



## AN OVERVIEW OF GOODS AND SERVICE TAX

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### **Abstract**

Goods and Service Tax is defined as the Giant Indirect Tax. The structure was designed for support and enhances the economic growth of a country. As of now 150 countries have implemented GST so far. However, the idea of GST in India was mooted by Vajpayee government in 2000 and the constitutional amendment for the same was passed by the Loksabha on 6th May 2015 and it was to be ratified by the Rajyasabha. However, there is a huge for and against its implementation. Finally it was successfully implemented on 1<sup>st</sup> July 2017. It would be interesting to understand the regime of GST which hamper the growth and development of the country.

**Keyword: - Goods and Service Tax, Economy, Growth of GST.**

### **Introduction**

The Goods and Services Tax (GST) is a vast concept that simplifies the tax structure. GST in enhancing the economic growth of the country. It is a comprehensive tax levy on manufacturing, sale and consumption of goods and services at a national level. GST also called as The Constitution (One Hundred and Twenty-Second Amendment) Bill, 2014, GST is an indirect tax at the stages of production to bring about uniformity in the system.

On bringing GST into practice, there would be combination of Central and State taxes into a single tax payment. GST would reduce the overall tax burden, which is currently estimated at 25-30%. Under this system, the consumer pays the final tax but an efficient input tax credit system ensures that there is no cascading of taxes, or tax on tax paid on inputs that go into manufacture of goods.

### **Objectives of the Study**

1. To know Impact, Advantages and Disadvantages of GST.
2. To know the Opinion of consumer towards GST ;
3. To know the wider scope of GST in India; and
4. To know whether GST implementation in India is become success or failure.

### **Benefits of GST**

1. GST would introduce one Country, One Tax System i.e one tax rate system throughout the country.
2. GST Avoid the Tax on Tax system or cascading effects. And it show in Transparent.
3. It cover both Central and State tax regime along with Goods and Services and make it transparent.
4. It brings down the prices of goods and services in all the stage of manufacturing and increases the competition.
5. It helps to increase the GDP growth of the country and create business friendly environment.

### **Problems of GST**

1. Goods and Service Tax is newly introductory concept in India, so it will take time to understand.
2. It creates some misunderstanding among the transaction level from manufacturer to Consumer.
3. It is not understand by a common people due to unaware about tax proceedings.
4. Retail seller or Shop keeper are struggling to create Invoice and filling returns.
5. GST Tax rates are not constant for some items, it different form one place to another place:- (Car Price in Mumbai and Jaipur not same even after implementation of GST).



### **Salient Feature of GST**

1. A provision will be made for removing imposition of entry tax/ Octroi across India.
2. Offers a wider tax base, necessary for lowering tax rates and eliminating classification disputes
3. Entertainment tax, imposed by states on movies, theatre, etc., will be subsumed in GST, but taxes on entertainment at panchayat, municipality or district level will continue.
4. Eliminates the multiplicity of taxes and their cascading effects
5. It reduce error in compliance procedure and increase efficiency

### **Impact of GST**

1. GST will have quite a favorable impact on Indian economy. Some sectors will have more favorable impact compared to others under the proposed GST.
2. GST will eliminate the scope of double taxation in certain sectors due to tax dispute on whether a particular transaction is for supply of goods or provision of service such as licensing of intellectual properties like patents and copyrights, software, e-commerce and leasing.
3. GST will have favorable impact on organized logistic industry and modernized warehousing.
4. Major beneficiary of GST would be sectors like FMCG, Parma, Consumer Durables and Automobiles and warehousing and logistic industry.
5. GST is a value-added tax levied at all points in the supply chain, with credit allowed for any tax paid on input acquired for use in making the supply. It would apply to both goods and services in a comprehensive manner, with exemptions restricted to a minimum.

