



GOODS AND SERVICES TAX IN INDIA: ISSUES AND CHALLENGES

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ABSTRACT:

Goods and Services Tax is a backhanded expense which is forced in India to improve and uphold the monetary development of the country. The vast majority of the Developed nations have carried out Goods and Administrations Tax Bill (GST). Nonetheless, in India, GST was laid out in 1999. A council was set up to plan the model of GST. Be that as it may, GST was re-sent off on 1 July 2017 by the Indian government+. There was a major clamor for its execution. The GST supplanted all the various expenses which were taken by state and focal government. To that end it is said One Country One Tax which implies there is compelling reason need to pay some other duty in all around the country.



The concentrate efficiently surveys the effect of GST in India. The review gives the bibliometric representation and feeling examination of GST. It was found that the government's intention of GST was to bring every one individuals of the country under the duty and to forestall the progression of dark cash. In a federal structure, India's determination to much-needed fiscal reforms has been widely applauded at its face value when she relinquished her previous complex and inefficient tax regime to embrace the long-awaited Goods and Services Tax (GST). It has been a significant economic move post-independence and requires validation of facts after its introduction. Further, the study tried to determine how the stakeholders perceived such big-bang reform even after the three years of its adoption. The study attempted to assess to what extent the adoption of GST has indeed influenced the economy in general and citizens and/or consumers in particular while using a case-based qualitative inquiry. However, it was seen that bunches of Indian citizens' opinions were in a quandary. In this way, it is prescribed to return to the construction and keep an extent of consistent improvement.

KEY WORDS: *Goods and Services Tax Bill, Impact of GST on Indian Economy, Problems Issues and Challenges.*

INTRODUCTION:

GST is a duty structure which is effectively settled in numerous nations all around the world and presently it is a piece of Indian Economy. It was presented close to a decade prior however got deferred due to legislative issues between administering party and resistance. At last, GST became effective at 12 PM on 1 July 2017 by the fair leader of India through the execution of protected alteration. It is considered as the greatest tax collection change in Indian Economy. India is right now the fifth biggest economy on the planet as indicated by IMF. India is viewed as one of the world's quickest developing

economies. GST is a worth added charge that will supplant any remaining backhanded charges. GST will support the GDP step by step. It will likewise upgrade the degree of India in both homegrown and global market. GST is quite possibly of the greatest monetary change in India. GST is a solitary duty which is forced on the supply of different labor and products. It is a complete, multistage objective based charge.

INDIAN TAXATION SYSTEM

India has got a well-structured and simplified taxation system, wherein an authoritative segregation has been done among the Central Government, the different State Governments as well as the Local Bodies. The Department of Revenue un Government of India's Ministry of Finance is solely responsible for the computation of tax. This department levy taxes on individuals or organizations for income, customs duties, service tax and central excise. However, the agriculture based income taxes are levied by the respective State Governments. Local bodies have got the power to compute and levy taxes on properties and other utility services like drainage, water supply and many others. The past 15 years have witnessed tremendous reformations of the taxation system in India. Apart from the rationalization of the rates of tax, simplification of the different laws of taxation has even been done during this period. However, the process of tax rationalization is still in progress in the Republic of India. Courtesy New Business Maps of India.

CONSTITUTIONAL AMENDMENT ACT FOR GST

The One Hundred and First Amendment of the Constitution of India, officially known as The Constitution (One Hundred and First Amendment) Act, 2016, introduced a national Goods and Services Tax in India from 1 April 2017. The GST is a Value added Tax (VAT) and is proposed to be an extensive roundabout duty demand on production, deal and utilization of merchandise as well as administrations at the public level. It will replace all indirect taxes levied on goods and services by the I GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Credits of input taxes paid at each stage will be available in the subsequent stage of value addition, which makes GST essentially a tax only on value addition at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages Indian Central and State governments. It is aimed at being comprehensive for most goods and services.

REVIEW OF LITERATURE

Dani, S. (2016): in her exploration concentrate on uncovered that GST being a framework supplanting all backhanded charges could hamper the progress of the country as the endeavor to carry out it isn't being restored heartedly.

Nayyar, A. what's more, Singh, I. (2017): in their review refered to that presentation of GST is a significant leap forward in the Indian economy. It will help in rethinking the Indian Tax Structure by being more straightforward and debasement free.

Abda, S. (2017): in his exploration paper focused on the goals, reason and advantages of GST to our economy and how it will help in reinforcing it.

Yadav, S. S. furthermore, Shankar, R. (2018): in their examination paper broke down the set of experiences and advancement of GST in the nation and how it has supplanted different roundabout duties.

Rupa, R. (2017): in her exploration paper made sense of the idea of GST. Likewise she featured the benefits and weaknesses of GST in our economy.

Kawle ,S, P. furthermore, Aher, L.,Y.(2017): in their research paper featured the working of GST in India alongside its effect on the Indian economy.

