

GST:-A PAVE TO THE TECHNOLOGICAL DEVELOPMENT

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ABSTRACT

India's tax system was very intricate with tax on tax (cascading effect) on its each step.Despite of success of VAT, there were many inadequacies in the past tax structure. So, the introduction of GST is one of the utmost vital tax reforms in India which has been long time waiting.GST isacomprehensive tax system that has subsumed all the indirect taxes under an umbrella and formed acohesive national market. Experts and economists had said that GST will be advantageous in the long run but general public are unclear about its nuts and bolts .It is predictable to iron out the wrinkles of an existing indirect tax system and play a vital role in the development of the economy. In this manuscript we try to highpoint the objectives, advantages, Compliance procedure (online portal only, a great technological change), latestamendments and impact of GST on thepresent tax situation in India. The paper is based on primary and secondary data which shows impact of GST on a general public of a specific area.

Keywords: GST, Threshold, Taxes Subsumed, Reverse charge, Return, Data analysis.

I. INTRODUCTION

GST

Goods & Services Tax Law in India is a **comprehensive, multi-stage, destination-based tax** that will be levied on every **value addition**.

In simple words, GST is an indirect tax levied on the supply of goods and services. GST Law has replaced many indirect tax laws that previously existed in India.

COMPONENTS OF GST

There are 3 applicable taxes under GST: CGST, SGST & IGST.

- **CGST:** Collected by the Central Government on an intra-state sale (Eg: Within Karnataka)
- **SGST:** Collected by the State Government on an intra-state sale (Eg: Within Karnataka)
- **IGST:** Collected by the Central Government for inter-state sale (Eg: Karnataka to Tamil Nadu)

COMPOSITION SCHEME UNDER GST

- Accordingly, the government has come up with composition scheme wherein any taxpayer whose turnover is below Rs 75 lakhs can choose not to register as a normal taxpayer. Instead, he may choose to get registered as a

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taxpayer under composition scheme and pay taxes on his supplies at a nominal rate. However, he shall not be eligible to issue a tax invoice and cannot utilize the credit of input tax paid as a result thereof.

Serial No	Category of registered persons	Rate of Tax CGST	Rate of Tax SGST	Total Rate of Tax
1	Manufacturers (other than manufacturers of notified goods)	1%	1%	2%
2	Suppliers (food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption))	2.5%	2.5%	5%
3	Other supplies	0.5%	0.5%	1%

II. THRESHOLD OF GST

The thresholds and eligibility criteria are generally laid on the basis of aggregate turnover of an assessee. Under GST law, it provides certain exemptions from paying tax, applying for registration, eligibility criteria to avail composition scheme, applicability of TDS provisions and requirement of mentioning the HSN/ SAC codes, all of which is based on the aggregate turnover.

Here, we are providing a complete guide to the thresholds and eligibility criteria that are mentioned in GST law

Thresholds and Eligibility criteria

- Exemption from payment
- Registration
- Composition scheme
- TDS
- HSN/ SAC codes

III. EXEMPTION FROM PAYMENT OF TAX

- Taxpayers with an aggregate turnover of **Rs. 20 lakhs** would be exempted from tax. For, North Indian states and Sikkim, the exemption would be **Rs. 10 lakhs**.
- Aggregate turnover shall **include** the aggregate value of all taxable and **non-taxable/ non-GST supplies, exempt/ Nil-rated supplies** and **exports** of goods and/or services and **exclude taxes** under GST.

IV. TAXES SUBSUMED

- GST is commonly described as indirect, comprehensive, broad-based consumption Tax. The Dual GST which would be implemented in India will subsume many consumption taxes. The objective is to remove the multiplicity of tax levies thereby reducing the complexity and remove the effect of Tax Cascading. The objective is to subsume all those taxes that are currently levied on the sale of goods or provision of services by either Central or State Government. The subsumption of a large number of taxes and other levies will allow free flow of a larger pool of tax credits at both Central and State level.

