



ATTITUDE OF COMMON PEOPLE TOWARDS GST (GOODS AND SERVICES TAX) IN INDIA

Vimal Kishor Shukla

Research-Scholar, Corresponding Author- Vimal Kishor Shukla

Abstract

India is going through a lot of change right now, first **demonetization** attempt to curb the **black money** and eradicate **corruption** and now a few months later **GST bill** to make sure there should be no space for the reasons of corruption which will directly boost our Indian economy. We have written this article to make you aware of the effects and impacts of GST on various aspects of our lives. The best part about this article is that with this core information you can prepare a decent essay or speech for your speech and essay competition. Because I am pretty sure the GST is going to be the topic of discussion in every school and college too. **The death of all taxes:** With the unified tax regime common people said goodbye to a plethora of indirect taxes making India **One Nation One Market One Tax** country. Now, businesses don't need to worry about the plethora of taxes.

Keywords: Demonetization, , demonetization , Cashless (digital) Transaction, GST bill.



Scholarly Research Journal's is licensed Based on a work at www.srjis.com

METHODOLOGY (TOOLS AND TECHNIQUES) :

Random sampling method has been used to select the Respondents. A cross sectional evaluation was done to include all the Bank Customers. Interview technique was conducted using predesigned & pretested questionnaire. Questionnaire included information related to bio-social profile of the common people selection process. The data was collected by the trained field investigators. The study is based on the survey for the behavior of 100 Indian citizens at district Etawah, Uttar Pradesh. The method of statistical analysis is used to draw scientific conclusions.

Hypothesis 1. The common people is un- aware to GST in India (confined to unified taxation.)

Hypothesis 2. The common people is afraid of the up-market possibility and rise in prices due to increased taxation due to GST .

INTRODUCTION TO GST :

GST or Goods and Services Tax is applicable on supply of goods and services. It will replace the current taxes of excise, VAT and service tax.

Expect reduction in prices of :

1. FMCG goods such as shampoos, chocolates
2. Eating out
3. Small cars
4. DTH

Increase in prices of:

1. Luxury cars
2. Tobacco
3. Aerated beverages
4. Textiles

India will implement the Canadian model of Dual GST, i.e., both the Centre and State will collect GST. There will be 3 types of GST:

*CGST-Collected by Centre

*SGST-Collected by State

*IGST- Applicable on inter-state sales. It will help in smooth transfer between states and the Centre.

GST will be paid by all manufacturers and sellers. It will also be paid by service providers such as telecom providers, consultants, chartered accountants etc. However, being an indirect tax, GST will be ultimately borne by the end consumers, just like in the current process.

NEED FOR GST :

Currently there are different VAT laws in different states. This creates problems, especially when businesses sell to different states. Also, most businesses have to pay and comply with 3 different taxes – excise, VAT, and service tax.

GST will bring uniform taxation across the country and allow full tax credit from the procurement of inputs and capital goods which can later be set off against GST output liability. This reform gives equal footing to the big enterprises as well as SMEs. The aim of GST is thus to simplify tax hurdles for the entire economy.

In terms of impact in prices, while services would mostly be more expensive in the initial phases, impact on prices of goods could be a mixed bag. In the long run, once the benefits of GST are expected to kick in in terms of higher input credits and reduction in cascading effect, it is anticipated that the inflationary effect will come down and prices, in general, would come down and stabilize. In services, the tax rate has increased from 15% to 18%. The 3% increase could potentially mean an increase in the price of services by 3% for the common man, in the short run.

Under GST regime in India, food prices fall within 0% to 5% tax, thus food prices are not likely to increase. FMCG products (toothpaste, soaps, tissue papers, shampoos, packaged food, pharmaceutical items, coolers, television etc.), have the potential to become cheaper.

However, services such as dry cleaning, saloon, and telecommunication can witness a rise in prices due to increased taxation.

