

GST In India

Dr. Ananda Ramrao Sarange

Asst. Prof., Anna Saheb Magar College, Hadapsar, Pune

Abstract :- GST is the most crucial economic reform since the Liberalization, privatization and Globalization (LPG) reforms in the year 1991. In India GST is an Indirect Tax which has replaced many indirect Taxes that previously existed in India. France was the first country to implement GST in the year 1954. In India GST Journey began in the year 2000. When a committee was set up to draft GST Law by AtalBihariVajapayee government. It took 17 years from then for the Law to evolve in 2017 his GST bill was passed in the Lok Sabha and Rajya Sabha and GST comes into force from 1 July 2017. GST is a path breaking indirect Tax reform which will create a common National market by dismantling Domestic State Trade barriers. The main objectives of GST are "One Nation, One Tax and One market".

Keyword :- Indirect Tax, Goods any Service Tax, Market, Rate of GST, Benefits and Need of GST, Impact of GST on the Indian Economy.

Introductions :- Nowadays GST is the buzz word of today's generation, Goods and Service Tax is the India's biggest tax reform since independence. GST is one indirect Tax for the whole India, which will make India one unified common market. GST make our products competitive in the domestic and International market.

The Kelkar Task Force on the implementation of Fiscal Responsibility and Budget management Act; 2003, has pointed out that the existing system of Taxation on Goods & services suffers from many problems and therefore suggested is comprehensive Goods and Service Tax. The main reason behind introducing GST is to improve the economy of the nation.

Definition of GST :- The concept of goods and service tax popularly known as GST It is a dual structure, which means it will have two components - the central GST and state GST and it is simplify tax administration ensure ease of doing business and pro-

mote "Make in India".

0. Objectives of the Study :-

The Following are the objective of the study.

- 1) To study the concept of Goods and Service Tax (GST)
- 2) To highlight the impact of GST on Indian Economy.

0. Research Methodology :-

This paper is prepared through done with help of the information from secondary data from various websites, Journals, Research articles, newspapers and magazines and reference books related to Goods and Service Tax.

0. Components of GST :-

There one three taxes applicable under GST - CGST, SGST & IGST.

- 1) CGST : Collected by the Central Government on an Intra state Sale (E.g. : within Maharashtra).
- 2) SGST : Collected by the State Government on an intra - state Sale (E.g. within Maharashtra)
- 3) IGST : Collected by the Central Government for inter - State Sale (E.g. Maharashtra to Karnataka).

0. Impact of GST on Indian Economy :-

There one two type of impact on Indian Economy. (1) Positive Impact of GST (2) Negative Impact of GST.

0. Positive Impact of GST :-

1) Reduce the number of Indirect Taxes :-

GST is a single taxation system that will reduce the number of indirect taxes. from now a single taxation term would cover all the those indirect taxes.

2) Uniform Prices Throughout the India :-

The prices of produces and services would reduce thus this system would prove to be beneficial for the people who are fed up of paying high prices and uniform prices throughout the India.

3) Corruption free tax system :-

Nowadays corruption is bad habit to economy. So New Tax system is Goods & service tax would intro-

duce corruption free taxation system.

4) **Reduces average tax burdens :-**

Under GST mechanism the cost of tax that consumers have to bear will be creation and GST would reduce the average tax burdens on the consumers.

5) **India's International Trade :-**

India's international trade has increased rapidly during the last two decades. This had a result on implicit taxation of such exports.

6) **GDP :-**

The GST will bring about a qualitative change in the tax system by redistributing the burden of taxation equitably between manufacturing and service.

7) **Increase in exports and Employments :-**

GST could also result in increased employment, promotion of exports and consequently a significant boost to overall economic growth and factors of production.

Negative Impact of GST :-

1) **Proposed GST rate is high :-**

Currently GST rate to be higher than the VAT rate in India. GST rate in Singapore 7%, Japan 8%, America 7.5% and India 5 to 28% comparatively developed countries Indian GST rate is high.

2) **Increase in operational Costs :-**

Commonly, in earlier tax system the most of the small business in India had traditional way of tax file returns on their own. But according to GST system they will have to require professionals and new digital system.

3) **Increase in Tax rate :-**

Air travels, Hotels will become costlier. Besides, insurance premium, investments, branded clothes, Jewellery will become costlier.

4) **Impact on Agriculture Sector :-**

Agricultural Sector is the largest contributing sector overall Indian GDP. It covers around 16% of GDP.

Conclusion :- GST is one of the biggest taxation reforms in India, implementation of GST impact an Economy both ways positively and negatively, Ignoring negative aspects, positive aspects can be taken into consideration in order to improve the Economy of our country. GST will create a single unified Indian market to make the economy stronger. In short, GST will have positive impact on Indian Economy.

References :-

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