

## Customers' Perception on Goods and Service Tax (GST)

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**Abstract:** The investigators are intended to study the customers' perception on Goods and Service Tax (GST) from Mannarkkad municipality. The method of study was survey and collected data from thirty respondents from that area. The main objectives of the study are to study the perception of customers on the different aspects of GST and to study if there any significant differences among customers' perception according to gender, age, educational qualification and income level. The major findings are the customers have positive attitude and there is no significant differences between customers according to gender, age, educational qualification and income level.

**Keywords:** GST, Customers, perception

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GST is one of the Revolutionary changes in the Indian economy. After independence as a nation India introduced many financial reforms including several tax reforms. Indian financial system is carrying very complicated structure. So it very same as in the case of tax structure of Indian economy. Every year Indian tax authority changes the laws and rates of the overall tax system. But the traditional tax system is becomes a burden that the customers needed to pay all the indirect taxes relating to particular product and service. The new tax reforms that GST subsumes all the taxes under one umbrella. In April 1<sup>st</sup> 2017 India has introduced GST initially then 2017 July 1<sup>st</sup> India implemented GST

GST is a single tax on the supply of goods and services right 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 on each stage. The final consumer will thus bear only the GST charged by the last dealer of the supply chain. There were lot of confusions relating to the gst why because lack of right implementation of the GST

GST brings huge advantages to the consumers by paying single and transparent tax proportionate to the value of goods and services. Due to multiple indirect taxes being levied by the central and state with incomplete or no input tax credits available at progressive stage of value addition, the cost of most good and services in the country today are laden with many hidden taxes. Under gst there would be only one tax form one manufacturer to the consumer, leading to transparency of taxes paid to the final consumer many products prices will come down due to value addition of the products. It will increase the purchasing power of the customers. In this study the investigators intended to study about the consumer's perception on GST

### Need and Significance of the study

GST is expected to give a major relief to industry, trade, agriculture and consumers through comprehensive and wider coverage of input tax set off (both on goods and services), subsuming of multiple taxes. It will ensure a simpler tax regime with fewer taxes, rates and exemptions. A simplified tax regime coupled with simple articulate and largely online procedures will leads to improved tax compliances with lesser scope for mistakes. GST is the best opportunity for consumers that help to increase the purchasing power. GST implementation will leads to immense scope for each consumers and to keep pace with the changing global indirect tax scenario.

### Statement of the problem

India intends to adopt a dual GST which will be imposed concurrently by the central and states. The proposed dual structure GST, seeks to simplify the complex indirect taxation system in India and create a common national market by bringing down fiscal barriers between the states. GST is a new tax system which is moving towards an efficient indirect tax regime. It becomes imperative for consumers to keep themselves updated with this new tax in country's tax landscape. Thus the present study seeks to investigate the perceptions towards GST among the consumers has been carried out.

### I. Research Methodology

The study has been designed as descriptive and analytical one. It makes use of both primary and secondary data. The primary data necessary for the study has been collected from 30 respondents representing Mannarkkad municipality using structured questionnaire. Convenient sampling method was used for selecting samples. The secondary data required for the study were collected from the books and websites. The statistical tool employed was annova table

#### Research Objectives

1. To understand the perceptions towards GST among the consumers from Mannarkkad municipality
2. To identify the significant difference between the perceptions towards GST among consumers based on age, educational qualification and income level

#### Hypothesis

There is no significant difference in the attitude on GST among customers according to age, educational qualification and income level.

### II. Results And Discussions

**Table 1.** Descriptive analysis of Attitude towards GST

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Attitude towards GST	30	18	32	24.63	3.243
Valid N (listwise)	30				

The mean value is 24.63 and standard deviation 3.243 and it reveals that the customers have a positive attitude on GST.

**Table 2.** Gender wise analysis of Attitude on GST

**Group Statistics**

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Attitude towards GST	Male	17	24.65	2.893	.702
	Female	13	24.62	3.776	1.047

The mean of attitude of Male and female are not different as the values are 24.65 and 24.62.

**Table 3.** Age wise comparison of Customers on Attitude towards GST

**ANOVA**  
Attitude towards GST

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.004	2	5.002	.458	.637
Within Groups	294.963	27	10.925		
Total	304.967	29			

ANOVA table describes that the F value is not significant at 0.05 level. According to Age there is no significant difference between customers on their attitude towards GST.

