

# A Comparative Study of Indirect Tax Revenue: Pre GST and Post GST

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**Abstract:** *With the advent of digital payments a few years in the past, the trend of digitization multiplied in India. India has visible a huge boom in digital payments considering that then. in view that then, India has visible a outstanding business virtual exchange. The digitalization delivered about through the indirect tax scheme is the most innovative of them. Direct taxes were used because the preliminary implementation of the digitization of tax compliances. GST is absolute oblique tax that's imposed on production, sale and intake of products and services. Most people of the oblique taxes levied via the federal and kingdom governments are mixed into one tax with the aid of this measure. It has improved tax administration performance and overcame the shortcomings of the previous oblique tax shape. GST become later carried out so that it will digitize and combine the indirect tax gadget. GST became powerful on July 1, 2017. The new tax gadget gives the tax system clarity and predictability. "One nation, One Tax," is the primary aim of setting up the GST. It is easy to use, powerful, and by way of putting off several federal and country taxes, it would improve the kingdom's monetary growth. For companies and Indian authorities, digitization has numerous benefits. First of them is digitizing invoices. Companies can now comply with guidelines without making mistakes way to digital technology, and the authorities and tax professionals have benefited a great deal as properly. This paper gift following effect of digitalization on authorities.*

## Objectives-

1. The primary focus of the study is to access the impact of goods and services tax on tax revenue of India
2. To understand the impact of digitalization on government indirect tax revenue
3. To comparative study of Indirect tax revenue before and after GST

**Keywords:** Tax, Indirect tax, Revenue.

## I. INTRODUCTION

The Latin word tax are or taxes is where the word "tax" originates. It's that means is "to decide the fee of anything." government imposes taxes for the advantage and use of the nation. They may be imposed and collected by means of the nation in trade for the sale or purchase of products or offerings. One of the maximum important components of any device of control by using any sort of government is taxation because it brings in money for the nation. The effectiveness of the tax machine affects how strong a financial system is. A honest tax structure can increase a country's financial system GDP will increase due to powerful taxes; a tax policy is deemed sound if it serves the economic capabilities of allocation, distribution, and stabilisation. Profits is the cash that a person or enterprise gets in return for rendering goods or offerings. India had a formal tax machine in region for the reason that Maurya duration. The wealthier oldsters paid 1/sixth of their earnings in taxes. In line with legend, tax become referenced in Manu Smruti, considered one of India's oldest books, even earlier than the Mauryas

India now uses a 3-tiered taxation gadget. Each the federal authorities and nation governments have the authority to levy taxes. The state authorities may then assign the responsibility of amassing taxes to Grampanchayats and municipal groups on the local stage. With taxes consisting of income tax, wealth tax, property tax, gift tax, sales tax, VAT, custom responsibility, excise duty (now replaced by way of GST), company tax, earnings tax, and a myriad of other taxes, is it any wonder that the Indian tax gadget is regarded as one of the maximum complex inside the global? Indeed, it is one

of the elements contributing to India's giant demand for auditors, earnings tax consultants, GST experts, and different professionals. A state's desires adjust as it develops. The identical is proper of India. Indian taxation will surely trade drastically Develops. For example, on July 1, 2017, India carried out the goods and offerings Tax (GST), which changed the significant and kingdom indirect taxes consisting of VAT, excise obligation, and provider tax. More than one hundred sixty international locations have already followed GST, starting with France in 1954, when it was first carried out. The GST is a tried-and-true taxation method, so India does not want to fear excessively approximately its effectiveness.

