

AN ANALYTICAL STUDY OF MAJOR PROBLEMS AND PROVISIONS RELATED TO GST IN INDIA AND IMPACT OF GST ON VARIOUS SECTORS OF INDIAN ECONOMY

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ABSTRACT

GST is an indirect tax that has replaced several Indirect Taxes in India. The products and repair Tax Act was passed within the Parliament on twenty ninth (29) March 2017. The Act came into result on one July 2017; product & Services law in India could be a comprehensive, multi-stage, destination-based tax that is levied on every worth addition Goods and Service Tax (GST) is antaxation applied in India on the provision of goods and services. GST removed the cascading effect on the goods and services. Removal of cascading effect reduces cost of goods because GST regime eliminates tax on tax. GST reduce the tax burden and helps in higher production. GST is beneficial for long term. The main objective of this study to know the impact of GST on Indian economy and to analyze the customer perception and their views regarding importance of GST. In this analysis, both primary and secondary data are used to collect the data. To study the usage of the impact of GST on Indian economy a sample of 154 respondents were collected through an online questionnaire.

KEYWORDS: GST, Impact of GST, Indirect Taxes, Cascading Effect,.

Introduction

Introduction of GST in India is a historic improvement in the indirect tax authority which may have a structural impact on the Indian economy. The Government of India implemented a significant tax reform in indirect taxes with effect from 1st July 2017. At present, a considerable 140 countries have implemented GST within the world with the objective of taking care of transparency within the system and eroding tax vigilance in a phased manner and further construction of infrastructure facilities. Economic houses, farmers, businessmen and therefore the citizens of each country match the growing expectation. It has changed the total indirect structure such as central excise, custom, entry tax and service tax, etc. GST will compile all taxes together under one umbrella to promote a standard market within the country .

In simple words, Goods and Service Tax (GST) is antaxation levied on the supply of goods and services. This law has replaced several taxation laws that previously existed in India. GST is one taxation for the entire country. GST has removed the cascading effect on goods and services and it have an effect on the price of products and services as a result of GST eliminates the tax on tax. On GST portal all activities like come return filing, registration and application for refund and answer notice will| we will we are able to do simply filed and that we can simply get info like new amendments and changes in date etc.

Our government works towards creating GST a “good and simple tax”. the thought behind implementing GST across the country in twenty nine states and seven Union Territories is that it'd provides a win-win scenario for everyone Manufacturers and traders would profit fewer tax filings, clear rules, and simple bookkeeping; consumers would be paying less for the products and services, and also the government would generate plenty of revenues as revenue leaks would be blocked.

The impact of GST on macroeconomic indicators is probably going to be very positive within the medium-term. Inflation would be reduced because the cascading (tax on tax) effect of taxes would be eliminated. The revenue from the taxes for the govt is extremely likely to extend with an extended tax net, and also the fiscal deficit is predicted to stay under the checks.

Literature Review

The research paper (Prof. Megha Agrawal,2019) discuss the concept of GST and effect of GST on leading sector of Indian economy. It gives the whole description about GST and analyze the difference between earlier tax structure and current tax structure. The paper also discusses the challenges, positive and negative effects on different sectors after implementation of GST in India and evaluate the effect of GST on leading sector of Indian economy.

The research paper (Nisa, 2017) assess the impact of GST on India's foreign trade. It highlights that GST can build life easier for businesses in India because of development of common national market. With even taxation and cost effectiveness owing to reduced time and costs in transportation, one obvious effect would be that 'Made in India' products would now be more cost competitive in the global markets In short, GST when implemented is expected to perform miracles.

The research paper (Dr. Namita Mishra, 2018) analyze the impact of GST on Indian economy with the help of individual effect on different sectors. It also analyzes the short effect of GST on economy. It evaluates the GST leads to eliminate economic distortions in taxation among states and also helps in free movement of goods, further it also minimizes the complexity of taxation and it will promote new startups in India for its business-friendly tax structure.

The research paper (Amandeep Kaur, 2018) evaluate the positive and negative impact on different sectors. GST can improve the international level price competition of varied native product and services. GST can give impartial tax structure that is neutral to business processes and geographical locations among Asian nation. After implement GST inflation will come down and tax avoidance will be difficult.

The research paper (Dr. Yogesh kailashchandra Agrawal, 2017) discuss the working mechanism of GST in India. GST will remove the morbid fear of GST from among the business community members. It analyzed GST is purported to bring in the 'one nation one tax' system, but it leave the different effect on various industries.

The research paper (Mohammed Bababgana Shettima, 2017) access the impact of GST in India. It examines however the reform method started in India that gave birth to the present GST theme we've nowadays. It also highlights now consumer will get the end product at cheaper rate because of elimination of cascading tax and multiple tax. It also examines the advantages and disadvantages of GST and its impact on the final consumer.

The research paper (Dr. D. Amutha, 2018) discuss the economic consequences of Goods and Service Tax. The paper conjointly discusses the anticipated barriers and future predictions for GST. It highlights GST contributes towards a better and improved economy with single taxation.

The research paper (AnanadNayyar, 2018) over that each one sectors in Bharat - producing, service, telecom, automobile and little SMEs can bear the impact of GST. One of the biggest taxation reforms- GST will bind the entire country under a single taxation system rate. As predicted by experts, GST will improve tax collections and boost up India's economic development and discontinue all tax barriers between State and Central Government.