V. STATE TAXES TO BE SUBSUMED IN GST

Following State taxes and levies would be, to begin with, subsumed under GST:

- VAT / Sales tax Entertainment tax (unless it is levied by the local bodies)
- Luxury tax Taxes on lottery, betting and gambling State Cesses and Surcharges in so far as they relate to supply of goods and services
- Octroi and Entry Tax
- Purchase Tax

VI. TAXES WHICH ARE NOT SUBSUMED

GST may not subsume the following taxes within its ambit:

- Basic Customs Duty: These are protective duties levied at the time of Import of goods into India.
- Exports Duty: This duty is imposed at the time of export of certain goods which are not available in India in abundance.
- Road & Passenger Tax: These are in the nature of fees and not in the nature of taxes on goods and services.
- Toll Tax: These are in the nature of user fees and not in the nature of taxes on goods and services.
- Property Tax
- Stamp Duty
- Electricity Duty

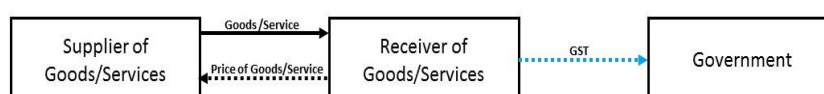
VII. REVERSE CHARGE

• Normally, the supplier of goods or services pays the tax on supply. In the case of Reverse Charge, the receiver becomes liable to pay the tax, i.e., the chargeability gets reversed.

NORMAL GST PAYMENT PROCESS



GST PAYMENT IN CASE OF REVERSE CHARGE



GST RETURN

A return is a document containing details of income which a taxpayer is required to file with the tax administrative authorities. This is used by tax authorities to calculate tax liability.

Under GST, a registered dealer has to file GST returns that includes:

- Purchases
- Sales
- Output GST (On sales)
- Input tax credit (GST paid on purchases)

To file GST returns, GST compliant sales and purchase invoices are required. You can generate GST compliant invoices for free on ClearTax BillBook

WHO HAS TO FILE GST RETURNS

In the GST regime, any regular business has to file three monthly returns and one annual return. This amounts to 37 returns in a year.

The beauty of the system is that one has to manually enter details of one monthly return – GSTR-1. The other two returns – GSTR 2 & 3 will get auto-populated by deriving information from GSTR-1 filed by you and your vendors

TYPES OF GST RETURNS

Return Form	Particulars	Interval	Due Date
<u>GSTR-1</u>	Details of outward supplies of taxable goods and/or services effected	Monthly	10th of the next month
<u>GSTR-2</u>	Details of inward supplies of taxable goods and/or services effected claiming input tax credit.	Monthly	15th of the next month
<u>GSTR-3</u>	Monthly return on the basis of finalization of details of outward supplies and inward supplies along with the payment of amount of tax.	Monthly	20th of the next month
<u>GSTR-9</u>	Annual Return	Annually	31st December of next financial year

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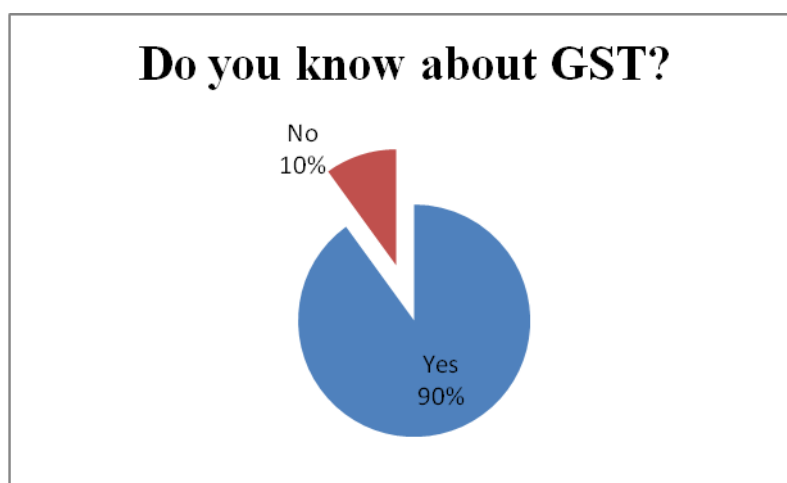
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<u>Return Form</u>	<u>Particulars</u>	<u>Interval</u>	<u>Due Date</u>
<u>GSTR-3B</u>	Provisional return for the months of July and August	Monthly	25th of the next month
<u>GSTR-1</u>	Details of outward supplies of taxable goods and/or services effected	Monthly	10th of the next month
<u>GSTR-2</u>	Details of inward supplies of taxable goods and/or services effected claiming input tax credit.	Monthly	15th of the next month
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<u>GSTR-9</u>	Annual Return	Annually	31st December of next financial year
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DATA ANALYSIS

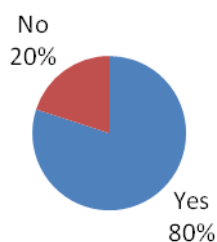
1Question:- Do you know about GST?



Interpretation : As per results (100/100) 100% people says that have knowledge about GST.

2question: do you think implementing GST will cause higher price of goods and services?