Shefalidani (2016): expressed effect of GST on Indian economy in the concentrate in which a few advantages of GST like one country one duty, free from flowing impact, increment utilization due to flowing impact, straightforwardness and GDP development are considered. Oil based goods, land, and alcohol are liberated from GST.

OBJECTIVES OF STUDY

1. To understand the Indian Taxation System and Goods and Services Tax in India.
2. To study the impact and challenges of GST on Indian economy.
3. To study GST rates and exempted products from GST.
4. To assess the problems Issues and challenges on GST.

RESEARCH METHODOLOGY

The present study is exploratory in nature and is based on secondary data which has been collected through various published sources such as research journals, magazines, reports and online sources. After extensive review of literature, attempt has made to systematically present the issues and challenges of GST in India.

EFFECT OF GST ON INDIAN ECONOMY

Following are effects of GST after its execution to the Indian economy lessens the weight of duty on makers and encourages development through more creation.

- I. A single GST tax system will eliminate the different tax barriers.
- II. There will be more transparency in the system as the customers will know exactly how much taxes they are being charged and on what base.
- III. GST will extend the revenue of government.
- IV. GST will remove the custom duties applicable on exports.

EXEMPTED ITEMS FROM GST

1. hulled cereals
2. Bones and horn cones
3. Salt
4. Kajal, drawing books
5. sanitary napkins
6. Branded vegetables
7. Music books
8. Palmyra jaggery
9. Human hair
10. Dicalcium phosphate of creature feed

ISSUES, ISSUES AND CHALLENGES

Compromise in GST: The Reconciliation cycle in GST isn't new to any citizen as this was a typical practice in prior VAT and extract system as well. After compromise a citizen needs to match the information between the books of records to finish the cycle. In GST system, the course of Reconciliation is a test. The receipt number that the buyer has recorded doesn't coordinate with vender's receipt got in 2A. Both follow an alternate standard. One of significant difficulties in following a compromise cycle is that the two players included may have different classification of putting away the receipt numbers, then again the execution has a hard match around receipt number.

Discounts are time taking in GST system: It was guaranteed that 90% of the discounts of GST would occur in seven days at the hour of the GST execution. However, on the more extended term, it didn't work out. The new uncovering of phony solicitations and fake practices to corner input tax reduction may just prompt more investigation and more postponements. This outcomes in human connection points, which might prompt the association of defilement.

Numerous offences and penalties under GST: There are numerous penalties and offences under GST. The standards on which these offenses and punishments are based are additionally referenced by regulation. For instance, not enlisting under GST, despite the fact that legally necessary is an offense. There are numerous different offenses and punishments which can impede its prevalence in India. The

overall punishment under GST for any offense for which it isn't explicitly referenced will be obligated to a punishment expanding Rs. 25,000. An individual could be captured for specific GST offenses by any approved CGST/SGST official.

Specialists say that this GST model can not increment development and income as it will raise customer cost expansion. The cost will incorporate little extent of duty which will raise cost level also, economy will endure expansion circumstance. So there are more possibilities that there is absence of development in income.

Double GST framework is extremely confounding, complex and convoluted which isn't extremely straightforward by everybody. So there is more disarray among public or on the other hand less taught public about IGST, CGST and SGST. So it is more mind boggling.

For appropriate execution of GST, there is need of adequate framework yet our nation actually does not have an extremely impressive IT organization. Besides, the web network is additionally not accessible in numerous portions of the country. So this deficiency of foundation and web office become issue for GST.

Recording GST is a major risk for the not really instructed part of our country. Legitimate information with respect to significance and execution of GST is inadequate.

Moving for old tax collection framework to an absolutely new one requires loads of tolerance, difficult work, time and information. It could bring about unnecessary expenses, for example, arrangement of Sanctioned Accountants by individuals who are not knowledgeable with this framework. Consequently it inflates cost of documenting returns.

CONCLUSION

Due to number of states and challenges lay ahead; it would take considerable time to finalize the structure and operational aspects of the tax. In view of this, the most optimistic scenario is that it would not be before 2016 that the tax would be implemented, even if the process of amending the Constitution is completed. Every country has to adopt the structure it can administer. It is neither a gorilla, nor a chimpanzee, but a genus-like primate. It is strongly debatable on GST that a single GST rate is best for administrative efficiency. However, considering both the aspects of fiscal federalism as well as State revenue implications, a single rate is not feasible in the country of India. There are vertical inequalities of State Governments relative to the Central Government and horizontal inequality among State Governments in India, a single rate of GST is highly complicated to implement in the absence of compensation for States in India. Finally, it is said that government have both the side of the coin like opportunity and challenge. But, it is not easy for the government to take opportunities, without facing challenges. The review gives a few proposals in regards to GST. It expressed GST rates and absolved items. The review infers that the new tax collection arrangement of GST has its own issues and difficulties all things considered in its underlying stage. In any case, if this framework is appropriately and actually executed, then it can help in working on the monetary and financial place of our country. This framework is thought of as a more straightforward and further developed rendition of tax collection framework. In any case, the real effect furthermore, importance will be known as time elapses by.

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