### **Disadvantages of GST**

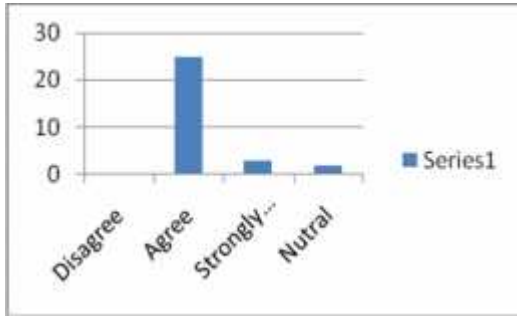
1. Most of the business firms fill their returns in ERP software such as VAT and Service tax, but now they change from ERP to GST so it leads to increase the cost of buying new software.
2. Most of the firms are not aware of new tax system. The new taxation system requires understanding of the minutiae, which is lack of now in the business.
3. In India most of the small business firms are preferred to pay tax and filing the return in their own for save the cost, but after GST implementation the small business professions also bear the additional cost for hiring experts.
4. GST was implemented in the middle of the year i.e.1/7/2017 so the business firms have to fallow the old system in first 3 months and remaining months they have to fallow new tax procedure so for the accounting year 2017-2018 is not fallow one tax structure.
5. The GST return should be done only in computerized or internet basis, so some small firms are not fully computerized and they are facing technological problems now a days.
6. Some of the unorganized sectors are going on strike to protest against GST. Incoming days if protest are increases or it happens across the country it disrupt the business.

### **Statement of the Problems**

GST (Goods and Service Tax) is the wider and new concept in India. It was implemented on 1<sup>st</sup> July 2017. Earlier the tax system was quite easier than GST such as VAT. Excise duty. Service tax etc, but now after implementation of GST its quite difficult to understand from end to end point. As of now GST rates are 5%. 12%. 18% and 28%. Somehow the tax rates are not measurable due to some external facts, and still rate of tax on a products are changing day by day with in the slab rate.

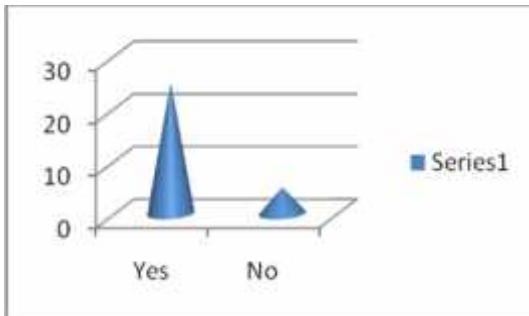
### **Data Analysis and Interpretation**

1. Implementation of GST is better than VAT or better than existing tax system



Particular	Respondents
Disagree	0
Agree	25
Strongly Agree	03
Neutral	02
<b>Total</b>	<b>30</b>

**2. Is The Available Legislation In Relation To Propose Gst Is Satisfactory Or Do You Feel Need More Clarity?**



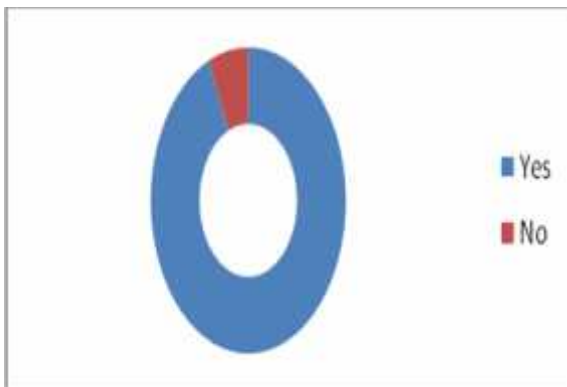
Particular	Respondents
Yes	25
No	05
<b>Total</b>	<b>30</b>

**3. Whether GST Is Beneficiary For Common People**



Particular	Respondents
Yes	25
No	05
<b>Total</b>	<b>30</b>

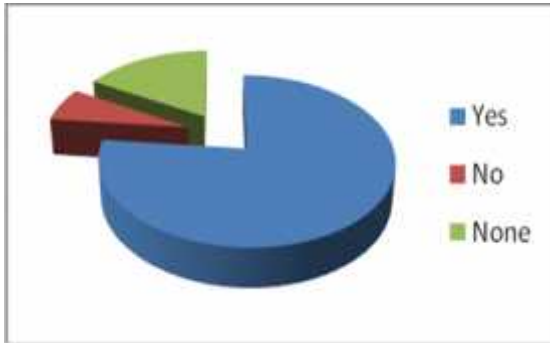
**4. Are u aware about GST tax rate system in India**