## **II. INTRODUCTION ABOUT GST**

Items& offerings Tax law in India is a comprehensive, multi-level, destination-based tax that is levied on each price addition. In simple words, goods and provider Tax is an indirect tax levied at the supply of products and services. GST regulation has replaced many oblique tax legal guidelines that previously existed in India. in advance, numerous oblique taxes have been levied and gathered at specific factor inside the deliver chain. The centre and the states have been empowered to levy respective taxes as in keeping with the constitution of India. The cost delivered Tax (VAT) GST is a comprehensive indirect tax levied on manufacture, sale and intake of goods in addition to services at the countrywide degree. It has replaced all indirect taxes levied on items and offerings by the primary and country Governments. GST regime become implemented from 1st July 2017, and India has followed the dual GST model in which both the Centre and States levy taxes:

## **III. REVIEW OF LITERATURE**

G. Garg (2014) has been examined how the GST might affect the tax system in India. He tried to attract attention to the goals of the proposed GST plan in addition to any possibilities and potential difficulties it is able to gift. He came to the conclusion that the GST is the maximum affordable step closer to a radical reform of indirect taxes in our state because independence. All income of goods and services, as well as their combos, are difficulty to the GST tax. GST may have an influence on all economic sectors, which include the service sector, enterprise, and authorities businesses. GST can have an instantaneous impact on all monetary sectors, such as big, medium, and small scale companies, intermediaries, importers, exporters, traders, experts, and consumers. The goods and service Tax (GST), certainly one of India's most vast tax modifications, is planned to harmonise nation economies and accelerate countrywide growth. GST will consolidate the Indian marketplace and strengthen the economy. Through casting off tax obstacles between States and unifying India through a unified tax price, specialists are expecting that the GST will growth tax revenues and raise India's monetary boom. Thrus a decrease tax rate, a larger tax base, and fewer exemptions, GST will lightly distribute the tax burden among production and services.

A take a look at was undertaken by using Khurana& Sharma, SaravananVenkadasalam, M. Sherawat, and Dhanda in 2016 with the aim of examining the extraordinary blessings and possibilities of GST by losing mild on its records, the dreams of the proposed GST plan, and its consequences at the Indian tax gadget. They came to the conclusion that the introduction of the GST could absolutely benefit each manufacturers and consumers, despite the fact that doing so could call for focused efforts from all parties concerned, specifically the federal and state governments. The concept of GST, the need to undertake it in India, the demanding situations to doing so, and solutions to those challenges have all been examined by means of Pinki et al. (2014) in the look at. The advantages of imposing GST as quickly as feasible also are protected inside the report. The possibilities for imposing a twin GST in India— concurrent twin GST, countrywide GST, or kingdom GST—had been tested by the authors. The opportunity that applies GST to both services and products below the contemporaneous twin GST turned into most popular. The other option explored changed into whether or not the primary GST would be on items and services however country GST might be simplest on goods because state to acquire GST in services is tough to decide.

## **IV. DATA ANALYSIS**

**TAXATION MODEL IN INDIA BEFORE GST:** As discussed earlier there were numerous taxes applicable at different levels in the old taxation system of India but now after the implementation of GST the tables have turned. With the implementation of GST now the tax is payable at the final point of consumption which means that the taxable

event will be the 'supply of goods' and the 'supply of services' only if a good or service does not move at all it is not termed as a supply and hence it is not taxable . Before GST the taxes were levied on various stages like on manufacturing of goods, sale of goods and on rendition of services which from now on will not be relevant under the GST model of Taxation. While discussing GST it would be important to mention that there had been certain central taxes (e.g. sales tax, excise duty tax, and service tax) In India with co-existence of some state level taxes (e.g. entertainment tax, entry tax, transfer tax and luxury tax) which now are collected with a unique taxation model called GST. The very first attraction towards implementation of GST was that it will replace 15 Indirect taxes. And to one's amazement and wonder 15 taxes did seem a lot of chaos and confusion. How does such a tax model functioned and where was it actually lacking? And how these lacunas will be met by GST?

#### **V. CONCLUSION**

Without a doubt, the GST is an open and effective tax system that, over time, will broaden the tax base and generate more income. Although projected, the revenue has increased since the business's launch. This might be due to system flaws and the global epidemic caused by the corona virus. It would take time for a new system to be 100 percent result-oriented, and the GST in India will mark its fifth anniversary in July 2022 and to increase this system's efficiency and transparency within this brief period of time, numerous improvements and modifications have been made. Clear signs of a quick recovery from the pandemic include the fact that monthly GST revenues have consistently exceeded the one lakh crore barrier for India and the one thousand mark for major state in India over the past six months

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