

Analysis of the Consequence of GST on Several Sectors of the Indian Economy

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Abstract: *The multiplied taxes in India are a headache for both consumers and enterprises. We discovered a complicated tax arrangement in India. The implementation of the GST bill is a priority for the current ruling administration. The analysis outlined how GST will benefit the government and business. further described how GST lowers the price of goods and services. It would prevent the negative effects of cascading and create a common national market by combining numerous central and state taxes into one tax and allowing set-off of prior-stage taxes. Some of them responded favourably, while others provided unfavourable comments because the implementation increased the cost of products and services and, as a result, this tax. GST will have a significant impact on all sectors of the economy, including manufacturing, service sector or industry. The implementation of GST has an equal impact on all commercial entities, including traders, manufacturers, and service providers*

Keywords: Awareness and knowledge, Indian economy, and GST needs

I. INTRODUCTION

The Goods and Services Tax (GST) is a planned indirect taxation system in India that would combine the majority of the country's current taxes under a single system. The 2016 Law (One Hundred and First Amendment) Act introduced it. ArunJaitley, the current Union Finance Minister, is the bill's chairman. GST will be an all-encompassing indirect tax on the production, sale, and consumption of goods and services in India. to replace the state and federal administrations' existing taxes. If the input tax credit approach were used, the goods and services tax would be charged and demanded at each stage of the sale or purchase of products or services.

Using this technique, businesses that have registered for GST are able to claim a tax credit for the amount of GST they paid while making regular business purchases of goods and services. Until they are received by the customer, taxable products and services are not differentiated from one another and are taxed at a single rate throughout the supply chain. To charge tax on products and services, a single entity would typically be responsible for administration. According to the destination principle, exports would be tax-free and imports would be subject to the same taxes as domestic products and services. It is not only desired but necessary in the current tax climate to implement an integrated goods and services tax (GST) to replace the various state and federal tax.

The introduction of GST would guarantee that India offers a tax structure that is nearly comparable to that of the rest of the globe. Additionally, it will increase the cost-competitiveness of domestic goods and services abroad. both at the federal and provincial levels, the GST will in this way provide more relief to customers in industrial trade and agribusiness through a more complete and wide scope of input tax set-off and services tax setoff coverage. India's third-largest economy in Asia, according to Mr. ArunJaitley, finance minister, may become a worldwide market once GST is implemented.

1.1 Objectives of the study

1. To study about the concept of GST.
2. To study the pros and cons of GST.
3. To study the positive and negative impact of GST on Indian economy

II. RESEARCH METHODOLOGY

A research effort is made in the research article. based on secondary material obtained from journals, the web, books, and earlier research papers that examined different facets of the good and service act.

III. STRUCTURES OF GST

The proposed GST regime shall have the following features :-

1. It shall be a destination-based taxation.
2. It shall have a dual administration- central and state.
3. State wise determination of taxable person- no more centralized registration.
4. Seamless credit amongst goods and services.

IV. GSTN

In order to execute the goods and services tax (GST), the Goods and Services Tax Network (GSTN), a not-for-profit, non-governmental organisation, will offer IT infrastructure and services to the federal and state governments, taxpayers, and other stakeholders. Three parties will own it: the state, the technology partner NSDL, and the centre. S Duttmajumdar, the then-chairman of the central board of excise and customs (CBEC), made this statement while addressing a "National Conference on GST." He stated on the potential GST implementation that "there was no need for alarm if GST was not rolled out by April 1, 2017".

V. MULTIPLICITY OF TAXES

Currently, the constitution gives the federal government the authority to impose service taxes on the provision of services and excise taxes on goods. Additionally, it gives state governments the authority to charge a sales tax or value-added tax (VAT) on the purchase of products. Because of this strict separation of fiscal responsibilities, there are many different indirect taxes in the nation. Additionally, central sales tax (CST) is levied when items are sold between states but are actually collected and kept by the exporting states. The entry of commodities into local regions is also subject to entry taxes in several states. Union taxes, state taxes, and municipal taxes have all resulted in hassles and harassment for the taxpayer. He must speak with numerous authorities and keep

VI. TAX-RATE UNDER THE PROPOSED

GST In accordance with the choice taken by the GST Council on November 3, 2016, the tax rates the following four slabs: 5%, 12%, 18%, and 28%. Daily necessities will only be taxed at 5%, but luxury and depreciable commodities would be taxed at 28%.

