

# GST Benefits and Impact on the Common Man

Annya Kalra<sup>1</sup> and Monika Mewarguru<sup>2</sup>  
<sup>1,2</sup>(MBA Student, KIET Groups of Institutions, Ghaziabad, India)

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## ABSTRACT

*The Introduction of the GST (Goods and Service Tax) is one of the best tax imposed on the sale of goods and services in India. GST is a new instruments introduced by Indian in 2016. GST indirect tax which are applicable throughout in India which are replaced by multiple taxes charged by the Central government and state government. GST gives the benefits to the economy as a whole.*

*As a GST implementation in India, as dual in nature. The tax is replaced existing in multiple taxes levied by governments. The main purpose of the GST implement in India to give the different-different types of taxes for the consumers. It is basically the aim to be the single tax system in the whole country is (GST). After the GST implementation in India the GDP growth 1-2% would be higher. GST is expected to decrease the cost of the collection of taxes revenues of the government will lead to higher efficiency. GST has been accepted by the 140 countries all over the world. GST is going to impact on the section of the society from small to higher class to developed the state to the country. This paper studies the concept of the GST in India. It is also highlights the challenges in the implementation of GST in India.*

**KEYWORDS:** *Competition scheme for small business, Regulating the unorganized sector, Removing cascading tax effect, Indian Economy, GST in India, GST impact on the economy.*

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## INTRODUCTION

Goods and Services Tax is an indirect tax which has replaced many indirect taxes in India. On July 1<sup>st</sup> 2017 GST was implemented in India though it was passed in the parliament on 29<sup>th</sup> March 2017. Over the past two decades in India has witnessed considerable reforms in the indirect taxes. Goods & Service Tax (GST) is an indirect tax levied on the supply of goods & service provides & ultimately by the end consumers.

The Government of India has structured GST for higher revenue efficiency, better control on flow of money, easy to administer reduction in corruption, ease in movement of goods to interstate etc. India implemented the dual GST model for both the central and state as its is of three types:

- ❖ CGST= Central Goods & Service Tax
- ❖ SGST= State Goods & Service Tax
- ❖ IGST = For interstate sale of goods & service.

## **II. GST OR GOODS AND SERVICES TAX**

A new tax will bring new challenges to face with it which has to be tackled very carefully. So, GST shall be the biggest indirect tax reform and covers the Goods and Services Tax which is now the simplified way of indirect taxation in India. As GST introduced in India it will replace a number of other indirect taxes like VAT, CST, service tax, CAD, SAD, excise, entry tax, purchase tax etc. so the bundle of these taxes will be replaced by GST or Goods and Services Tax. As compared to the earlier complicated tax structure comprising of numerous taxes GST is much simplified tax. GST is applicable on supply of goods and services in India.

### **WHAT IS GST?**

Goods and Services Tax is a value added tax which is levied on supply of goods and services in India. In the current system at every stage tax is levied separately, at varying rates. Goods and Services Tax system that is set to be introduced tax will be levied only value added. It is a single tax against all the taxes paid by value chain method.

### **WHAT IS STATE GST AND CENTRAL GST?**

For transaction within a state there will be State GST (SGST) which is being levied on the value state simultaneously these indirect taxes which being paid before by value chain.

In case of interstate transactions, the Center and Service Tax being levied (IGST). As IGST is simultaneously equal to the CGST plus SGST.

GST is like a blanket of all indirect taxes that will comprehend indirect state and federal taxes as value.

### **WHY IS GST NEEDED?**

At present there are various Value Added Tax (VAT) laws in different states in India. As it creates a lot of problem specially when there is purchase and sale of goods and services within different state. Also most business man has to pay different taxes in different states like – excise duty, VAT and service tax.

GST will allow full tax credit from the procurement of inputs and capital goods of output which will bring a uniform taxation across the country. This reform will give equal platform to all the sectors of business. The aim of GST is to simplify the taxation system and the tax hurdles in the whole economy.

