliance, input tax credit, and GST return filing are all covered in class.
- f) Courses in tax law often include a substantial section on international taxation. Taxation of Foreign Companies in India, Transfer Pricing, Double Taxation Avoidance Agreements (DTAAs), and other topics are covered in this course.
- g) To assist students grasp how tax rules play out in the real world, instructors frequently use case studies and realistic scenarios in their classroom instruction. Students benefit from this method because it encourages them to think critically and find practical applications for previously learned concepts.
- h) Tax experts, solicitors and government officials are frequently invited to speak at law schools as guest lecturers and workshop leaders on the topic of tax law. This allows them to hear from professionals in the field and learn about the latest taxes advancements.
- i) Some schools of law have "moot court" contests, when students engage in "mock court proceedings" about tax problems in an effort to "resolve" those conflicts. In the field of taxation, this aids in the development of advocacy and legal writing abilities.
- j) Law schools encourage its students to do original research and publish scholarly articles on a variety of tax-related issues. This helps to further the scholarly discussion of taxes by shedding light on specific tax concerns.

It's worth noting that various law schools in India may use different pedagogical approaches and have slightly varied curricula. The level of study (undergraduate vs. graduate) and area of concentration can also affect the content and breadth of taxation law courses.

❖ ***The study of tax law must be made more engaging and practical***

Tax law isn't emphasised sufficiently in law schools. While the theoretical components of tax law are emphasised in more conventional educational settings, this topic is often presented as an elective at many modern institutions. The parts aren't even protected from the elements! Many regionally accredited colleges and universities fail to include even the most basic introduction to contemporary tax law topics and developments.

➤ ***Don't let Learned Helplessness hold you back.***

As a result, many young lawyers develop a strong dislike for tax law during their early years in school. They think tax is dull because you either understand it or you don't. And because of this, few people consider working in the field of tax law.

Such aversions to a topic, however, are nothing more than mental roadblocks and limiting ideas. My maths teacher used to yell at me while I was in school, and I guess I subconsciously resented the subject ever since. The antipathy to tax law stemmed from the same underlying anxiety about dealing with numbers. It was only reinforced in law school.

Similarly, due of a lack of practical focused teaching techniques, many students are unaware of the various potential career paths that tax law may provide. Systematic training and feedback, experiential, and organised learning techniques in accordance with industry needs are all effective ways to gain the skills necessary for success as a tax attorney.

➤ ***Tax professionals can choose from a wide variety of career paths and possibilities.***

First, there is no other area of law with as many specialised niches as tax law. Tax law is not actively practised. Whether it be indirect or direct taxation, customs and trade tariffs, transfer pricing, etc., that's

the field of tax law in which they specialise. However, most law schools fail to introduce students to the wide variety of practise areas that tax law might lead to.

Direct tax and indirect tax are only taught to students in distinct academic terms. It's possible that he may learn to mechanically determine his tax burden from his gross total income subject to direct tax and GST liability. In the last year, when tax law courses are typically given, most students are just trying to get through the course requirements and not do well on the tests.

Have you ever considered that the Constitution may have a role in tax law? For this reason, tax attorneys like Harish Salve, Nani Palkhiwala, and Arvind Datar go on to become renowned constitutional lawyers. Due to a lack of standardised instruction on tax law, law schools have contributed to this mental dissonance.

➤ *Learning tax law's nuances takes time and practise.*

Neither the basics nor the complexities of tax disputes or the taxation of deals like mergers and acquisitions or investments are covered in school. You might not have even considered stamp duty to be a form of tax.

The commercial ramifications of minimal alternative tax, how it affects the bottom line of a firm or an individual's business, how non-cash transactions affect the liquidity of a company, and the impact of depreciation are not topics often covered in a law school curriculum. Where can you even start to learn about the financial accounts of a corporation, which are essential for figuring out MAT implications?

➤ *The time has come for a method based on case studies.*

Have you been following the debate around the Angel tax? The startup business Travelkhana is in trouble when a "angel tax" wiped out its bank accounts. The "investment income" of your firm is subject to a "angel tax."

