**Abstract**

Direct taxes are those which are paid directly to the government by the taxpayer. These taxes levied and collected from the same person. It’s imposed on the people and organizations directly by the government. Most of the tax evasion and tax avoidance are carried on in the direct tax. Hence an analysis has been made to find out the reason for tax evasion and tax avoidance. Analysis made were among individual taxpayers who file income tax return. It revealed that creation of awareness among public regarding direct tax and reduction in tax rate shall reduce tax evasion and tax avoidance.