Particular	Respondents
Yes	28
No	02
<b>Total</b>	<b>30</b>

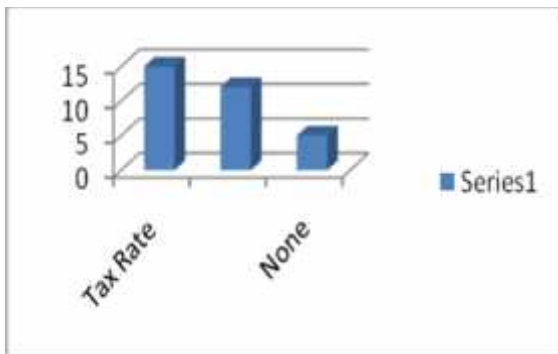


**5. Do Think Is There Any Changes Required In GST Tax Regime**



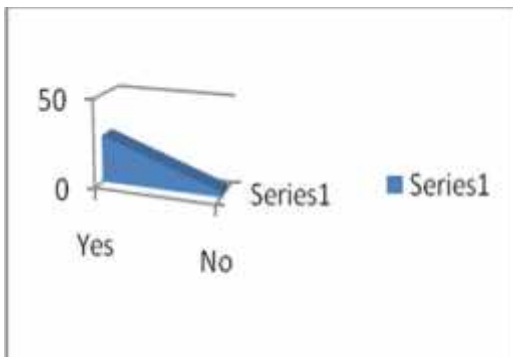
Particular	Respondents
Yes	23
No	02
None	05
<b>Total</b>	<b>30</b>

**6. Is there any changes required for fallowing**



Particular	Respondents
Tax Rate	15
Code of Conduct	12
None	05
<b>Total</b>	<b>30</b>

**7. Weather GST Is Required For Petroleum Product**



Particular	Respondents
Yes	27
No idea	03
<b>Total</b>	<b>30</b>

**Findings**

1. Table 01 shows that, out of 30 respondents there is none of the respondents are disagree, 25 respondents are agree, 03 respondents are Strongly agree and 02 respondents are neutral regards implementation of GST.
2. Table 02 shows that, 25 respondents are feeling that, they require more clarity about GST and 05 respondents feel that the present information is enough.
3. Table 03 shows that, 25 respondents are feels that the present GST tax regime is beneficial for Common people and 05 respondents are feels that it's not beneficial for common people.
4. Table 04 shows that, 28 respondents are feels that they aware about tax rate system in India and only 02 respondents are feels that they are not aware about tax rate system (GST) of India.



5. Table 05 shows that, 23 respondents are feels that some changes require in GST tax rate regime and 02 respondent feel that no changes require in GST tax rate regime and 05 respondents didn't say anything due to unaware of tax rate system.
6. Table 06 shows that, 15 respondents are feels that some changes require in GST tax rate regime and 12 respondent feel that changes require in formation of Code of Conduct (Rules and Regulations) and 05 respondents didn't say anything due to unaware of tax rate system..
7. Table 07 shows that, 27 respondents are feels that GST is require for Petroleum Product and 03 respondents are feels that they are not aware about GST tax rate system (GST) of India.

### Suggestions

1. GST (Goods and Service Tax) is a new indirect-tax concept in India. And public need some time to understand the tax concept.
2. Tax department or Govt should guide the public regards GST regime on behalf of that, govt should conduct some seminars and conferences.
3. Maximum no of public getting some benefit from GST, only few percentage of public not aware about the concept, the reason may be illiterate and not familiar about tax concept, so the tax regime should like that, the common people can understand weather literate or illiterate.
4. As of now there are few slabs are there in GST i.e 5% ,12%, 18% and 28% some common people know about rate of tax and some are not aware.
5. The tax slab rate is finalized, but still some products GST rate of tax is changing (Hotel Industries) day by day. So the GST should finalize and it can't be change day by day.
6. To bring one tax rate system in Petroleum Products, GST should apply to Petroleum Products.

### Conclusion

GST (Goods and Service Tax) was imposed on 1<sup>st</sup> July 2017, now days it is necessary to bring some changes in tax regime. In tax rate system some confusion are there from Manufacture to ultimate consumer, and also little bit struggling is there when generating invoice and while filling the return. From the above study **OR** overall i conclude that the present GST system is favorable.

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