

IS GST BLESSING IN DISGUISE FOR INDIAN ECONOMY

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Abstract: GST goods and service tax was a buzzing word in India. It includes adopting a single tax countrywide. This has been done in order to facilitate international traders and abolish intermediation and to increase the accountability at all levels. The present study was based on the survey conducted by us based on random sampling. Though the sample was small yet we hope that it reflects the public opinion. They were of opinion that tax evasion will be reduced and it increases the transparency at all levels. They also were of opinion that it would benefit the common man as prices of necessary commodities would come down since food grains were also under low tax slab rates. But different opinions were expressed in not bringing petrol diesel liquor under GST which are the major income sources for government. In spite of critics there is a certainty that GST would yield best results in the forthcoming years.

Keywords; GST, accountability, transparency, slab rates

OBJECTIVES OF STUDY

- ❖ To study about the opinion on government decision to implement GST
- ❖ To analyze the difficulties in GST implementation
- ❖ To elucidate whether GST is a political stunt or government step for stabilizing the economy
- ❖ To study the opinion whether prices of necessary commodities will come down after GST

METHODOLOGY OF STUDY

Most of the study was collected from primary sources like a survey conducted for the study. The main focus was on the respondent's opinion. We have relied on the secondary sources like internet to conduct the study. Most of our respondents supported the government act to introduce GST one tax one nation as it yields a return in long term.

ANALYSIS AND INTERPRETATION

- ❖ Class of people affected by GST

S.NO	ATTRIBUTE	PERCENTAGE OF RESPONDENTS
1.	Low class	11
2.	Middle class	69
3.	High class	20
	TOTAL	100

Interpretation; Most of the tax will be collected from middle class. So there will be a major impact on the middle class segment. If everything goes well then there will be a monetary stability in the country.

- ❖ Opinion whether prices of necessary commodities will come down

S.NO	ATTRIBUTE	PERCENTAGE OF RESPONDENTS
1.	Yes	77
2.	No	23
3.	TOTAL	100

Interpretation; Since the GST impact will reduce the intermediation then there is a chance of reduction in prices. Government has brought the necessities under slab rates with low tax.

- ❖ Impact on textile, gold, luxurious products

S.NO	ATTRIBUTE	PERCENTAGE OF RESPONDENTS
1.	High	76
2.	Low	11
3.	Moderate	13
	TOTAL	100

Interpretation; The textile and gold rates will be high. The government has fixed high slab rates for textile and gold products.

- ❖ Opinion of various slab rates

S.NO	ATTRIBUTE	PERCENTAGE OF RESPONDENTS
1.	Good	66
2.	Fixed tax rate	34
3.	No opinion	..
	TOTAL	100

Interpretation; The countries like America require one rate. But in India people from various classes are present so different slab rates.

❖ **Public opinion of removing liquor and alcohol from list**

S.NO	ATTRIBUTE	PERCENTAGE OF RESPONDENTS
1.	Government tactic	92
2.	Based on international markets	08
	TOTAL	100

Interpretation; Everyone know that alcohol and liquor are a high source of revenue for the government. So the government did not include it in the list

❖ **Impact on transparency and accountability**

S.NO	ATTRIBUTE	PERCENTAGE OF RESPONDENTS
1.	Yes	88
2.	No	08
3.	Moderate	04
	TOTAL	100

Interpretation; Tax avasion is difficult after GST .All the taxes will go to the government without intermediation. The transparency and accountability of the system will certainly increase

❖ **Will GST it impact the economy**

S.NO	ATTRIBUTE	PERCENTAGE OF RESPONDENTS
1.	Yes , long term growth	89
2.	No impact	11
	TOTAL	100

Interpretation; the GST may not have a short term returns but in fact there is a possibilities for long term growth and progress for the country as it helps to pool the foreign capital easily

REVIEW OF LITERATURE

The President of India approved the Constitution Amendment Bill for Goods and Services Tax (GST) on 8 September 2016, following the bill's passage in the Indian parliament and its ratification by more than 50% of state legislatures. This law will replace all indirect taxes levied on goods and services by the central government and state government and implement GST by April 2017. The implementation of GST will have a far-reaching impact on almost all the aspects of the business operations in India. With more than 140 countries now adopting some form of GST, India has long been a stand-out exception. GST is a value-added tax levied at all points in the supply chain, with credit allowed for any tax paid on input acquired for use in making the supply. It would apply to both goods and services in a comprehensive manner, with exemptions restricted to a minimum.

In keeping with the federal structure of India, it is proposed that the GST will be levied concurrently by the central government (CGST) and the state government (SGST). It is expected that the base and other essential design features would be common between CGST and SGSTs for individual states. The inter-state supplies within India would attract an integrated GST (IGST), which is the aggregate of CGST and the SGST of the destination state. The following are the features of the proposed GST system:

The power to make laws in respect of supplies in the course of inter-state trade or commerce will remain with the central government. The states will have the right to levy GST on intrastate transactions, including on services. The administration of GST will be the responsibility of the GST Council, which will be the apex policy-making body for GST. Members of GST Council will comprise central and state ministers in charge of the finance portfolio.

The threshold for levy of GST is a turnover of Rs. 1 million. For a taxpayer who conducts business in a northeastern state of India the threshold is Rs. 500,000. The central government will levy IGST on inter-state supply of goods and services. Import of goods will be subject to basic customs duty and IGST. GST is defined as any tax on supply of goods and services (other than on alcohol for human consumption). GST would be levied on the basis of the destination principle. Exports would be zero-rated, and imports would attract tax in the same manner as domestic goods and services. In addition to the IGST in respect of supply of goods, an additional tax of up to 1% has been proposed to be levied by the central government. The revenue from this tax is to be assigned to the origin states. This tax is proposed to be levied for the first two years or a longer period, as recommended by the GST Council. With GST, it is anticipated that the tax base will be comprehensive, as virtually all goods and services will be taxable, with minimum exemptions. GST would bring in a modern tax system to ensure efficient and effective tax administration. It will bring in greater transparency and strengthen monitoring, thus making tax evasion difficult. While the process of implementation of GST unfolds in the next few months, it is important for industry to understand the impact and opportunities offered by this reform. GST will affect all industries, irrespective of the sector.

FINDINGS OF STUDY

- GST goods and service tax was a buzzing word in India. It includes adopting a single tax countrywide. This has been done in order to facilitate international traders and abolish intermediation and to increase the accountability at all levels.
- They were of opinion that tax evasions will be reduced
- It increases the transparency at all levels.
- They also were opinion that it would benefit the common man as prices of necessary commodities would come down since food grains were also under low tax slab rates.
- Different opinions were expressed in not bringing petrol diesel liquor under GST which are the major income sources for government.
- In spite of critics there is a certainty that GST would yield best results in the forthcoming years.

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