

GOODS AND SERVICES TAX AND ITS RELEVANCE

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Abstract: This paper focuses on the Goods and Services Tax (GST) is an indirect form of tax which is applied to the cost of certain goods and services. The consumer pays price plus the GST value on the supply of goods and services right from the manufactures to the consumer credit. In India GST was implemented from 1st JULY 2017 under the council of Arun Jaitely.

The main objective behind the implication of GST is to eliminate the double tax and in the long run it will be used as a measure to reduce the inflation. There are certain key decisions which were taken under the GST Council such as implication of the E-way bill implication in the return filing. The E-way bill is the additional constituent of the GST in a way that it is required to generated for movement of goods' worth more than rupees 50,000. Any negotiated person moves a consignment worth rupees is support tendure detail or receipt in GST. Through this the Government hopes to flag tax and cause business to flourish.

There are certain advantages and disadvantages of GST. It eliminates the rapid effect of tax and has a composition scheme for small businessman. It has improved efficiency of logistics. It has negative impact on the real estate as well as the aviation industry is the worst hit. The learning of GST is difficult for a layman to understand. Thus with, the advent of GST large number of Central and state laws have been amalgamated into one single tax. It is one of the best decisions taken by the Indian Government and it is being celebrated as the financial independence in India. Hence it is a much accepted regime became it does away with multiple taxes rates by the centre.

Keywords: Goods and Services Tax (GST), E-way Bill, Indian Economy, GST Council.

1. INTRODUCTION

The goods and services tax is an indirect form of tax which is applied to the cost of certain goods and services. The consumer pays the price plus the GST value on the product he buys. In India GST is implemented from July 1 and the council was headed by the finance minister Arun Jaitley. In total the council had fined rates on 1211 items.

GST is a reformatory legislation which is a single tan on the supply of goods and services right from the manufacturer to the consumer credits of impact tanes paid at each stage will be available in the subsequent stage of value addition, which makes GST basically a tan only on the value addition at each stage.

France was the first country to implements GST in 1954 and then after that 160 other countries espoused this system. The main objective behind the implication of GST is to eliminate the double tan then and, it will be used to reduce inflation in the long run as the prices will be lowered in the long run. The State Bank of India estimated the GST collection of 2018-19 will grow at a rate of 1416010 bringing it closer to decadal growth of 14%.

Recent Amendments in GST council next held on 10th March 2018: (26th GST next)

Key Decision taken:

1. GST return simplification, i.e. system of filing return to continue for next 3 months
2. Implement E-Way Bill
3. TDS/TCS applicability postponed until 30 June 2018
4. The exporters are given tax exempted by 6 months till 1 Oct 2018
5. No GST rates changes were announced
6. Reverse charge mechanism delayed till 1 July 2018

2. E-WAY BILL

An additional constituent of the goods and services tax is the electronic-way bill or e-way bill that is for progress of goods which can be generated on the e-way bill portal. It is required to be generated for movement of goods worth more than Rs. 50,000 this electronic document is generated on the GST portal that evidences the movement of goods. Any registered person who moves a consignment worth Rs. 50, 000 or more is supposed to endow details of GST in receipt, place of delivery invoice or challan number and date, value of goods, HSN code, transport document number.

The basic purpose of the e-way bill is that the goods which are being transported comply with and the movement of goods can be tracked. Through this, the government hopes to plug tax leakages and cause businesses to flourish. E-way bill can be generated without any perplexity and the system has been considered and developed by the National Information Centre (NIC).

3. ADVANTAGES & DISADVANTAGES

The goods and services tax has changed the face of indirect tax schedule in the nation. It has subsumed several indirect taxes and therefore simplified taxes for businesses and compliance easier. GST eliminates the rapid effect of tax and has a composition scheme for small businessman. As it is an easy and simple online procedure then the numbers of compliances are less. A well defined treatment for e-commerce operator is there and these are improved efficiency of the logistics.

Despite being certain advantages, there are various disadvantages which make GST a little bit difficult to comply with. It has a negative impact on the real estate market some branded products and the electronics have become expensive making people difficult to buy it. The aviation industry is the worst but as the service tax is increased by 15% on the business class travel. The learning of the new system may be difficult to understand by the common layman.

4. RELEVANCE OF GST

- With the advent of GST, a large number of central and state taxes have been amalgamated into one single tax. It mitigates the cascading effect and paves the way for a common national market.
- It helped in the realization of the objective of one nation one tax and also improve the ease of doing business in the country.
- GST has led to the reduction in the tax burden as a result of the computerization of the taxation process. It will in the long run lead to increase in the revenue collection for the centre and the state.

The GST seeks to enhance fiscal federation by removing indirect tax barriers across states and integrate the country into a common market boosting the govt. revenue and reducing the business cost. The goods and services tax was approved by the constitution in the one hundred and first amendment Act 2016. (10th amendment)

5. CONCLUSION

Implementation of GST is one of the best decisions taken by Indian govt. for a sound reason; July 1 was celebrated as financial independence in India where all members of parliament attended function in parliament house. This regime is accepted by 159 countries confusion & complexities were expected will happen.

Though structure might not be a perfect one but once in place such as tax structure will make India a better economy favorable for foreign investment.

Until now India was a union of 29 small tax economies & 7 union territories with different laws unique to each state.

It is much accepted & appreciated regime because it does away with multiple tax rates by centre state.

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