**ARYAVART SHODH VIKAS PATRIKA**
RNI TITLED NO. UPBIL04292RNI
REG. NO. UPBIL/2014/66218 **PP. No.- 14-17**
I S S N NO. - 2347 – 2944 (Print)
e-I S S N NO.- 2582 – 2454 (Online)
Vol.-18, No.-IV, Issues-34, YEAR-Oct-Dec. 2024

# Goods And Service Tax: An Analytical Study

**1. Priya Goswami**
**2. DR. Monika Mishra**

1. Research Scholar & 2. Supervisor- Department of Law, Apex University, Jaipur (Rajasthan) India

**Received-01.10.2024, Revised-06.10.2024, Accepted-11.10.2024** **E-mail : peetambrask@gmail.com**

***Abstract:*** ***The tax that citizens are required to pay is regarded as a significant source of revenue for the government. Direct tax and indirect tax are the two types of taxes. In 2017, India implemented the major indirect tax reform known as GST. On the supply of goods and services to customers, GST may be levied. The primary objective of the paper is to assess the significance of GST and identify weaknesses in the indirect tax system prior to its implementation. The paper also talks about the benefits and drawbacks of GST and how it could help simplify the tax system and get rid of all the extra taxes for businesses. The GST framework eliminates the flowing impact of Backhanded numerous charges like VAT, CST.***

**Key words : research examines, circumstantial, spirituality, poetry, Natural Ethics, moral ethics**

**Introduction-** The economy relies heavily on taxes. The government receives a significant amount of revenue from it. Direct tax and indirect tax are the two types of taxes. Direct taxes are borne by the person who imposes them, and the burden of direct taxes cannot be transferred to other individuals. Income tax is included in direct tax. Backhanded Expense incorporates GST, which can be imposed on the stock of labor and products in India. The GST Act went into effect on July 1, 2017, after being approved by Parliament on March 29. Many taxes, including VAT, service tax, and excise duty, have been eliminated by GST. The GST is a significant first step toward comprehensive indirect tax reforms that will pave the way for the modernization of the tax system.

**Objectives of Study-**This paper's primary objectives are to learn about:

- Indirect tax system before GST
- Analysis of establishment of GST
- Advantages and Disadvantages of GST

**Methodology-** An analytical approach and data comparison form the basis of this paper. Both qualitative and quantitative data from official and unofficial sources have been used.

**Charge framework before GST-** There are many sorts of backhanded Expense before GST like VAT, CST, Custom obligation, Extract obligation.

**VAT-** VAT is levied on sales of goods within a single state. The VAT Act of 2005 governs VAT, so when ABC Ltd. (Noida) purchases goods from K.C. Ltd. (Noida), VAT is not applied. State government had the ability to Demand VAT.

**CST (Focal Deal Expense)-** The Central Sales Tax Act of 1956 governed CST. At the point when Deal happen between at least two state than CST was charged, for example At the point when ABC Ltd (Noida) buy merchandise from K.C. Ltd (Delhi) than CST Was charged. Central Government had the authority to impose CST.

**Excise Tax-** The Excise ACT of 1944 and the Central Excise Tariff Act of 1975 governed excise duty. Central Government had the authority to levy excise taxes on goods produced in India; for instance, ABC Ltd. uses their factory in Jalandhar to produce ready-made garments. On such creation, ABC Ltd. needed to pay Extract obligation.

**Customs Fees-** It was governed by the Customs Tariff Act of 1985 and the Customs Act of 1962. The focal government had the ability to collect traditions obligation on import and commodity of products. such as ABC ltd. Ludhiana bought merchandise from Australia and offered products to the USA. ABC Ltd. was required to pay import duty on goods purchased, and export duty on goods sold. Custom duty was the total amount paid for imports and exports.

**Table 1: Indirect taxes levied by Central and State Governments**

| S.No. | Indirect Tax levied by Central Govt. | Indirect Tax levied by State Govt. |
|---|---|---|
| 1. | Excise Duty | VAT |
| 2. | Custom Duty | Luxury Tax |
| 3. | Service Tax | Entry Tax |
| 4. | Cesses and surcharges | Taxes on lotteries, betting and gambling |

Issues with the Indirect Tax System Prior to the GST: Before the execution of GST, the circuitous duty framework had experienced different issues, for example,

- The indirect tax system was very difficult to understand. There were a lot of taxes, which made it harder and more complicated.
- The cascading effect is a feature of the previous indirect tax structure. Goods already taxed are taxed again.
- The State Government and the only central government had the authority to levy taxes on services. had no authority to impose services taxes that would have an impact on the state's revenue.
- The filing of the return and the procedure for filing the return were difficult. Therefore, indirect tax reform is required. The GST is the major indirect tax reform that went into effect on July 1, 2017.