SOCIO-ECONOMIC PROFILE OF RESPONDENTS:

S.No.	Age-wise distribution of 'Respondents'	f	%
1	21-30	25	25.0
2	31-40	33	33.0
3	41-50	20	20.0
5	More than 50	22	22.0
	Total	100	100.00

S. No.	Economic status-wise distribution of 'Respondents'	F	%
1	Upper-class	12	12.0
2	Upper-middle	48	48.0
3	Lower-middle	32	32.0
4	Upper-lower	08	08.0
5	Lower-class	00	00.0
	Total	100	100.00

By the analysis of the given tables, it is observed that 103(51.5%) Respondents belong to the age group 30-50 years followed by 35 (17.5%) below 30 years and 62(31.0%) above 50 years. Most of the respondents, who belong to the age group 30-50 years, are either from service group or from higher studies. Majority of them were Hindus, 136(68.0%) followed by 44(22%) Muslims, 18(09.0%) Sikhs and 02(01%) other religions as Jains etc. On the basis of the educational status, 126(63.0%) respondents are either graduate or highly qualified. On the basis of economic status, 58(29.0%) respondents belongs to upper class, 140(70%) from upper middle and lower middle class; as per modified B.G. Prasad's classification.

Attitude of Common People Towards GST In India :

The following tables A and B clarify the attitude and knowledge of the respondents, regarding different variables, introduced to GST(Goods and Services Tax).

“ **If the respondents have knowledge of GST** (Goods and Services Tax) and provisions of GST Bill ”

Table “A”

S.No.	Economic status	Responses			Total	Percentage
		Yes	No	Neutral / No response		
1	Upper class	32	24	02	58	29.0 %
2	Middle class	52	72	16	140	70.0 %
3	Lower class	00	00	02	02	01.0 %
		84	96	20	200	100.00

Table “B”

S. No.	Educational status	Responses			Total	Percentage
		Yes	No	Neutral / No response		
1	Literate up to High School	12	12	02	26	13.0 %
2	Intermediate	22	26	02	48	24.0 %
3	Graduate & Above	50	62	16	126	63.0 %
		84	96	20	200	100.00

“Reasons for un-acceptance of GST”

S. No.	Reported problems	Frequencies	Percentage
1	GST may be merged with old taxes	148	74.00 %
2	Common people may face high market	129	64.50 %
3	GST is responsible for current dearness	167	83.50 %
4	Changing rates of taxes by central government.	182	91.0%
5	GST is included by the shopkeepers with the old taxes and there is no monitoring by the government	190	95.0%
6	GST is not in favor of common people	200	100.0%

DISCUSSION, FINDINGS & CONCLUSIONS: By the observation and analysis of the primary data given in the referred tables it is observed that by the most of the farmers at district Etawah in Uttar Pradesh; are not in favour of GST. Only highly educated customers, who are either in business or in services, are aware of the long lasting benefits of GST. The findings of this micro empirical study reflect that 148(74 %) respondents out of 200; consider that **GST may be merged with old taxes, 129(64.50%) reported that Common people may face high market; 167(83.50%) reported GST is responsible for current dearness; 182 (91.0%) , Changing rates of taxes by central government ; 190 (95.0%) GST is**

included by the shopkeepers with the old taxes and there is no monitoring by the government; 200 (100.00%) GST is not in favor of common people .

SUGGESTIONS:

- The government should make transparent; the provisions of goods and service tax (GST)
- The tax rates must be clarified at their collection point.
- Agricultural products must be free of GST and must be subsidized.

REFERENCES :

- Srivastava D.K. (et.al.); A study of interference of cashless economy with the community and the services providers in Eastern Uttar Pradesh, Indian Journal of Economics , Dec. 2016, Vol. 53(3): 133-136.*
- Malini S, Tripathi, A rapid appraisal of digital transaction in south Orisa Economic Issues, Jan. 2017, Vol. 31(2): 126-131.*
- Mukhopadhyay B, Rath S (2011) Role of MFIs in Financial Inclusion. Rev Mark Integer 3(3):243–286*
- Bhattacharya K, Singh S (2015) “Does easy availability of cash effect corruption? Evidence from panel of countries”, MPRA paper number 65934.*
- Das A, Agarwal R (2017) “Cashless Payment System in India- A Roadmap”, Technical report, IIT Bombay.*
- Gangopadhyay S (2016) How can Technology Facilitate Financial Inclusion in India? A Discussion Paper”. Rev Mark Integr 1(2):223–256.*
- Zandi M, Singh V, Irving J (2017) “The Impact of Electronic Payments on Economic Growth”. economy-white-paper-Jan-2017.*