**Table 4.** Attitude according to Educational Level

**ANOVA**  
Attitude towards GST

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	50.844	3	16.948	1.734	.185
Within Groups	254.122	26	9.774		
Total	304.967	29			

ANOVA table describes that the F value is not significant at 0.05 level. According to Educational level there is no significant difference between customers on their attitude towards GST.

**Table 5.**Hotel charges are increased

		Frequency	Percent
Valid	Strongly Agree	13	43.3
	Agree	15	50.0
	Neither Agree Nor Disagree	2	6.7
	Total	30	100.0

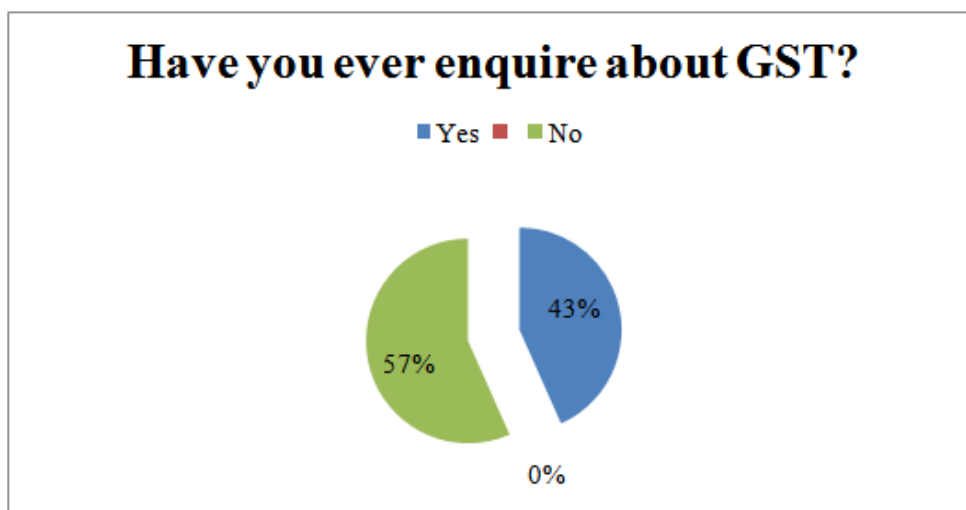
**Table 6.**Cloths are made costly

		Frequency	Percent
Valid	Strongly Agree	7	23.3
	Agree	15	50.0
	Neither Agree Nor Disagree	6	20.0
	Disagree	2	6.7
	Total	30	100.0

**Table 7.** Retail traders are most benefited

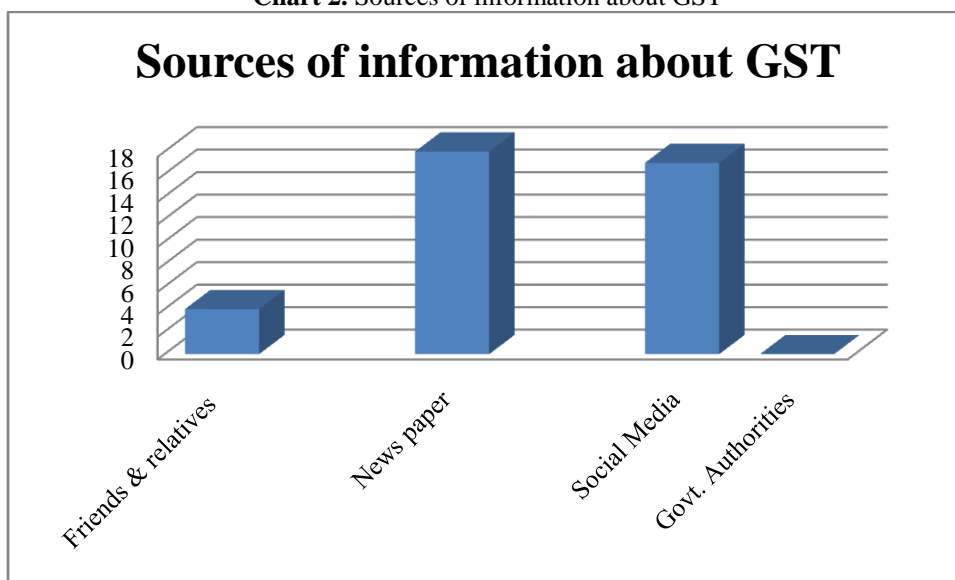
		Frequency	Percent
Valid	Strongly Agree	5	16.7
	Agree	13	43.3
	Neither Agree Nor Disagree	5	16.7
	Disagree	7	23.3
	Total	30	100.0

