

Gst – The Most Significant Tax Reform

Dr. V. Srinivas, Dr. M.Tulasinadh

Assistant Professor, Department of Commerce and Business Administration, K.L.University, Andhra Pradesh, India.

Abstract: *GST, the most significant tax restructuring in India's indirect tax system since the economy has begun to be opened up twenty-five years ago, at last looks set to become a reality. GST is Unified taxation system and one of the most significant tax reforms in India. GST has become the new dawn in the tax regime. GST is a single tax which makes one single common market for all. That introduced GST will foster common market and contribute to the growth of GDP. It is also considered to reduce the production cost and inflation in the economy, so it becomes Indian trade and industry will be more competitive in between the states and internationally. This paper presents an overview of GST, understands the concept of GST, and e features of GST, Registration process of unique GST Identification number. The article is more focused on basics of GST, advantages and its impact.*

Keywords: *Goods and Service Tax (GST), the Registration process of GST, GSTIN,*

I. Introduction

The new GST is likely to transform the whole scenario of the current indirect tax system. The GST envisages a single tax system, replacing with central levies and state levies in twenty-nine states like VAT, entry and purchase tax on goods and services transforming the nation of near one billion people in a customs union.

GST will provide ease of doing business by integration of multiple current taxes into single GST. It will reduce the cost of tax and transaction cost. The new GST tax regime is an attempt to integrate multiple direct tax system. The success lies in the various sectors of India. GST provides a positive effect and grows up Indian economy, and it will help the commercial development of all.

An essential tax reform studied "GST is a single tax which makes one common market for all. Introduced GST will foster domestic market and contribute to the growth of GDP. It is also considered to reduce the production cost and inflation in the economy, so it becomes Indian trade and industry will be more competitive in between the states and internationally.

II. Review of Literature

Monika Sehrawat and UpsanaDhanda(December 2015)¹ studied, "Goods and Service Tax- it is a simplify, user-friendly accountability and transparency is required which can be fulfilled by the implementation of GST." It Execution results in lower cost of transaction and business cost.GST

Dr.M.Krishna Naidu (November 2017)²studied, GST in India & Impact, "the new GST tax regime is an attempt to integrate multiple direct tax system. The success lies in the various sectors of India. GST provides a positive effect and grows up Indian economy, and it will help the commercial development of an individual, business persons, traders.

Lourdunathan F and Xavier P (December 2016)³, has suggested in his article, Implementation of GST in India, "Implementation of GST have a positive impact on various sectors. GST Execution and formulation leads to revenue gain for both central and states.

Dr.MohdKamalunNabi and Vivek (May 2017)⁴, GST- An essential tax reform studied "GST is a single tax which makes one common market for all. Introduced GST will foster domestic market and contribute to the growth of GDP. It is also considered to reduce the production cost and inflation in the economy, so it becomes Indian trade and industry will be more competitive in between the states and internationally.

Dr.Suresh Kumar dhameja, Deepak Kumar and ManikaDhameja (December 2016), studied " the GST reform will bring many changes in tax regime and domestic economy. GST integration leads to all these taxes would cease to exist.The most significant advantage of GST is an economic unification of India.

III. Research Methodology

The researcher used descriptive research technique.

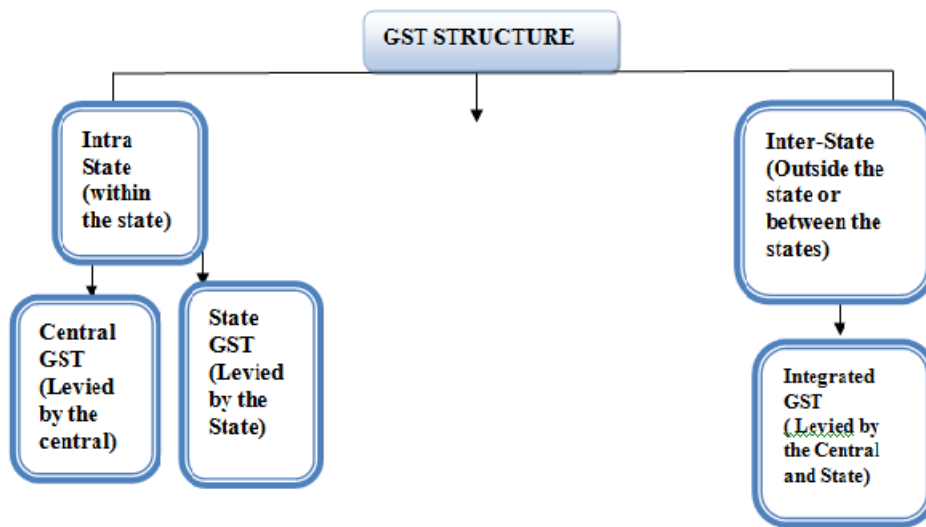
The data collected from secondary sources based on the past literature from journals, newspapers, articles, covering form academic literature on GST

IV. Objectives Of The Study

- 1) To study the concept of GST
- 2) To study the features and unique structure of GSTIN
- 3) To study about various advantages and disadvantages of GST.

