

GST and its Impact on E- Commerce Industry

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Abstract: *This paper explores the impact of Goods and Services Tax (GST) on the e-commerce industry, focusing on changes in tax compliance, pricing strategies, business operations, and cross-border transactions. GST, implemented in various countries including India, has significantly altered the way online businesses operate by simplifying tax structures, yet has also introduced challenges such as complex compliance requirements and potential price increases for consumers. This study assesses these impacts, analyzes the benefits and drawbacks for e-commerce companies, and offers recommendations for improving GST implementation for the industry.*

The implementation of the Goods and Services Tax (GST) in India has significantly transformed the e-commerce industry by replacing multiple indirect taxes with a unified tax structure. GST has streamlined taxation, reducing complexities in compliance for online sellers and marketplaces. The tax regime has introduced a seamless input tax credit (ITC) system, eliminated cascading taxes, and facilitated interstate trade, fostering a more structured digital economy.

However, GST has also increased compliance requirements, particularly for small and unregistered sellers, due to the mandatory Tax Collected at Source (TCS) provisions and registration under GST. While large e-commerce platforms benefit from simplified logistics and a transparent tax system, smaller vendors face challenges in adapting to digital tax filing and compliance.

This paper examines the pre-GST vs. post-GST impact on e-commerce, analysing its effects on pricing, market growth, seller operations, and consumer behavior. It also discusses the benefits and challenges posed by GST on e-commerce businesses and evaluates the overall impact on industry growth and regulatory efficiency.

Keywords: Goods and Services Tax, E-Commerce Industry, Tax Compliance, Pricing Strategies, Cross-Border Trade, GST Impact, Digital Economy, Tax Reform

