

A Comparative Study Of GST And VAT Tax Systems

Ms.Joyline Clara, Meghana.M.R, Dr.RaviKulkarni

M.com 4th Semester, Department of Management and Commerce ,Amrita School of Arts and Sciences,Mysuru,AmritaVishwaVidyapeetham,Karnataka,India.

Assistant Professor, Department of Management and Commerce, Amrita School of Arts and Sciences,Mysuru,AmritaVishwaVidyapeetham,Karnataka,India.

Abstract: Goods and Service Tax is universally known as GST which is a tax levied on the goods and services which an individual attains for his or her comfort's, concept was brought into picture during the Vajpayee government in the year 2000 and was amended in the year 2015. Tax is quoted as "ONETAXONE NATION" as this tax includes all the levels of taxes. It is the biggest tax implemented in India and which is still moving with lots of hardships. The main purpose of this tax is to take away tax on tax concept and reduce the burden on an individual. This tax is also benefiting the economy and helping in its growth. This paper highlights the past and present impacts of the Goods and Service Tax.

Keywords: Goods and Service Tax, implementation

I. Introduction:

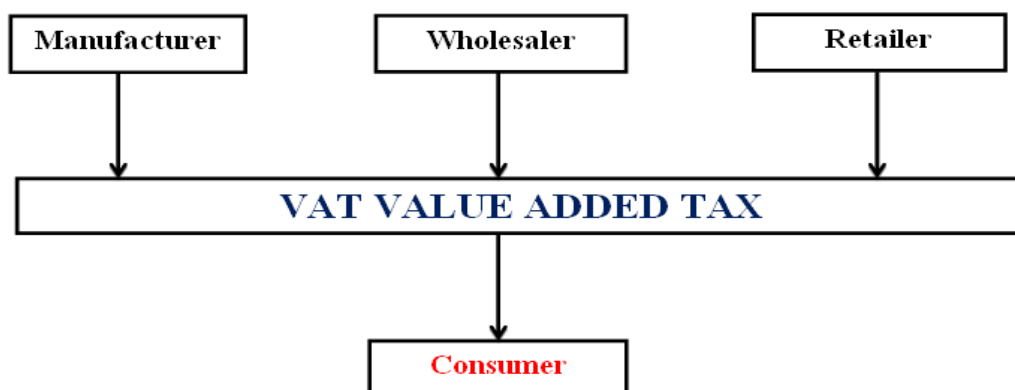
Indian economy is one of the economies which is spending a huge sum of money towards taxes payments. GST had bunched all the indirect taxes together and made one tax called Goods and Service Tax. The tax here takes care from the beginning of manufacturing till the end of the in order to the uniformity among the system. As we implement GST we can bring the central and sales tax together and make it as single tax, this will further leads to greater improvement in the domestic and international market. Multiple taxes have reduced after the implementation of GST in Indian Economy.

1.1 Objectives:

- To understand the past performance of Indian economy with multiple tax system.
- To study the present situation of India after implementation of GST.

1.2 Indian economy before implementation of GST:

Before introducing GST the manufacturing process was in the following way. The manufacturer, wholesaler and a retailer imposes VAT at 12.5% on consumer and that is the monetary burden bared by the consumers to fulfill his needs and desires.



The above table shows a clearly specification how the consumers were forced to practice the multiple tax system and made them contribute their income towards the payment of taxes. To earn profit and to reach their margin the above three speculators were making their own margin to the products and selling them to the next level of buyers and this process went on and on and the sufferer was the consumer who were helpless and was paying the tax to do his livelihood a better on. The tax on tax is called cascading of the tax which intern lead for inflation in the prices of goods and services.

1.3 Indian economy after implementation of GST:

GST Goods and Service Tax Act was first brought by Loksabha on 29/03/2017 and was implemented on 1/07/2017.