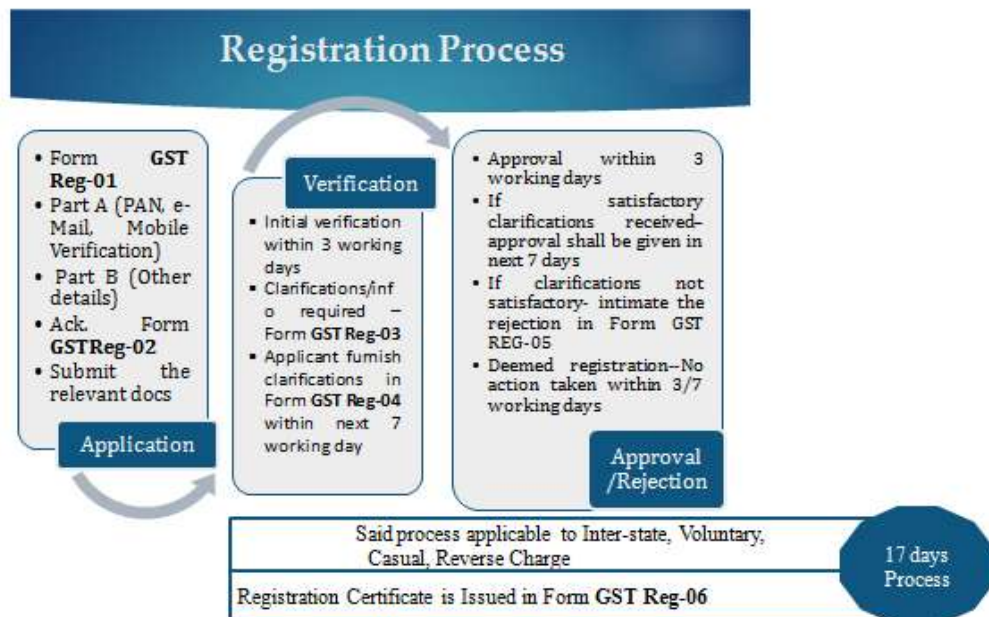
Concept of GST

GST has become the new dawn in the tax regime. Different industry experts are coming up with impact studies of GST in a different sector, how GST is going to transform the Indian economy does its business. Most of these issues may not impact a regular business initially. However, one change which every taxpayer is going to face immediately will be in their tax identification number



Central taxes to be subsumed such as central exercise, additional exercise duty, service tax, additional customs duty, special additional duty, Cesses, and surcharges. State taxes to be subsumed such as sale tax, entertainment tax, purchase tax, luxury tax, taxes on the lottery, betting, and gambling.

V. Registration Process Of Gstin



Source: Indirect tax committee, ICAI.

Applicability and Mechanism of GST:



Advantages of GST:

- ✓ Simpler tax system
- ✓ Mitigates cascading taxation
- ✓ Improved Compliance and Revenue Collection
- ✓ More Competitive Exports
- ✓ Support for domestic exports
- ✓ Improving ease of doing business
- ✓ Increased FDI
- ✓ Growth of GDP
- ✓ Huge Reduction in Costs
- ✓ Heightened accountability and transparency

Disadvantages of GST:

- ✓ Local dealers have to pay CGST in addition to SGST
- ✓ For service, a person has to pay both central and state tax
- ✓ Few sectors might end up paying more tax than they did earlier
- ✓ States producing goods might lose revenue.

Impact of GST:

A favorable impact of GST on the overall economy. From sector, wise GST becomes as positive and negative impact on each sector. A positive side some sectors like cement, consumer durables, FMCG, pharma, automobile, capital goods, IT, banking and financial, services and insurance has gained with GST.

Another side media, textiles, telecom, and metals have lost with GST. Some particular goods are not under the purview of GST like Petroleum, alcohol/liquor consumption, real estate-stamp duty plus property tax payable.

VI. Conclusion

In India, GST is most signification and ambitious reforms, with these reforms Indian products competitive in the domestic market and internationally. The state and central government have to conduct various awareness programs about GST to its stakeholders. Integration of GST would give world class tax structure and improve tax collections. Thus the impact of GST on Indian economy is going to be very significant.

References

- [1]. Monika Sehrawat and UpsanaDhandra, GST in India: A KEY TO TAX REFORM, International journal of research, volume.3, issue. 12, December 2015.
- [2]. Lourdanathan F and Xavier P, A study on the implementation of GST in India, International Journal of Applied Research, Volume no,3(1), page. 626-629, December 2016.

- [3]. Dr.MohdKamalunNabi and Vivek, GST and its impact on Indian Economy, International journal of finance research review, Volume. 5, issue. 5, May 2017.
- [4]. Dr.M.Krishna Naidu, Dr.G.Kiran Kumar Reddy, and U.M.Gopala Krishna, GST in India and its impact on Indian economy, International Journal of Research in economics and social sciences, Vol no.7, Issue.11, November 2017.
- [5]. GLS (J.P.Shah), Impact of GST on Indian Economy, business and economics journal, volume no.7, issue no 4, 2016.
- [6]. Shilpa rani, GST and its impact on Indian economy, an international journal of advanced research and development, volume. 2, issue.5, September 2017.
- [7]. Books chapter on Indirect tax committee, ICAI, 2017.