

Goods and Services Tax (GST) in India –An Overview and Impact

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Abstract: *The massive indirect tax regime aimed at supporting and increasing the growth of a country shall be considered as Goods and Services Tax, which means that it imposes taxes on goods and services. The impact of the GSP and its implications for various sectors are the focus of this research paper. The most anticipated indirect tax change GST (Goods and Services Tax) was implemented in India as the 122nd amendment to the constitution on July 1, 2017, transforming India into a unified market of 1.4 billion people. GST was based on the concept of "One Nation, One Market, One Tax." It is a comprehensive, multistage, destination-based tax: comprehensive because, with the exception of a few state taxes, it has absorbed almost all indirect taxes. The GST, being multi-staged, is applied at each stage of the production process but is intended to be refunded to all parties in the various stages of production other than the final consumer, and as a destination-based tax, it is collected from the point of consumption rather than the point of origin. It was anticipated that the implementation of this tax would be one of the most significant game changers, assisting business owners and manufacturers by eliminating multiple taxes, reducing tax evasion and corruption, and increasing government revenue by broadening the tax base and GDP of the country. Goods and services are taxed at five different rates under GST: 0%, 5%, 12%, 18%, and 28%. Certain items, such as petroleum products, alcoholic beverages, and electricity, are not taxed under GST and are instead taxed separately by specific state governments, as was the case under the previous tax scheme. "Inflation will come down, tax avoidance will be difficult, India's GDP will be benefitted, and extra resources will be used for the welfare of poor and weaker section," Finance Minister Arun Jaitley said at the GST launch event in Parliament. This paper throws an insight into the Goods and Service Tax concept, its objectives, challenges, and impact on the Indian economy.*

Keywords: Goods and service tax, Economic growth, Impact.