**Definition of GST-** The tax that can be imposed on the supply of goods and services to customers is known as the Goods and Service Tax. India's most significant indirect tax reform is the GST. The input tax credit is available to providers of services and suppliers. The GST's primary objective is to consolidate all indirect taxes imposed by the federal and state governments. Under GST, the consumer of goods and services bears the ultimate tax burden.

**The Background of the GST-** In 1954, France implemented GST for the first time. GST was implemented in Canada by the federal government in 1980, and in New Zealand in 1986. Today, about 150 nations are likely to adopt GST.

In India, taking on GST was proposed by Atal Bihari Vajpayee Government in 2000. Under Asim Dasgupta's direction, an empowered committee was established to examine the various aspects of the GST proposal and create the structure for it. In December 2009, the Finance Minister's Task Force submitted their report, and in November 2009, the Indian Government published the first discussion paper. In his speech, the finance minister said that GST would be implemented by April 2011. The revised constitution Amendment Bill was introduced in Parliament in December 2014. On August 3, 2016, the Rajya Sabha approved the GST bill. The President of India gave his assent in September 2016 after the final step to making the Constitution Amendment Bill 2014 an Act was completed. The GST Bill was approved by Parliament on March 29, 2017, and it became law on July 1, 2017.

**Kinds of GST-** There are four types of GST:

1. **CGST-** The intrastate sale of goods and services is subject to the CGST tax. CGST is levied by the central government. As the Central Goods & Service Tax goes into effect, the CGST is applied to all interstate supplies immediately. However, the CGST will be applied to petroleum crude, high-speed diesel, motor spirit, and natural gas from the date that the government will notify in this regard.
2. **SGST-** The intrastate sale of goods and services is subject to SGST. SGST is levied by the state government.
3. **UGST**- The Union Territory of India imposes the UGST tax on all transactions (including sales of goods and services) that take place within its territory.
4. **IGST-** IGST is demanded on Between State Offer of Products and Administration. IGST is levied by the central government.

Intrastate Offer of Merchandise implies the stockpile of labor and products inside a similar state. The supply of goods and services from one state to another is referred to as the "interstate sale" of those goods and services.

GST levy rates: GST is charged in five slabs of 0%, 5%, 12%, 18%, and 28%, based on the type of goods and services:

**Table 2: Rates of GST on various goods and services**

| GST Slab | Goods And Service |
|---|---|
| 0% | **Goods**: Jute, Fresh meat, Eggs, Curd, Natural Honey, Besan, Bread, Salt and others.<br>**Service:** Hotel and Lodges with tariff below RS 1000. |
| 5% | **Goods**: Frozen Vegetable, Coffee, Tea, Kerosene, Ice, Agarbatti, Kite, Branded Powder and so on.<br>**Service:** Tour operated Service. |
| 12% | **Goods**: Butter, Cheese, Fruit Juice, Ghee, Board Games, Wood, Stone, Yarn of humanmade Staple fibre.<br>**Service:** Air Travel. |
| 18% | **Goods**: Footwear cost more than 500, Biscuits, Jam, Camera, Speaker, Printer, Note Book.<br>**Service:** Outdoor Catering |
| 28% | **Goods**: Cement, Pan masala, Washing Machine, Air Conditioner, Luxury Goods.<br>**Service:** Gambling, Entertainment Services. |

**Enlistment under GST**: GST is no longer applicable to businesses with annual revenues of up to Rs 40 lakh. In the past, this cap was Rs 20 lakh. Under the GST law, an agriculturist will not be required to register for the supply of his agricultural produce or for the sole supply of non-taxable or wholly exempted goods and services. Even if they have multiple branches within a single state, there will only be one registration for each state.

**Methodology For Enrollment:** Within thirty days of the date he is liable to register, any person who is liable to register must apply for registration. The registration procedure is as follows:

- The Application Form, Form GST REG-01, must be filled out electronically by everyone who is responsible for registration.
- Once Secret word and archives will check the versatile number and email address ought to be submitted electronically.
- Enrollment will be supported inside three working days.
- On Form GST REG-05, the officer can reject the application electronically.
- Authentication of Enlistment will be given in Structure GST REG-06.
- If a registered person wants to make any changes to the registration form, he or she must fill out Application amendment Form GST REG-13.
- If a registered person wants to cancel the registration, he or she must use Form GST REG-14. If the application for registration is submitted within 30 days of the date the person becomes liable for registration, the registration will take effect on the date the person became liable for registration. The casual taxable person's registration certificate is only valid for the time specified in the application, or until ninety days have passed, whichever comes first.