Law took its initiative and swapped most of the indirect taxes that existed. In place of multiple taxes government implemented **GST (12%) + State GST (12%)**. The central excise duty, additional excise duty, service tax and special additional duty were replaced into single tax.

The economy has benefited by the adoption of GST. The benefits are namely,

- An individual can lead his life simpler at lower cost.
- There is a possibility of hike in the revenue.
- A common market to perform their trade activities.
- Better and best investment planning.
- Boost in Make in India project.
- Improvement in the low performing states.
- Removal of cascading system.
- Lessening the burden on the end consumer.
- Control in black money circulation.

II. Findings And Suggestions:

Findings:

- GST had brought a positive impact on the lives of consumers and has reduced their tax burdens.
- This had also given a better performance in the growth of the economy and maintains the stability in the inflation.

Suggestions:

- GST should perform well so that the middle and lower class people can make domestic and international trade in a better way.
- GST should further reduce the multiple tax system with regard to the direct taxes.
- A single tax in Indian economy can comfort the consumer in a more efficient way and make their work easy and over taxation can be reduced.

III. Conclusion:

We can conclude by saying that GST is mainly implemented to reduce the burden of the consumers who are suffering from cascading of tax. Our economy should make up our mind to study GST concepts with our interest and practice well and gain the maximum benefits out of it. GST will definitely make the tax the simplest form and help both the consumers and the economy.

Reference:

- [1]. Ms.Ramya.N,Shiashakthi.D, “GST and its impact on various sectors” ,Journal of Management and Science (2017) ; ISSN:2249-1260.
- [2]. Mr.Dash.A , “Positive and Negative Impacts on Indian Economy” , International Journal of Management and Applied Science(2017); ISSN:2394-7926.
- [3]. Ms.ShefaliDani, “A Research Paper on an Impact of Goods and Service Tax on Indian Economy”, Business and Economics Journal (2016); ISSN: 2151-6219.
- [4]. Rupa.R, “GST in India an Overview”, International Education and Research Journal (2017); ISSN: 2454-9916.
- [5]. Monika Sehrawat,UpasanaDhanda, “GST in Indian: A key Tax Reform”, International Journal of Research(2015); ISSN:2394-3629.
- [6]. GirishGarg, “Basic Concept and Features of Goods and Service Tax in India”, International Journal of Scientific Research and Management (2014); ISSN:2321-3418.
- [7]. The Economic Times (2009) Featured Articles.
- [8]. GST India (2015) Economy and policy.
- [9]. Patrick M (2015) Goods and service tax push for growth and CPPR.

Websites:

- [1]. [Http://goodsandservicetax.com/gst/showthread.php?69-CHAPTER-X-Goods-and-Services-Tax-The-way-forward](http://goodsandservicetax.com/gst/showthread.php?69-CHAPTER-X-Goods-and-Services-Tax-The-way-forward).
- [2]. [Http://en.wikipedia.org/wiki/Goods_and_Services_Tax_\(India\)](http://en.wikipedia.org/wiki/Goods_and_Services_Tax_(India))
- [3]. [Http://www.taxmanagementindia.com/visitor/detail_rss_feed.asp?ID=1226](http://www.taxmanagementindia.com/visitor/detail_rss_feed.asp?ID=1226)
- [4]. [Http://www.gstindia.com/](http://www.gstindia.com/)
- [5]. [Http://www.thehindubusinessline.com/todayspaper/tp-others/tp-taxation/article2286103.ece](http://www.thehindubusinessline.com/todayspaper/tp-others/tp-taxation/article2286103.ece)
- [6]. [Http://www.thehindubusinessline.com/todayspaper/tp-others/tp-taxation/article2286103.ece](http://www.thehindubusinessline.com/todayspaper/tp-others/tp-taxation/article2286103.ece)
- [7]. [Http://www.thehindubusinessline.com/todayspaper/tp-others/tp-taxation/article2286103.ece](http://www.thehindubusinessline.com/todayspaper/tp-others/tp-taxation/article2286103.ece)