

A COMPREHENSIVE STUDY OF GOODS AND SERVICES TAX (GST) IN INDIA

Dr. Sangeeta Jauhari, Dept. of Management

Rabindranath Tagore University, Bhopal

ABSTRACT

The Goods and Services Tax (GST), which was introduced on 1 July 2017, is considered to be a major tax reform to date.

GST was planned to be implemented in April 2010, but was postponed due to political issues and conflicting stakeholder interests. The primary objective behind the growth of GST is to subsume all kinds of indirect taxes in India, such as Central Excise Tax, VAT / Sales Tax, Service Tax, etc., and to enforce a single tax system in India. The document highlighted the context of the tax scheme, the concept of GST along with important work, the comparison of Indian GST tax rates with other world markets, (Nayyar & Singh, 2018) and also provided in-depth coverage of benefits to multiple areas of the Indian economy after the GST has been collected, and described some obstacles to the application of GST.

KEYWORDS: Tax, Indirect Tax, Goods and Services Tax (GST), Taxation Reforms, Indian Taxation System, GST Council

INTRODUCTION

The Goods and Services Tax (GST) is an immense idea that rearranges the goliath assessment structure by supporting and improving the financial development of a nation. GST is a far reaching duty demand on assembling, deal and utilization of products and ventures at a national level. The Goods and Services Tax Bill or GST Bill, additionally alluded to as The Constitution (One Hundred and Twenty-Second Amendment) Bill, 2014 (Nabira, 2015), starts a Value included Tax to be actualized a national level in India. GST will be a roundabout expense at all the phases of generation to achieve consistency in the framework. Despite the existence of multiple taxes in the Indian economy such as Excise Tax, Custom Duty, Service Tax, etc., India's GDP is still much lower than that of other countries such as the USA – 13.84 per cent, China – 6.99 per cent, Japan – 4.3 per cent, and France – 2.05 percent (Khan, Azam, Shadab, & Khan, 2012). Thus, GDP data from different countries show that there is the greatest need for tax reform, that is, the implementation of the Goods and Services Tax. Under this system, the consumer pays the final

tax, but an efficient system of input tax credit ensures that there is no cascading tax-tax on inputs that go into the manufacture of goods.

METHODOLOGY

This paper provides a detailed insight into the implementation of GST tax among the various sectors of the country (Anjali Tandon & Mishra, Geetha Mohan, 2009). GST, once implemented, will bring consistency with the tax rates and will also overcome many deficiencies in the Indian tax system with regard to indirect taxation. The Goods and Services Tax would certainly be of great benefit to major parts of India's economy.

The exploration paper is an endeavor of research, in light of the auxiliary information sourced from diaries, Internet, articles, past research paper which concentrated on the different parts of merchandise and administration act. As indicated by the necessities of the targets of the examination the configuration is spellbinding sort. The open auxiliary information is utilized distinctly for study. Highlights of the GST to propose The GST framework depends on a similar idea as VAT. Following the highlights have been talked about:-

Scope of GST

1. GST to be organized on the goal standard with the goal that the duty base movements from generation to utilization whereby imports will be at risk to expense and fares will be assuaged of the weight of GST.
2. CGST and SGST would be extensively relevant to all merchandise and enterprises up to the last purchaser. CGST and SGST would be relevant to all exchanges including supply of products and ventures made for a thought (but alcoholic alcohol for human utilization) and the absolved merchandise and administrations, merchandise which are outside the domain of GST and the exchanges which are underneath the recommended edge limits.
3. Tobacco items are incorporated into GST along with focal extract charge.
4. Initially, the following products are exempted but GST on the following products is levied from the date notified by the GST Council • Petroleum Crude • High Speed Diesel • Motor Spirit (commonly known as Petrol) • Natural Gas • Aviation Turbine Fuel (Kumar, 2014).

Collection of GST:-

1. The CGST will be collected by the central government, while the governments of the states will collect SGST.
2. IGST shall be levied on goods in the course of interstate trade, including tariffs which are gathered by the central government solely and distributed to imported countries as GST is a tax-based target.

IMPACT ON INDIAN ECONOMY

The Goods and Service Tax (GST) bill is relied upon to have wide running implications for the convoluted tax assessment framework in the nation. It is probably going to improve the nation's assessment to GDP proportion and furthermore repress expansion. While giving money related muscle to the government for expanding the capital consumption which will support the economy develop (NISHITA GUPTA, 2014). Despite the fact that there are desires that the Gross domestic product development is probably going to go up by 1 to 2 %, the results must be dissected after the GST usage. The reaction is blended from nations around the globe. While the New Zealand economy had a higher GDP development, it was lower if there should arise an occurrence of Canada, Australia and Thailand after the GST was executed. There is probably going to be momentary lift to cost weights particularly the administration assessment has been raised from current 15 to 17-18%, while a few items duties are brought down. These modifications will counterbalance one another, bringing down the net effect of swelling. The GST sway on development will be negative in short run however positive later. The one percent charge that has been proposed as a sop to assuage the States for remunerating their misfortune of income from the between state CST is probably going to play a ruin sport. It is likely that it might influence the GDP antagonistically. The GST duty rate is expected to associate with 17-18% and can be accepted as a duty unbiased rate. With the execution of GST the FMCG segment would truly change. The assortment of the tax assessment impacts the organization's choice on fabricating area and conveyance of Merchandise. FMCG organizations will currently move towards the regions where they can have the advantages of assessment. There will be a beneficial outcome on costing of items as charges will be diminished a similar decrease will influence the costs or costing moreover. Subsequently, GST playing an ideal job. The Indian foundation area to a great extent includes control, street, port, railroads and mining. What's more, the roundabout assessment duty is extraordinary what's more, exceptional for every one of them, and this is complex in nature. After usage of GST the arrangement of different duties won't exist, along these lines expanding the assessment base. At present in India tax avoidance is the issue lying before govt. also, because of confounding duty framework winning individuals frequently avoid, however GST will go about as a weapon against this training and increment the income for the administration as well. With the gathering done at purpose of offer, the two parts will be charged on the assembling expenses and accordingly prompting lessening of costs which thus will profit the purchaser and further prompting increment in the utilization of merchandise which further will increment the benefits of the organizations (Priya & C, 2018).

CONCLUSION

Principally, the idea of GST was presented and proposed in India a couple of years back, however usage has been finished by the current BJP government under the capable authority of Prime Minister Shri Narendra Modi on July 1, 2017. One of the greatest tax assessment change GST will tie the whole country under a solitary tax collection framework rate. As anticipated by specialists, GST will extemporize charge accumulations and lift up India's monetary improvement and break

all expense obstructions among Central and State Governments. Most likely, GST will give India a reasonable and straightforward tax assessment framework, however it is likewise encompassed by different difficulties as talked about in this paper. There is requirement for increasingly systematic based research for effective usage.

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