### **WHO WILL HAVE TO PAY GST?**

The GST will be paid by the manufacturers and sellers. It is also paid by the service providers and ultimately it has to be paid by the end consumers who consumes the goods and services.

Now let us see who all are liable to pay the GST tax. The following category of the persons will be livable to pay the GST Tax:

1. Person who are registered under GST and making supplies the GST.

2. Person who is registered under GST to require make the payment of Tax under the reverse charge.
3. E-commerce operators are registered under the GST and to pay the GST tax.
4. The person who is registered under the GST is required to deduct the tax (TDS).
5. E-commerce operators who are registered under the GST are also collect the tax (TCS).

## **OBJECTIVES**

*1. The purpose of this research is to examine the impact of GST on Indian economy.*

*2. The paper also examines how different taxes under GST impacted on consumer in India.*

*3. This paper also examine the impact of GST on corporate world.*

## **METHODOLOGY**

Our aim is to research about the changes in GST in Indian economy. Data is collected on the basis of primary and secondary data. Primary data is collected from internet, NitiAayog etc. Secondary data are to be collected from newspapers, magazines, internet, CA's, CS etc. Moreover, we will conduct the survey on the basis of questionnaire method in which we conduct a sample size i.e. 100 people from business sectors and collect the data, analysis and interpret.

The data also collected considering with our faculty mentors with their experiences are also included in this research paper.

In this research paper we used the descriptive research method to describe the changes in the GST Slab and the impacts and benefits on the whole Indian Earners.

## **BENEFITS OF GST**

For the Consumer or Common man

GST is the biggest advantage for the common man in the term of reduction of tax. The common man would be save the money from the tax. GST will have reduced the burden of the indirect taxes from the common man.

For Businesses:

For more and less all the business organizations will get a best opportunity and blessings for business. To get rid of the burden of the indirect taxes as GST refund processes will be easy and hassle free.

GST (Goods and Services Tax Impact on common man)

Here in India, for the most extreme popular for the white-collar class and working class people's. In this situation, which are most effective thing will be GST tax on the common man or working class family. The overall population which are affected the economy is the point to cost is needed to plainly influenced.

## **POSITIVE IMPACT OF GST ON COMMON MAN**

- ❖ Abound together duty framework become transparent or backhand duties like VAT, CST, Service Charge, CAD, SAD, Excise and so on.
- ❖ An improve duty arrangement contrasted with before imposed structure. It is not as basic as it is by all accounts.
- ❖ Removes falling impact of assessment i.e. take away assess on impose.
- ❖ Due to bring down of expanses on the different segments the assembling expense will be decrease subsequently it increase the purchasing power of common man.
- ❖ The low cost additionally prompts an expansion in the utilization of product.
- ❖ Increase and expand supply this will eventually prompt ascent in the creation of merchandise.
- ❖ Most imperatively, specialists want to see a positive effect of GST on the common man with the whole Indian economy.

## **NEGATIVE IMPACT OF GST ON COMMON MAN**

All little merchants and specialist organizations has to manage the interstate supply of merchandise or the administrations needs to get enlisted pay GST and have to manage the whole data of GST returns additionally independent the business they produced (whether high or low). Every business organization has to pay GST with the different tax slab.

The number of GST restore that you have each and every document for every transaction and you need to documents 3 months to month restores, these sums to aggregate to quarter returns in addition to annual return or yearly return. As with the revised slabs common man has to suffer a lot as they are paying tax not with revised table and by this the mediators or the company earn profits.

## **CONCLUSION**

In the conclusion, we can say that the GST is the one tax that can be major breakthrough in the Indian taxation system. GST was introduced in India a few years back, but it was implementation has been done by the current Prime Minister Shri Narendra Modi Ji on July 01,2017. GST is one of the best and biggest taxation reform will bind the entire nation under the single tax system rate. In the forecast by the experts, the GST will improve the tax collection, boost the Indian economic development, and break all the barriers between the Central and State Government. GST will give the clear taxation system to the consumers and it is discussed the various challenges in this paper.

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