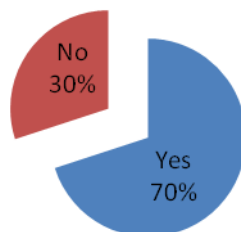
Do you think implementing GST will cause higher price of goods and services?



Interpretation :80% people agree with the statement that GST will cause higher price of goods & services and 20%do not satisfy with the statement.

3question: Are you aware about GST slabs?

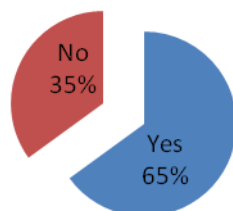
Are you aware about GST slabs?



Interpretation: 70% people are aware about GST slabs but 30% people are not aware about GST slabs.

4question: Do you think all business need to be registered under GST?

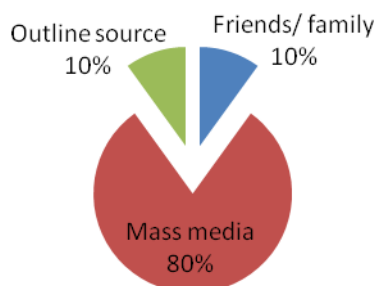
Do you think all business need to be registered under GST?



Interpretation: 65% people think that registration for GST is compulsory for all business and 35% people think that there is no need for registration.

5 question: How do you get know about GST?

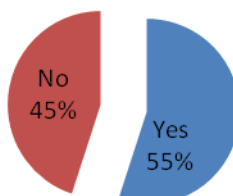
How do you get know about GST?



Interpretation: 80% people got the knowledge about GST through mass media where 10% people got through friend & family & 10% through outline source.

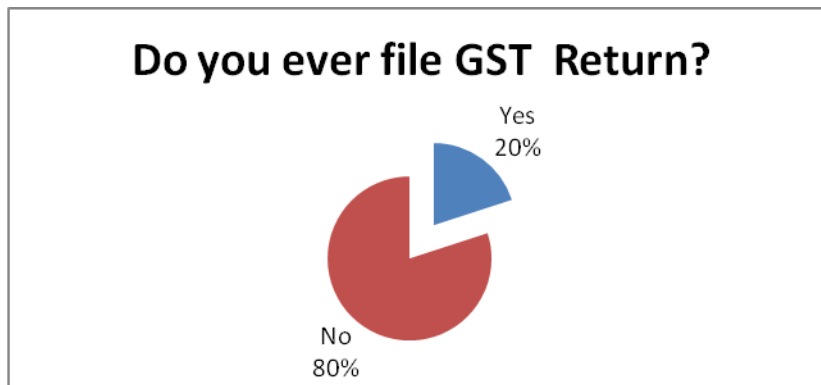
6 question: Will GST burden the public ?

Will GST burden the public?



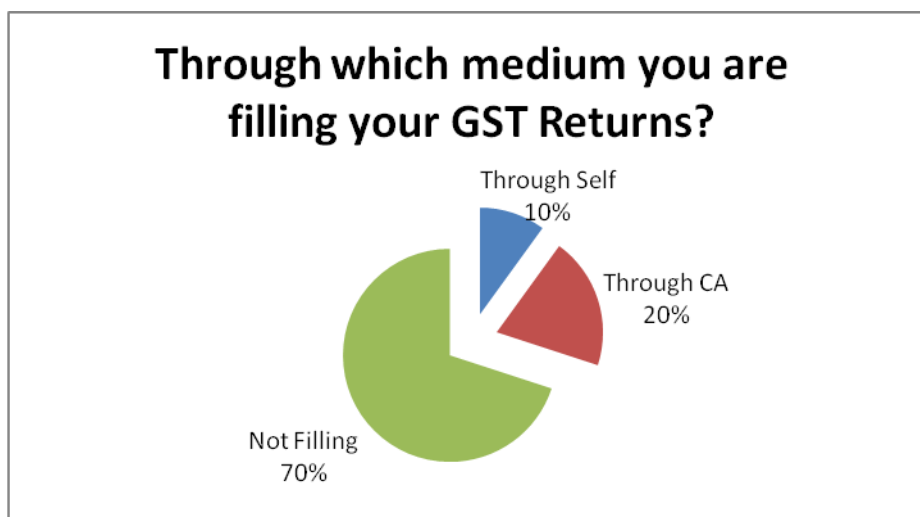
Interpretation: 55% people think that GST will burden people but 45% people do not think so.

7question: Do you ever file GST Return?