**Chart 1.** Initiative to know about GST



The study reveals that all the thirty customers are aware of the term GST but only forty three percentages of them are taken initiative to know about GST. Every consumer have known about gst but 57% of them not interested enquire about gst but the 43% of consumers are eager to know about gst

Chart 2. Sources of information about GST



Almost all the customers depend on Newspaper and Social media for the information on GST but none of them approaches government authorities for the data.

Chart 3. The customers' perception on changes after implementation of GST

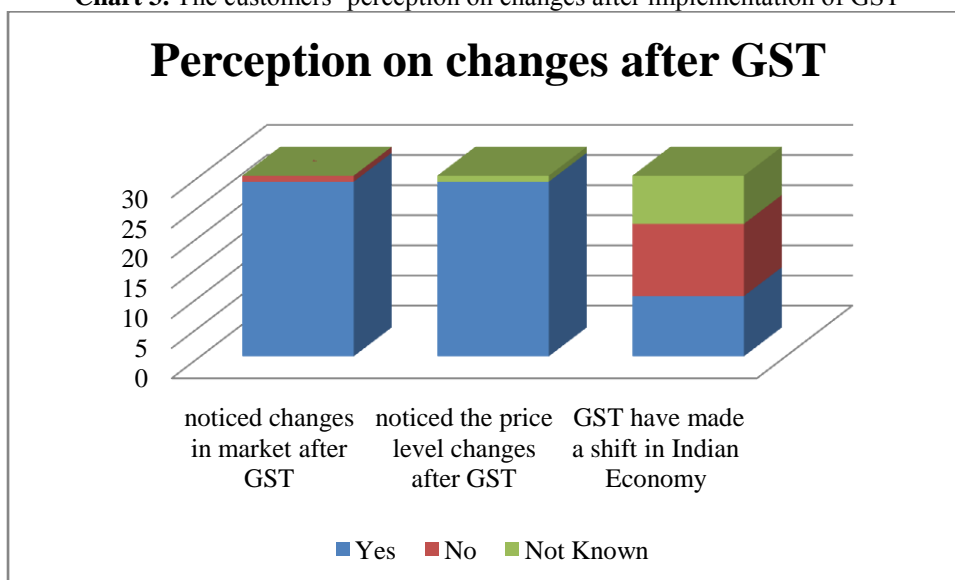


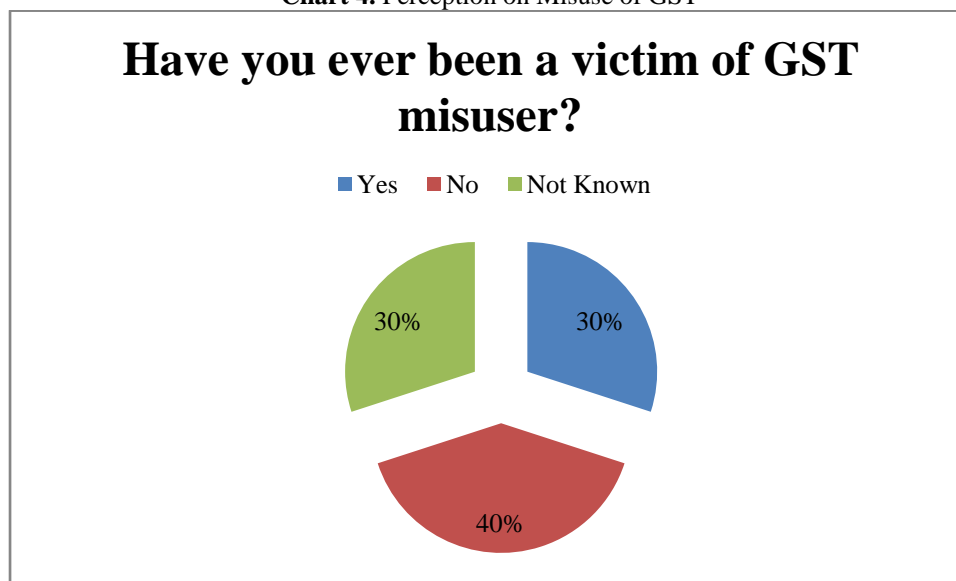
Chart 2 shows that the almost all the customers noticed that GST have made change in market and price of the products. But the customers have mixed feeling about the GST effect on Indian economy. Most of the consumers are noticed the changes in the market after gst among the same consumers most of them noticed the price changes due to gst but the consumers have any majority opinion about the future of Indian economy.

