

Impact of GST on Luxury Goods

Sujal Sailu Karreusra

Research Scholar

The Byramjee Jeejeebhoy College of Commerce, Mumbai, Maharashtra, India

Abstract: *The Indian tax administration has had challenges dealing with the concept of luxury for a long time. The introduction of Goods and Services Tax (GST) by the government has put “luxury items” in the highest tax bracket at 28%. Today, more than 160 nations are practicing this form of taxation. The implementation of the Goods and Services Tax (GST) in India was a historical move, as it marked a significant indirect tax reform in the country. The initiative is now paving the way for a common national market. The implementation of GST will definitely be a huge shot in the arm for the luxury retail industry. The main objectives are to discuss the impact of GST on luxury goods and to analyse the purchasing attitude of customers after the GST regime. Descriptive research method is followed. Convenient sampling method is used to collect the samples. A total number of sample sizes is 200. Statistics tools used for analysis are pie charts and complex charts. The findings were buyers of luxury cars are not getting benefited since manufacturers are getting benefited more. GST reform is very effective for consumer because it could make the luxury industry and businesses restructure their financial model, the industries could also gain and so can the consumers. GST on luxury industry will encourage them to invest more in the long run in India and boost made in India goods Hence it is concluded that most of the luxury items, tax rates are not at same level at which they were before the GST regime and it reduces the cost for the consumer and manufacturer which facilitate seamless movement of product.*

Keywords: Goods and Services Tax