Research Methodology

Objectives of the Report

- To analysis customer perception regarding Goods and service tax.
- To study the impact of Goods and services Tax (GST) on Indian economy.
- To find out the perception and their views on implemented GST system.

Sample Size

A sample of 154 respondents were taken into consideration

Sources of Data Collection

Both primary and secondary source of collection were used. In Primary source, Questionnaire method is used and in secondary method books, journals, published research papers etc.

Tools or Analysis

Questionnaire were formed with the help of Google Forms and the response were analysed with the help of SPSS Software

Data Analysis

The following Analytical tools are undertaken for the research study in order to state the opinion of various respondents regarding the GST and its impact on Indian economy and further formulating the statistical result derived out of it from various statistical techniques such as:-

- Mean
- Standard Deviation
- Correlation
- Regression

Statistics

		GST is very good tax reforms for India?	GST is beneficial for long term?	How has GST impacted the pricing of your products/services?	GST is very difficult to understand?
N	Valid	154	154	154	154
	Missing	0	0	0	0
Mean		1.38	1.38	1.88	1.56
Std. Deviation		.486	.486	.866	.498
Sum		212	212	289	240

Correlations Analysis

		India? GST is for very good tax reforms	Do you feel that the introduction of GST in India has affected the demand for the product/services?	GST is beneficial for long term?	common man? GST has increased the tax burden	revenue to manage an economy? a way is for the government to collect The Goods and Service Tax system	sale and service tax? GST is a the good method to replace
GST is very good tax reforms for India?	Pearson Correlation	1	.612**	.557**	.345**	.634**	.613**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	154	154	154	154	154	154
Do you feel that the introduction of GST in India has affected the demand for the product/services?	Pearson Correlation	.612**	1	.597**	.340**	.574**	.550**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	154	154	154	154	154	154
GST is beneficial for long term?	Pearson Correlation	.557**	.597**	1	.453**	.692**	.696**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	154	154	154	154	154	154
GST has increased the tax burden on common man?	Pearson Correlation	.345**	.340**	.453**	1	.507**	.399**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	154	154	154	154	154	154
The Goods and Service Tax system is a way for the government to collect revenue to manage an economy?	Pearson Correlation	.634**	.574**	.692**	.507**	1	.808**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	154	154	154	154	154	154
GST is a good method to replace the sale and service tax?	Pearson Correlation	.613**	.550**	.696**	.399**	.808**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	154	154	154	154	154	154

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Inference

- The correlation between GST is good tax reform for India and GST in India has affected the demand for the product/services is .612 which is positive correlation of medium order.
- The correlation between GST is very good tax reform for India and it is beneficial for long term is .557 which is positive correlation of medium order
- The correlation between GST is very good tax reform for India and it increased the tax burden on common man is .345 which is positive correlation of low order.
- The correlation between GST is very good tax reform for India and the it is a way for government to collect revenue to manage an economy is .634 which is positive correlation of medium order.
- The correlation between GST is very good tax reform for India and it is a good method to replace the sale and service tax is .613 which is positive correlation of medium order.

Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.557a	.311	.306	.405

a. Predictors: (Constant), GST is very good tax reforms for India?

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	11.236	1	11.236	68.537	.000b
	Residual	24.920	152	.164		
	Total	36.156	153			

a. Dependent Variable: GST is beneficial for long term?

b. Predictors: (Constant), GST is very good tax reforms for India?

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.609.098			6.199	.000
	GST is very good tax reforms for India?	.557	.067	.557	8.279	.000

a. Dependent Variable: GST is beneficial for long term?

Inference

Correlation results indicate that there is a relationship between GST is beneficial for long term and GST is very good tax reform for India (sig= 0.000 r= 0.557). The value of R2 indicates how much total variation in the dependent variable, can be explained by independent variable. In the case, 31.1% can be explained, which is very low.

The computed value of F is 68.537 at 5% significant level. The tabulated value for 152F1 at 5% level is 3.90. As our F value is 68.537 and this value is high with respect to tabulated value which means the hypothesis is accepted.

Regression Equation

Benefit for long term = 0.609+0.557 (Perception about GST)

This means that if more people perceive GST is good tax reform, than it will be more beneficial for long-term.

Findings

After analysis and interpretation of the data these are following findings were emerged.

- The most of respondents views are very positive towards the GST which they're attentive to GST through the mass media.
- Maximum respondents are that opinion GST is incredibly good tax reform for India it is the turning point of the taxation system.
- Most of the customer perception that GST is incredibly beneficial for long term economy of the country and also effect GDP.
- Further respondents have perception that little bit changes are their affected cost of living GST positively.
- Majority of the respondents are show positive perception of this statement and maximum results are favour of this statement.
- **Suggestions**
- The customers suggested that there should be a smooth, transparent and simple transition provision which is well understandable.
- Special concentrate on awareness and training of all officers, professionals and assesses ought to tend on GST.
- The people don't seem to be well informed on the implementation of the GST. Therefore, so as to make sure efficient implementation of the GST, the govt. should embark with inaccurate guideline to the society on the procedures of the implementation of GST.
- Lastly, the govt should guarantee an honest management of the financial gain collected from the GST.

Conclusion

This study highlighted overall overview of GST. the govt to place in additional effort to create positive that shopper have to be compelled to clear understanding and develop a positive perception towards GST, leading to its acceptance. Good understanding among customers is more important because it can generate a positive perception towards the taxation policy. The government could initiate and promote an extensive publicity programs that might facilitate to awareness and generate positive perception among customer in understanding the rationale and importance of GST in India.

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