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CRITICALLY EVALUATION OF GOODS AND SERVICE TAX

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ABSTRACT

The introduction of Goods and Service Tax on the 1st of July 2017 was very significant step in the field of indirect tax reform in India. The Goods and service tax system accepted by many countries in the world. By amalgamating a large number of central and state taxes in to a single tax. Goods and service tax is an indirect tax. GST is levied at every step in the Production process. but is meant to be refunded to all parties in the various stages of production other than the final consumer . Modi government the finance minister Arunjaitley introduced Goods and Services bill in the loksabha in May 2016. The tax rates rules and regulation are governed by Goods and Services tax council which consists of the Finance minister of central and all the states.

1)) INTRODUCTION

Goods and service tax is indirect tax. Indirect tax is a type of tax where the incidence and impact of taxation does not fall on the same person , entity. The impact and incidence of indirect taxes are on different person, entities. The introduction of goods and services tax on the 1st of July 2017 was very significant step in the field of indirect tax reforms in India GST is consumption tax levied in India on the supply of goods and services. GST is levied at every step in the production process. But is meant to be refunded to all parties in the various stages of production other than the final consumer. By amalgamating a large number of central and state taxes into a single tax called GST. GST are divided in to five tax slabs for collection of tax 0%, 5%, 12%, 18%, and 28% However petroleum product , alcoholic drink, electricity are not taxed under GST.

2) DEFINITION

A tax on supply of Goods or Services or Both
OR

Goods and service tax is a consumption based tax will be payable in the state in which goods and services or both are finally consumed.

3) OBJECTIVE

The objective of presenting the research paper is to aware the meaning of GST, history of GST, Feature of GST, purpose of Indian government, Benefits of GST, to consumers , business , GST council, GST, tax slab rates, taxes to be subsumed in GST.

4) HYPOTHESIS

The new Tax GST reducing the multiplicity of taxes that are at present governing our indirect tax system leading to be simplification and uniformity, it will be boost export and manufacturing activity, generate more employment.

5) METHODOLOGY

In the present study use of secondary resource is made to evaluate the Goods and Service tax.

6) SIGNIFICANCE OF THE STUDY

This paper Bring to light valuable an analysis pertaining to critically evaluation of goods and service tax.

7) LIMITATION OF STUDY

This paper is limited only to evaluation of goods and services tax.

8) FEATURE OF GST

- 1) GST would be applicable on supply of goods or services.
- 2) GST would be based on the principle of destination consumption taxation.
- 3) It would be a dual GST with the centre and the state simultaneously levying it on a common base.
- 4) An integrated GST would be levied on interstate supply of goods and services. This would be collected by the centre so that the credit chain is not disrupted.
- 5) Import of goods would be treated as interstate supplies and would be subjected to GST in addition to the applicable customs duties
- 6) CGST, SGST, UTGST, IGST would be levied at rate to be mutually agreed upon by the centre and state under aegis of the GSTC.
- 7) GST on five specified petroleum products (crude, petrol, diesel, ATF and natural gas) would be applicable from a date to be recommended by the GSTC.
- 8) GST would apply to all goods and services except alcohol for human consumption.
- 9) All exports and supplies to SEZ and SEZ units would be zero rated.
- 10) Electronics filling of returns by different Class of person at different cut-off dates
- 11) Various modes of payment of tax available to the tax payer including internet banking, debit/ credit card and national electronic fund transfer (NEFT), real time gross settlement(RTGS)

9) BENEFITS OF GST

- 1) Will help to create a unified common national market for India giving a boost to foreign investment and make in India campaign.
- 2) Will prevent cascading of taxes as input tax credit will be available across Goods and services at every stage of supply
- 3) Harmonization of law, procedure and rates of tax
- 4) It will be boost export and manufacturing activity generate more employment and thus increase GDP with gainful. Employment leading to substantive economic growth.
- 5) Ultimately it will help in poverty eradication by generating more employment and more financial resources
- 6) Improve the overall investment climate in the country
- 7) Simple tax regime with fewer exemption
- 8) Simplified and automated procedures for various process such as registration, returns, refund tax payments etc.

10) LIMITATION OF GOODS AND SERVICE TAX

- 1) Increased cost due to software purchase
- 2) Being GST complaint
- 3) GST will mean an increase in operational costs.
- 4) GST came in to effect in the middle of the financial year.
- 5) GST is an online taxation system.
- 6) SMF is will have higher tax burden

11) Levy of taxes

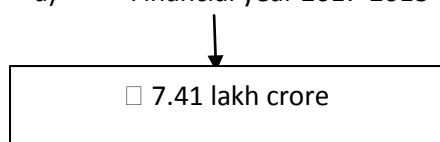
- 1) Central Goods and service tax(CGST)
- 2) State goods and service tax[SGST]
- 3) Integrated goods and service tax [IGST]
- 4) Union territory goods and services tax [UTGST]

12) GST council

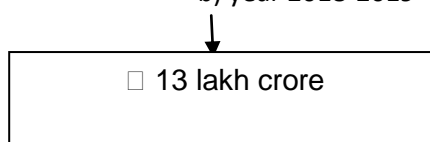
The constitution 101st act 2016 by order constitutes a council to be called the goods and services tax council notification dated 15/09/2016 the president of India constitute the GST council.

Tax Revenue from GST

a) Financial year 2017-2018



b) year 2018-2019



Tax rate

0%	5%	12%	18%	28%
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13) Finding

- 1) and service tax is reforms in the indirect tax system.
- 2) Goods and service act pass in 2016 after the 101 constitution amendment
- 3) The 101 constitution amendment along with the four bill, gave effect to the necessary amendment
- 4) Goods and service are divided in to the five tax slabs for collection of tax 0%,5%,12%,18% and 28%
- 5) The tax rates rules and regulation are governed by GST council which consists of the finance ministers of central and all the state.
- 6) GST that is levied by the central govt know as CGST and state govt know as SGST
- 7) IGST is applicable on interstate (between two state)
- 8) TGST applicable on the goods and services supplied with in any of the five union territories of
- 9) GST Goods applicable on all the stage of production and supply.
- 10) Electronic filling of returns by different class of person at different cut-off dates.

14) RECOMMENDATION

- 1) The process of filling tax return in per month and for total year is time consuming exercise to the business person it must be reduce by government

- 2) The tax slab rate is 18% on detergents, washing powder etc. is high rate. India does not make competitive with this 18% charges on above product. It is daily use item so government authority must reduce tax slab rate for people and economic growth.
- 3) The India goods and services tax is technological glitches and network problem so it reduce by related authority.
- 4) Goods and service tax system excluded some services and goods just like petrol, diesel, agriculture sector etc. it must improve by authority of govt.
- 5) Composition scheme should also be provided to small scale service providers.

SUMMARY

Goods and service tax is indirect tax reform in India . GST applicable from 1st July 2017 in 29 state of India. Goods and service tax has some tax slabs as 0%, 5%, 12%, 18%, GST 28% charge on weighing machine , paint, motorcycle, and five star hotel services. GST is consumption taxation. GSTN provide function of registration, filling of returns, providing MIS reports to central and state govt. in oct 2018 total numbers of tax payers 1.14 crores. And tax collection revenue for last year 2017-2018 ₹ 7.41 lakh. In GST system their some problem, if they search and corrected then this system make best interest of the people and for economic growth. If GST rate should be nationalized and reduce to make India competitive.

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