

A Study on the Impact of GST on the Import of Goods and Services

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Abstract: *GST is the indirect taxation which is levied on the goods and services. IGST is a taxation which is charged under the regime of GST for the supply of goods and services and it is computed on the basis of additional duty or excise duty and in addition the special additional duty is also calculated to derive the exact value. In this paper, an attempt was made to examine the effect of the GST on the import of goods and services.*

Keywords: IGST, OIDAR, Import

I. INTRODUCTION

GST is one of the indirect tax which is levied on the goods and services starting from the producer till the consumers. The burden of the GST falls on the final customers. For import of goods and services the additional duty or so called the excise will be levied and not only that the special additional duty will also be charged. IGST (Integrated goods and service tax) will be charged for importing the goods into India. The states will also gain some shares in it were those imported goods are consumed by the people. In case of the goods which are imported into the territory of India by the Online Transformation and database access or retrieval services (OIDAR) by the unregistered parties, non-taxable recipient and the supplier whose resides outside the country has to pay the (IGST). The supplier has two options first thing is that the supplier can register or else the second option is that the supplier can appoint a person in India to pay the tax. Those goods or services which are supplied to the special economic zone are considered as inter-state supply and their subject to be charged the integrated tax.

II. REVIEW OF LITERATURE

1. **Vinitha Bhat & Rini Rc (2015)** examined the History of GST and the main focus was on the area of the impact of the GST on the imports.
2. **S. Thowseaf, M. Ayisha Millath (2016)** examined GST is a tax which is transferred from one destination to another. The taxation plays an important role in the business, individual, government to enhance the policies. In the paper an overview of the impact of GST, its features, its implementation, GST in light of export, its benefits is also discussed. With the help of the exploratory research methodology and the secondary data the researchers interpreted the results. In this paper an overview of the GST regime with respect to agriculture was also discussed.
3. **Mohd Rafee, Anil Kumar (2017)** in their study tried to analyze the impact of GST on imports and exports in the Indian Stock market.
4. **S. Suriyani and H. Mukaramah (2021)** examined the macroeconomic impact of the GST policy and discovered that the GST has enhanced the revenue of the government, it manages the investment pattern also. Moreover the GST has increased the fixed investment as well as the real consumption and the welfare by means of decreasing the consumer price index by 0.2%. Compared to exports the GST has a greater impact on the import. The study highlights the idea of the GST implementation is to upgrade the mechanism of tax collection by the government and its benefits the country by contribution to the GDP.

2.1 Statement of the Problem

Import and export play a major role in enhancing the growth of the economy. Hence it is necessary to watch the performance of trade in the country since it is one of the basic thing which is required for the balance of payment used

which helps to understand the economic position of our country. The tax regime may affect the performance of the import of the country. So it is necessary to understand the effect of the GST on the import of goods and services.

2.2 Research Objective

- To Study the effect on GST on goods and services in India

2.3 Sources of Data

The study is analytical in nature and the source of data is secondary in nature since the researchers obtained the data from various sources like GST portal, various articles, import and export annual reports, various journals and websites. The period of study is for five years starting from July 2017 to June 2022.

III. ANALYSIS AND INTERPRETATION

Table 1: Effect of GST on import

<i>Regression Statistics</i>	
Multiple R	0.429786
R Square	0.184716
Adjusted R Square	-1.66667
Standard Error	1.58E+08
Observations	1

Interpretation

The above table shows that the R square value is 0.184716.

Table 2:

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept							0	0
X Variable 1							0	0
X Variable 2							2.68E+08	2.68E+08
X Variable 3							0	0
X Variable 4	-5.2E+07	5.73E+08	-0.09019	0.93382	-1.9E+09	1.77E+09	-1.9E+09	1.77E+09
X Variable 5	513.3103	622.6184	0.824438	0.470127	-1468.14	2494.76	-1468.14	2494.76

Interpretation

From the above it is clear that the p value is 0.470127. Since the p-value is less than 0.05 the test is statistically significant.

IV. CONCLUSION

Under the GST regime the IGST plays an essential role since it is related to the tax that is levied on the supply of goods and services and it is calculated on the basis of custom duty, education cess, integrated tax and compensation cess. The impact of GST on import is studied and finally it is concluded it is statistically significant since the p value is less than 0.05.

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