Table1. Perception on Price level changes

Goods	Price reduced		Price increased		No change	
	number of responses	percentage of response	number of responses	percentage of response	number of responses	percentage of response
Electronic goods	7	23.33	14	46.67	9	30.00
Mobile phones	7	23.33	20	66.67	3	10.00
Grocery items	5	16.67	21	70.00	4	13.33
Vegetables	1	3.33	23	76.67	6	20.00
LPG	0	0.00	24	80.00	6	20.00

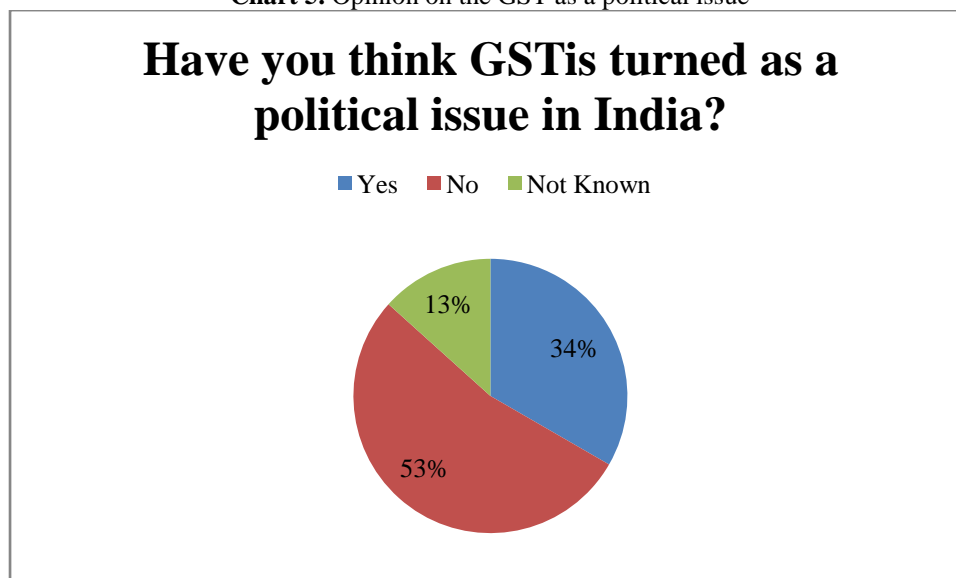
Electricity	1	3.33	11	36.67	18	60.00
Small cars	16	53.33	5	16.67	9	30.00
Tobacco	0	0.00	22	73.33	8	26.67
<b>Total</b>	<b>30</b>	<b>100.00</b>	<b>30</b>	<b>100.00</b>	<b>30</b>	<b>100.00</b>

**Chart 4.** Perception on Misuse of GST



The above chart shows that some retailers misuses GST and only 30% of them is sure about that another 30% is not known whether they cheated or not and 40% are sure that they are not cheated

**Chart 5.** Opinion on the GST as a political issue



As the chart shows above half of the customers not think that GST is a political issue and near one third of them think it is a political issue.

### III. Conclusion

The study proves that there is a positive attitude towards GST but there is some perception of price hike for certain products due to GST. No difference between the customers in the perception according to Gender, age, Education qualification and income level. There is less initiative by the customers and the main sources of information are from friends and relatives and social media. The majority of the customers not think that GST is a political issue and they have faced some fraudulent activities after implementing GST.

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