Essentials for GST

1. State-by-state variations exist in VAT rates and regulations. Additionally, it has been noted that states frequently cut these rates in an effort to draw in investors. The state and federal governments lose money as a result of this.
2. The borders between the state list and central list have started to blur as corporate operations have developed, resulting in double taxes and significant litigation.
3. There is a cascade impact since the federal and state taxes are not fungible against one another or among states.
4. Due to differences in the rates of taxes imposed by each state, businesses now structure their transactions only to obtain tax advantages.

Pros of GST

- One-Country-One-Tax (GST) introduced
- All indirect taxes were split between state and federal levels by the GST.
- GST transparently expands the tax system by include goods and services.
- GST reduced the cost of goods and services, which raised consumption.

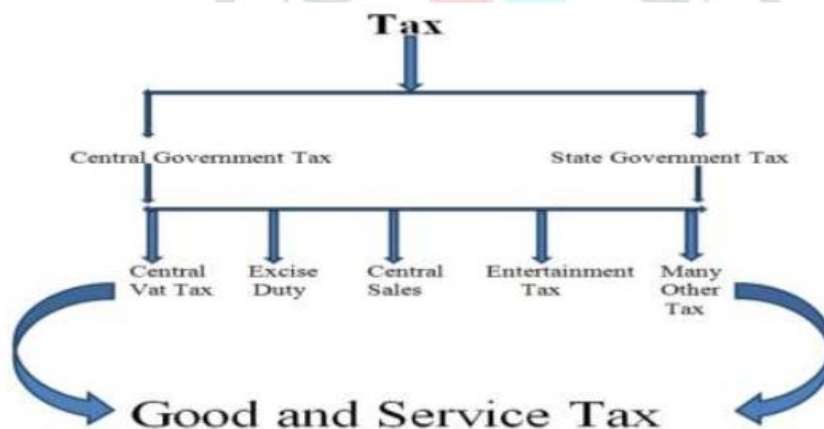
- By raising the tax-to-GDP ratio, GST established a climate that was business-friendly.
- GST lessened the impact of escalating taxes on the product's final price.
- GST removed several taxes.
- GST enhanced the necessity for financial paperwork while reducing black money in the economy.
- A higher registration threshold; • The introduction of composition plans for small businesses under the GST.
- GST quick online procedure.
- Lower compliance rates.
- Controlling the unorganised market.
- Youth employment chances as GST-trained professionals.

GST's beneficial effects on the Indian economy

The following are some advantages of GST for the Indian economy. Increase output to lower the tax burden on manufacturers and companies.

The various tax obstacles are removed under a single tax system. Government revenue grew as a result of the introduction of the GST.

Because of the GST's lower taxes on various things, several industries, including the automotive and commercial vehicle, consumer goods, clothing, tobacco, construction materials, and logistics, have seen growth.



GST's detrimental effects on the Indian economy

The following are some advantages of GST for the Indian economy.

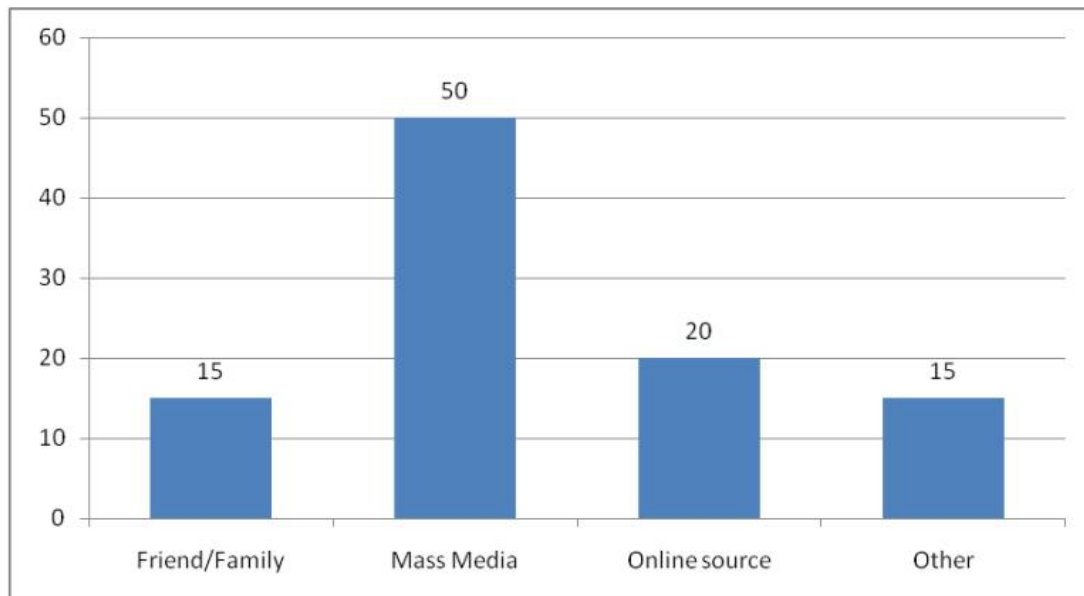
- Due to the increase in tax rates on various commodities under the GST, several industries, including hotels, restaurants, and branded apparel, see declines.
- GST tax rates range from 0%, 5%, 12%, 18%, and 28% and are only applicable to the whole taxation system; before GST, separate tax rates were in place for various commodities and services.
- The impact of GST on inflation might be felt. Increasing the value of your goods and adding it to your monthly costs