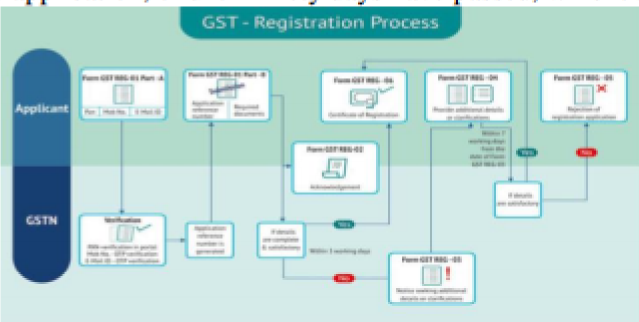


**Figure 1: GST Registration Procedure (Source: www.hostbooks.com)**

**Highlights of GST:**

- It applies to the stock of merchandise and Administration.
- Different assessments are subsumed inside GST.
- Filling out returns and complying with the GST must all be done online.
- The tax system will be transparent under the GST.
- Import and export are both boosted by the GST.
- There will be no need to keep multiple records.
- It is a double duty framework (Center Government can charge CGST, IGST and State Government charged SGST.
- Liquor and Oil are excluded from GST. The aforementioned items will be subject to VAT.

**Advantages of GST:**

**Table 3: Benefits of GST**

| Benefit to Industries | Benefit to Government | Benefit to Citizens |
|---|---|---|
| Import and Export of Goods increase | Reduce tax evasion | Transparency in the taxation system |
| Reduction in multiplicity of taxes. | Increase Foreign investment | Increase in Employment |
| Simpler tax regime(few taxes) | No requirement of multiple record-keeping | Simple Taxation system |
| Reduced Tax Compliances | Uniform tax rates | Reduction in cascading of Taxes |
| Elimination of cascading effect | Increase Export and Employment Opportunities | Reduction in Price of Goods |

**GST's drawbacks include-**

- Expensive to Run: The expenses associated with operation will rise. A small business owner will also require expensive professional assistance. They are responsible for the additional expense of employing Experts.

I S S N NO. - 2347 – 2944 (Print)
e–I S S N NO.- 2582 – 2454 (Online)
Vol.-18, No.-IV, Issues-34, YEAR-Oct-Dec. 2024

- Expensive Insurance and Banking: On the one hand, the government of India is attempting to encourage banking and insurance services, while on the other, the government has decided to tax banking and insurance at a higher rate.
- Enlistment in many States required: According to GST Arrangements the Merchant would require enrollment in all states, expanding the intricacy for Vender.
- Tax Holidays are unclear: There is no warning in regards to Tax cut plan and Duty Occasion Plans.
- Intricacy for Money manager: The central and state governments will have control over businesses, as proposed by the GST Tax, and business owners will be bound by law. As a result, complexity may arise for numerous national businesspeople.

**The public authority made strides in future to further develop GST-** The QRMP (Quarterly Filling with Monthly Payment) scheme will be implemented by the government. The return filling system's complexity is reduced as a result of this scheme. From January 1, 2021, only four GSTR-3B and four GSTR-1 returns will be required of businesspeople. Small businesses are now required to submit 16 GST returns, but as of January, only eight are required. It will diminish intricacies in returns filling framework.

.

## REFERENCES

1. Anubha Verma. (2008). Goods and Service Tax: eagerly awaited in India. *Service Tax Today*, *15*(03), 44-60.
2. Dani, S.(2016). A research paper on the impact of goods and service tax (GST) on the Indian economy. *Business and Economics Journal*, *07*(04). https://doi.org/10.4172/2151-6219.1000264
3. Mehrotra, Dr H.C. & Agarwal, Prof. V.P. (2007). *Indirect Tax*. Sahitya Bhawan Publication.
4. Kumar, Dr Sanjeev (2004). *A systematic approach to Indirect Tax*. Bharat Law House, New Delhi.
5. (n.d.). Goods & Services Tax (GST) | Home. https://www.gst.gov.in
6. Pandey, M. (2017). Impact of goods and service tax (GST) on the Indian tax structure. *International research journal of management, I.T. and social sciences*, *4*(3), 22-33.
7. Saurabh, S. & Singh, V. (2018). Goods and service tax (GST): A sweet pill for the Indian economy. *COMMERCE TODAY*, *12*(01). https://doi.org/10.29320/jnpgct.v12i01.10989
8. Sateen, V.K. & Sharma, Ajay. (, 2010). *Indirect Tax Laws* (7th ed.). Kalyani Publishers.
9. Krishna, V.S. (2006). *Indirect Tax reforms: challenges and Response*. Avinash Publication, New Delhi.

*****