

"Impact of GST on Tourism & Hospitality Sector"

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Abstract:

Goods and offerings tax is a very good step in the discipline of indirect tax reforms in India. By merging a huge variety of vital and state taxes right into an unmarried tax, GST is expected to noticeably ease double taxation and make taxation common clean for the industries. For the give up about the maximum useful can be in phrases of reduction inside the general tax burden on items and services. In July 1, 2017 GST was applied. The evolution to the GST device becomes well-known by among 159 international locations. Although the shape might not be a super one but once in region, this sort of tax shape will make India a higher economy favourable for foreign investments. Till now India is divided into a union of 29 small tax economies and seven union territories with exceptional laws apply to each state. The advent of GST may also make Indian merchandise aggressive in the domestic and worldwide markets. GST offer the lots needed energizing for financial boom in India through remodelling the previous foundation of oblique taxation toward free waft of products and services in the economic system and additionally putting off the cascading effect of this is tax on tax. The GST, due to its advances and standard, will be less difficult to administrate. The GST is implemented, the proposed taxation system holds extraordinary promise in terms of sustaining growth for the Indian economic system.

Keywords: Goods and Service Tax, Indian Economy, Economic Growth, Cascading, International markets.

Introduction:

In India tourism industry is one of the flourishing industries which contributes almost double digit share of its GDP. In the year 2016 its contribution to India's GDP was equivalent to 9.6%. If we compare the tourism industry's performance vis-à-vis the World Tourism, we find that according to World Travel & Tourism Council India ranks 7th. It is considered to be the highest growing industry amongst the G20 countries. In the year 2016 Indian tourism industry generated 14.3 trillion Indian rupees.

In the year 2016, the world tourists' number of 123.50 crores and the annual growth rate was 2%. India's share in the tourism is only 1.98% and it ranks 25 in the world ranking. There are two categories of tourists: 1) Domestic tourists 2) Foreign tourists. Last year number of domestic tourists stood at 161.36 lakhs, while the foreign tourists accounted for 88 lakhs. The growth rate was 8.5%.