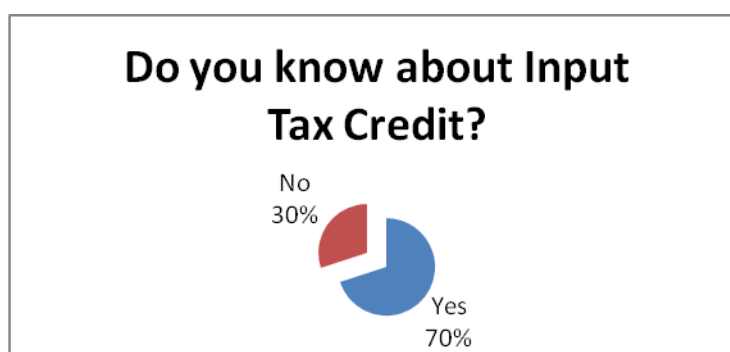
Interpretation: 20% people have filed GST return where 80% people do not ever file the return.

8question: Through which medium you are filling your GST Returns?



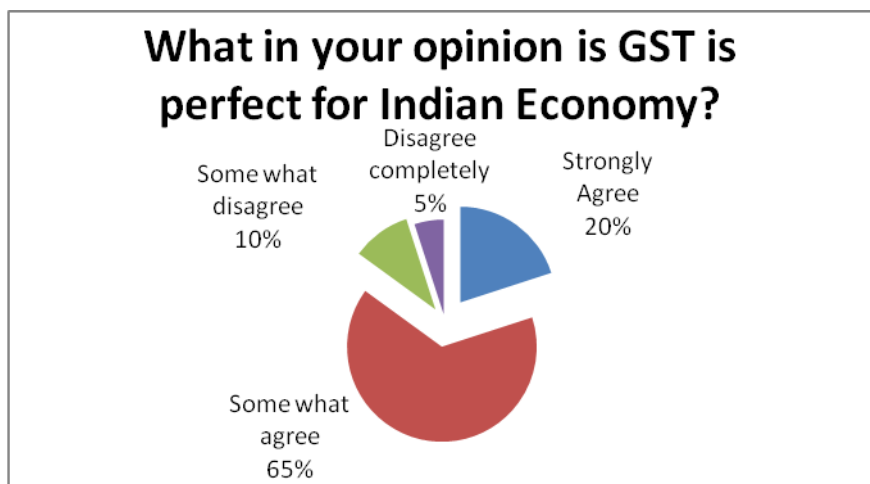
Interpretation: 70% people are not filing GST return where 20% are filing through CA & 10% through self.

9 question: Do you know about Input Tax Credit?



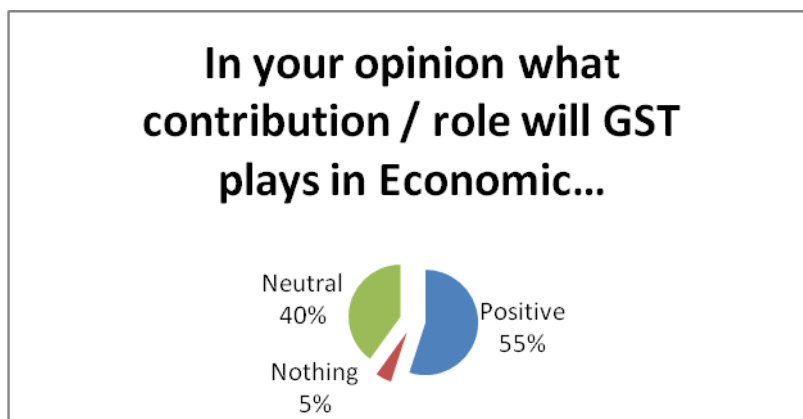
Interpretation: 70% people does not have knowledge about ITC where 30% people are aware.

10 question: What in your opinion is GST is perfect for Indian Economy?



Interpretation: 65% people are somewhat agree with the statement that GST is perfect for Indian economy where 20% are strongly agree & 10% are somewhat disagree and 5% are completely disagree with the statement.

11 question: In your opinion what contribution / role will GST plays in Economic Development?



Interpretation: 55% people think that GST will play positive role where 40% think that neutral and 5% think nothing responding the statement.

CONCLUSION

The government is trying to reduce the burden of compliance for businesses by relaxing the return filing requirements for the first two months post implementation. Also, the provisions of TCS on e-commerce and registration for online sellers have also been relaxed for the time being.

Change is definitely never easy. The government is trying to smoothen the road to GST. It is important to take a leaf from global economies that have implemented GST before us, and who overcame the teething troubles to experience the advantages of having a unified tax system and easy input credits.

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Once GST is implemented, most of the current challenges of this move will be a story of the past. India will become a single market where goods can move freely and there will lesser compliances to deal with for businesses. The benefits of GST will definitely outweigh the disadvantages of GST.

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