



REVIEW OF RESEARCH

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BENEFITS AND PROBLEMS OF GST IN THE PALGHAR DISTRICT

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ABSTRACT:-

The GST Act was implemented on 1st July 2017. GST is an indirect tax imposed on the supply of goods and services. GST targets at abolishing the cascading effects. The study has been piloted only in the geographical boundaries of selected tehsils of the Palghar district. Wholesalers, retailers, consumers and tax consultants were interviewed about the benefits of GST enjoyed by them and the Problems of GST faced by them so as to get idea about the views of the different stakeholders about the GST.

KEYWORDS:- GST, problems, benefits.

1. INTRODUCTION:-

The GST Act was passed in the Parliament on 29th March 2017 and implemented on 1st July 2017. It is treated as largest tax reform since independence. An indirect tax imposed on the supply of goods and services means GST. GST is a all-inclusive, multi-stage, terminus-based tax charged on every value addition. GST is charged on value added at each stage to attain the sale to the end users. GST has reduced the overall tax burden on the consumers. GST aims at abolishing the cascading effects i.e. tax on tax on production and distribution cost of goods and services.

2. REVIEW OF LITERATURE:-

Chadha et al.(2009) has analysed that GST would lead to efficient allocation of factors of production. The overall price level would go down. It is expected that real returns to the factors of production would go up. It lead to the efficient allocation of factors of production leading to the gain in GDP and exports.

Nitin Kumar (2014) stated that implementation of GST in India will support elimination of economic distortion by present system of indirect tax and will enhance balanced tax structure which is unresponsive to geographical situations.

Satish Chander, Director General, FAI said that fertilizer products are likely to suffer from higher level of taxes with implementation of GST.

3. OBJECTIVES OF THE STUDY:-

The objectives of the study are as under:-

1. To assess the benefits of GST enjoyed by the different stakeholders.

2. To assess the problems of GST faced by the different stakeholders.

4. SCOPE OF THE STUDY:-

The study has been conducted only in the geographical boundaries of selected tehsils of the Palghar district. For the purpose of convenience and detailed study, in total 150 respondents, 50 from Jawhar tehsil, 50 from Wada tehsil and 50 from Dahanu tehsil are selected as sample. The sample consists of 30 Wholesalers, 30 Retailers, 60 Consumers and 30 Tax Consultants as representatives. This research has been carried out between the period from 1st September 2018 to 31st October 2018.

5. RESEARCH METHODOLOGY:-

a) Type of Data:-

The structured questionnaire has been used for collection of primary data whereas secondary data has been used from published sources like books, magazines and websites.

b) Method of Research:-

Descriptive as well as exploratory research method has been used.

c) Sampling Method:-

Convenient sampling method has been used for the study.

d) Universe and Sample Size:-

Wholesaler, retailers, consumers, tax consultants and experts in the Palghar district are universe of the study. In total, 150 respondents are selected as sample by using convenient sampling method.

Table 1:-Tehsil wise Sample

Sample Tehsils	Wholesalers	Retailers	Consumers	Tax Consultants	Total
Jawhar	10	10	20	10	50
Wada	10	10	20	10	50
Dahanu	10	10	20	10	50
Total	30	30	60	30	150

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6. Analysis and Interpretation of Data:-

A. To assess the benefits of GST enjoyed by the different stakeholders.

Table 2:- The benefits of GST enjoyed by the different stakeholders

Sr. No.	Name of the State	Wholesalers		Retailers		Consumers		Tax Consultants		Total Respondents	
		Y	N	Y	N	Y	N	Y	N	Y	N
1	Uniformity of tax rates across the states	14	16	15	15	34	26	13	17	76	74
2	Improved logistics and	18	12	13	17	25	35	16	14	72	78

	faster delivery of services										
3	Eliminates taxation multiplicity	19	11	18	12	33	27	15	15	85	65
4	Elimination of distinction between goods and services	21	09	17	13	32	28	16	14	86	64
5	Market expansion	17	13	15	15	31	29	17	13	80	70
6	One Point Single Tax	16	14	16	14	26	34	18	12	76	74
7	An end to cascading effects	15	15	18	12	36	24	19	11	88	62
8	Increase competitiveness of Indian products in international market	16	14	19	11	35	25	14	16	84	66
9	Reduces transaction costs and unnecessary wastages	13	17	16	14	30	30	13	17	72	78
10	Ease of starting business	18	12	15	15	34	26	22	08	89	61
	Total	167	133	162	138	316	284	163	137	808	692

(Source:-Field Survey)

Where, Y=Yes and N = No

Wholesalers :- 167 > 133 :- Positive
 Retailers :- 162 > 138 :- Positive
 Consumers :- 316 > 284 :- Positive
 Tax Consultants :- 163 > 137 :- Positive
 Total Respondent :- 808 > 692 :- Positive

B. To assess the Problems of GST faced by the different stakeholders.**Table 3:- The Problems of GST faced by the different stakeholders**

Sr. No.	Name of the State	Wholesale		Retailers		Consumers		Tax Consultants		Total Respondents	
		Y	N	Y	N	Y	N	Y	N	Y	N
1	Wide-ranging training to tax administration staff	12	18	19	11	31	29	21	09	83	67
2	Wide-ranging training to tax administration staff	16	14	11	19	28	32	14	16	69	81
3	Working capital blockage	19	11	17	13	36	24	19	11	91	59
4	Strict mechanism of 'Input Tax Credit'	18	12	18	12	39	21	16	14	91	59
5	Technological challenge	17	13	15	15	25	35	18	12	75	75
6	Different rates of taxation	19	11	16	14	37	23	14	16	86	64
7	Restrictive composition levy mechanism	18	12	17	13	31	29	17	13	83	67

8	The less threshold limit for turnover	15	15	18	12	36	24	19	11	88	62
9	Registration woes	13	17	15	15	37	23	17	13	82	68
10	Wide-ranging training to tax administration staff	21	09	15	15	35	25	18	12	89	61
	Total	168	132	161	139	335	265	173	127	837	663

(Source:-Field Survey)

Where, Y=Yes and N = No

Wholesalers	:-	168 > 132	:-	Positive
Retailers	:-	161 > 139	:-	Positive
Consumers	:-	335 > 265	:-	Positive
Tax Consultants	:-	173 > 127	:-	Positive
Total Respondent	:-	837 > 663	:-	Positive

7. CONCLUSION:-

Taxation play significant role in the economic development as it impacts the efficiency and equity. The study evaluated the benefits of GST enjoyed by the different stakeholders as well as the problems faced by the different stakeholders due to GST. An end to cascading effects, reduction in transaction costs and unnecessary wastages, elimination of the multiplicity of taxation, homogeneousness of tax rates across the states, one point single tax, improved logistics and faster delivery of services, ease of starting business through reduction of tax burden on new businesses and market expansion are the benefits of GST enjoyed by the different stakeholders whereas technological issues, the a smaller amount of threshold limit for turnover, different rates of taxation, wide-ranging training to tax administration staff, , inherent oversimplifications of the system, restrictive composition levy mechanism, working capital blockage and strict mechanism of 'input tax credit' are the major problems faced by the different stakeholders due to GST.

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