VII. ANALYSIS AND INTERPRETATION OF DATA:

1. How do you get know about GST? From :

Table 1:

Particulars	No. of Respondent	Percentage
Friend/Family	15	30%
Mass Media	50	50%
Online source	20	20%
Other	15	
TOTAL	100	100%

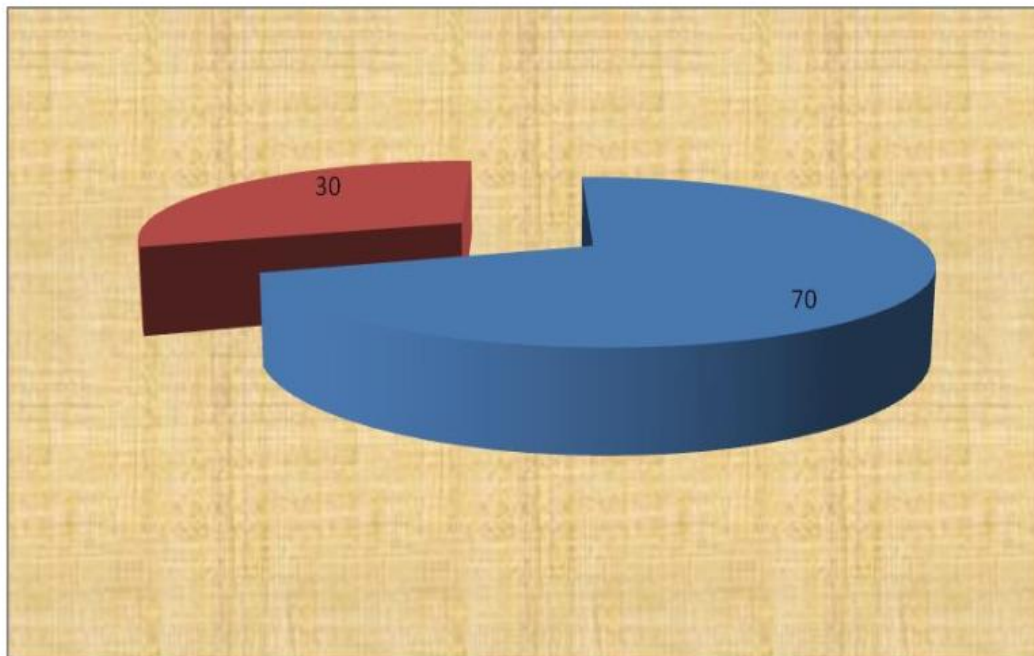


Interpretation: Most of the Client know about GST From Mass Media.

2. Do you agree the implementation of GST in India?

Table 2:

Particulars	No. of Respondent	Percentage
Yes	70	70%
No	30	30%
TOTAL	100	100%

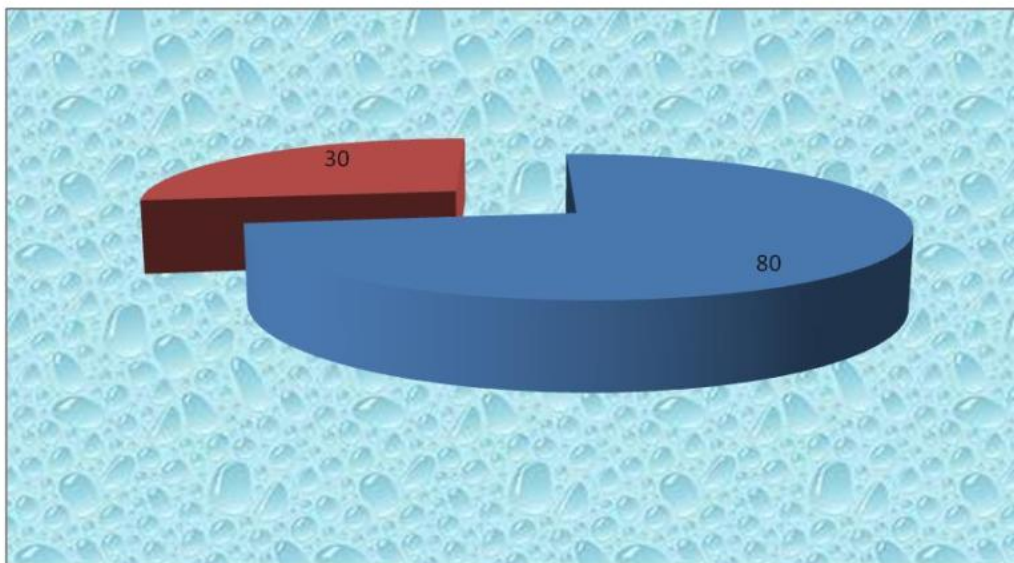


Interpretation: Most of the Client agree about the implementation of GST in India.

3. Do you think implementing GST will cause higher price of goods & services?

Table 3:

Particulars	No. of Respondent	Percentage
Yes	80	80%
No	20	20%
TOTAL	100	100%

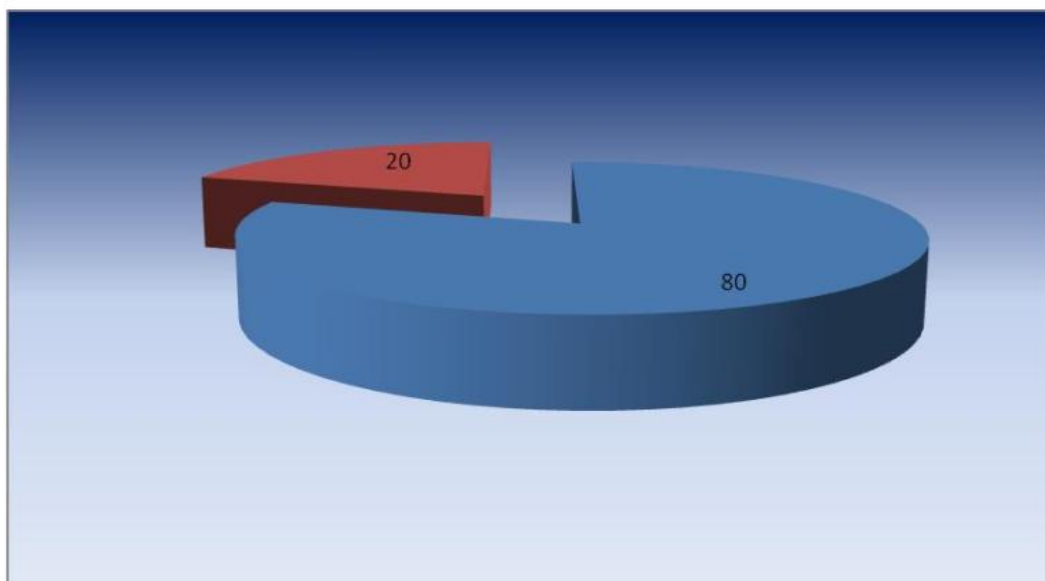


Interpretation: Most of the Client think that implementing GST will cause higher price of goods & services.

4. Do you think all businesses need to be registered under GST?

Table 4:

Particulars	No. of Respondent	Percentage
Yes	80	80%
No	20	20%
TOTAL	100	100%



Interpretation: 80% user think that all businesses need to be registered under GST.

V. CONCLUSION

- A major step towards India's indirect tax reform would be the implementation of the goods and services tax (GST). A unified national market would be made possible by the consolidation of multiple central and state taxes into a single tax that would reduce cascading or double taxing. The tax's simplicity should make it easier to administer and enforce.
- India has overcome all of the obstacles in its way and is prepared to enact a goods and services tax. GST is a long-term policy that the government has planned, therefore its benefits won't become apparent until then.
- The economy will benefit in several ways from the implementation of the GST regime. We will all be prepared to cope with GST as it will soon be knocking on the doors of the Indian economy. It is the recognised method of taxes around the world, and India will eventually adopt it.
- The implementation of GST in India would also considerably help in the development of a single national market and the elimination of economic inefficiencies caused by the nation's present complex tax structure.
- Without a question, the GST would provide India a top-notch tax structure by giving the industrial and service sectors varied treatment.

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