However, these extraordinary tax charges are dampening the energy of India's startup environment at the same time as the government is actively promoting the made in India initiative, exempting them. This opened up a previously unimaginable arena for tax attorneys to participate in national policy debates, lobby policymakers, and take on the government in court.

What kind of advice would you provide your clients in this predicament? You need a methodical strategy based on case studies that is laser-focused on the most recent changes in the law and can even give them advice on how likely they are to succeed in the event of a constitutional or other challenge being brought before tribunals or courts.

Therefore, it is important to instill in a tax lawyer's training an appreciation for the wider picture of tax laws and an awareness of how those laws are changing in response to industry demands and client advocacy.

➤ *Some people find customs law to be a confusing maze.*

Because of the technical nature of customs law, it is often overlooked by the general public. Many of my fellow CA students have told me that they struggle with understanding the basics of import procedure as it relates to customs legislation. The words "derelict," "jetsom," and "flotsam" are all new to my ears, as are "shipping bill," "import manifest," "bill of entry," "into the bond bill of entry," and "bill of entry." Imagine if someone makes a living turning this into something interesting. It has the potential to expand opportunities for customs tax consulting.

**The Carnegie Report recommends more effective ways to educate pupils to self-regulate their learning**

As the quote above puts it, "Professional schools cannot directly teach students to be competent in any and all situations; rather, the essential goal of professional schools must be to form practitioners who are aware of what it takes to become competent in their chosen domain and are equipped with the reflective capacity and motivation to pursue genuine expertise." They need to develop "meta-cognitive" skills to better manage their own education. Students can strengthen their meta-cognitive skills by actively engaging in process criticism rather than merely product evaluation. The process may be attacked most efficiently through formative assessment.

Many theological instructors employ a version of the Socratic or Case Method of instruction in their classrooms, with the expectation that their students will ultimately adopt the line of thinking and analytical abilities fostered by the method's emphasis on questions. Students are often unaware that they



are being asked questions designed to foster the development of synthesis, analogical, inductive, and deductive thinking. Professors engage in implicit teaching when they expect students to grasp the many forms of reasoning they are utilising without ever directly explaining the rationale behind their actions. To that aim, one of the main goals of formative assessment is to offer constructive criticism to students as they are learning. Midterm examinations, comments on student draughts of papers, and brief reflection papers are all examples of formative evaluation procedures utilised in law schools. Without helpful comments from the instructor, even the best test has little value. It's not enough to say something is right or wrong without explaining why it's wrong or offering an example of what should have been done instead. Feedback, according to the literature, should be offered promptly, should highlight the students' strengths and faults, should include both praise and constructive criticism, and should incorporate ideas for growth. The formative assessment provides valuable data for teachers of law to utilise in evaluating and improving their own methods of instruction. Students are not likely to revise their learning processes that lead to a satisfactory outcome if they finish an assignment satisfactorily but arrive at the end result inappropriately. The teacher can't fix any problems with the process if she doesn't know what her students are thinking on the inside. Asking process questions as part of a homework assignment is one approach to get a sense of how pupils' minds work. Students need to be regularly evaluated in this way throughout the academic year.

This type of ongoing assessment is rarely implemented in conventional law schools. However, this method of evaluation is quite successful in National Law Universities. The instructor faces unwelcome influences when administering these tests.

### TEACHING METHODS IN LEGAL EDUCATION

There are various kinds of Teaching Methods in Legal Education an across the global level. When it comes to teaching tax laws in India, it's important to adopt effective teaching methods that cater to the complexity and practicality of the subject. Here are some recommended teaching methods:

- ❖ Lecture Method: This is a traditional teaching method where the instructor delivers a structured presentation to the students. It involves the transmission of knowledge from the teacher to the students through oral communication. The lecture method is a style of instruction in which the teacher presents all of the material and leads the class as the lone facilitator. Because the instructor is the only one who talks, the pupils in this approach are relegated to the role of passive listeners. Begin by delivering lectures to provide an overview of the tax laws in India. Use visual aids, such as PowerPoint presentations, charts, and graphs, to simplify complex concepts and engage students. Encourage students to take notes and participate in discussions.
- ❖ Case Method: The case method, often called case-based pedagogy, is a teaching strategy for improving students' problem-solving abilities in the context of the law. These hypothetical situations might be genuine or fictitious. Use real-life case studies to demonstrate how tax laws are applied in practical scenarios. Analyze the facts of the case, discuss relevant provisions of the law, and explore possible outcomes. This method helps students develop problem-solving skills and a deeper understanding of the subject.
- ❖ Problem Method: This method involves presenting students with hypothetical legal problems or scenarios and encouraging them to apply their knowledge of the law to analyze and solve the problems. It promotes critical thinking, problem-solving skills, and the application of legal principles to real-life situations.
- ❖ Discussion Method: Divide students into small groups and assign them specific topics or cases related to tax laws. Encourage them to research, analyze, and discuss the given topic within their groups. This method promotes active learning, critical thinking, and peer-to-peer interaction.
- ❖ Collaborative Teaching Method: This method promotes teamwork and collaboration among students of taxation law. It involves group projects, assignments, and activities where students work together to research, analyze, and present legal issues related to tax laws. It fosters communication, cooperation, and shared learning.
- ❖ Guest Speakers: Invite tax professionals, lawyers, or government officials who specialize in tax laws to deliver guest lectures. They can share their practical experiences, insights, and provide a broader perspective on the subject. This helps students connect theory with real-world applications.

- ❖ **Clinical Method:** This method combines classroom learning with practical experience in a legal clinic or real-life legal settings. Students work under the supervision of experienced tax lawyers, handling actual cases, and engaging in tax practice. It helps students develop practical skills, ethics, and professionalism.

These are some of the teaching methods commonly used in legal education. Different methods can be combined or adapted based on the specific needs of the course, the instructor's teaching style, and the desired learning outcomes.

## 2. Conclusion

There is a widespread perception that students are not adequately prepared for careers in the legal field by their academic institutions and their professors. When it comes to actually preparing students to work as lawyers, some have questioned the purpose of law schools. Spreading knowledge of the law and establishing a reliable judicial system are the primary goals of legal education. In comparison to instructors of other courses, those who teach law are not even compensated well. The National Knowledge Commission has proposed enhancing the working circumstances of legal educators. The relevant authorities must take these suggestions seriously and act upon them. As a constructive response to the widespread criticism, the legal education community may work to enhance the classroom experience for students. Making law students into lifelong experts at learning allows them to use their knowledge in unexpected contexts. Keep in mind Dr. Radhakrishnan's words: "one who dares to teach shall never cease to learn."

The education provided by law schools has not prepared its graduates to be effective students. Better formative assessment in doctrinal courses, lawyering skills courses and clinics may be utilised to better prepare students for the practise of law. With the use of formative assessment, a law professor may help his or her students develop the meta-cognitive abilities they'll need to successfully apply classroom knowledge in real-world practise. The purpose of formative assessment in legal education is to shift the emphasis from the final output to the learning process itself.

Most legal educators concur that students need to exit law school with a foundational set of skills in areas including critical thinking, problem solving, legal analysis, legal research, writing, and communication before entering the practise of law. Most of the students have little to no foundation in those essential skills and abilities, but they come from a wide variety of educational and learning backgrounds. They need to be taught at law school how to adapt the lessons they've learned to the constantly evolving practise of law. This calls for the transition of law school students from beginner to expert status as students.

To be an excellent learner in the field of law, one must be aware of one's current knowledge, their gaps in knowledge, the information they will need to acquire, how that information will be used in practise, and how to verify that they have obtained accurate information. The ability to reflect on and improve one's own thinking processes encompasses all of these traits. In order to apply what one has learnt in one context to another, metacognition—the act of "thinking about thinking"—and the capacity to self-regulate learning are essential.

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