



Impact of GST on the Common Man

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Abstract: India is the hub of taxes where people pay many taxes which create confusion for them. Presently we pay two types of taxes. Currently there are different VAT laws in different states. This creates problems, especially when businesses sell to different states. A new tax will bring with it new challenges to face that need to be tackled with utmost care. So, GST bill covers the Goods and Services Tax and shall be the biggest indirect tax reform providing a uniform and simplified way of indirect taxation in India. 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.

Key words: GST, SGST, Common man and implementation.

I. Introduction

India is the hub of taxes where people pay many taxes which create confusion for them. Presently we pay two types of taxes i.e. Direct and Indirect in various sectors. Direct Tax paid directly to the government by the taxpayer i.e. Income Tax, Wealth Tax, and Corporation Tax. Indirect Tax is a tax levied on goods and services rather than on income or profits. It is not directly paid to government but collected from intermediaries (such as retail stores) from the person who bears the ultimate economic burden of the tax (such as consumers). The intermediary later files a tax return and forwards the tax proceeds to government with the return for example Sales Tax, VAT, Excise Duty, and Custom Duty and so on.

II. GST or Goods and Services Tax

A new law, a new tax will bring with it new challenges to face that need to be tackled with utmost care. So, GST bill covers the Goods and Services Tax and shall be the biggest indirect tax reform providing a uniform and simplified way of indirect taxation in India. Once introduced GST will replace a number of other indirect taxes like VAT, CST, Service tax, CAD, SAD, Excise, Entry tax, purchase tax etc. So, a bundle of indirect taxes will get replaced by a new tax in India known as GST or Goods and Services Tax. Hence, leading to a much simplified tax regime as compared to the earlier complicated tax structure comprising of numerous taxes. GST or Goods and Services Tax are applicable on supply of goods and services. It will replace the



current taxes of excise, VAT and service tax.

What is GST?

The Goods and Services Tax is meant to be a un products and services. In the current system in India, tax is levied at each stage separately, by the Centre and the State, at varying rates, Goods and Services Tax system that is set to be introduced; tax will be levied only on the value added at each stage. It is a single tax for taxes paid earlier in the value chain.

What is State GST and Central GST?

For transaction within a State, there will be and State GST (SGST) being levied on the value States will simultaneously levy GST across the value chain.

In case of inter-state transactions, the Centre and Services Tax (IGST). The IGST would roughly be equal to CGST plus SGST.

GST is a blanket of Indirect Tax that will subsume several indirect state and federal taxes such as Value

Why is GST needed?

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.

Who will have to pay GST?

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.

III. Objectives of the study

- To assess the impact of GST after its implementation.
- To study GST and its impact on common man

IV. Benefits of GST

For Consumers or Common Man:

The biggest advantage for the common man would be in terms of a reduction in overall tax burden on goods. The common man should be able to save some money on tax liabilities

For Businesses:

More or less, all business houses agree that GST could be a blessing to the business. Eliminating the liabilities for multiple taxes should lead to easier Compliance and Documentation Return filing, tax payment and refund process will be easy and hassle free

V. GST (Goods and Services Tax) Impact on Common Man

Here in India, the most extreme populace is white collar class and lower working class where individuals either have a place with benefit class or they rely upon horticulture for their living. In this situation, the most essential inquiry is the thing that will be the effect of GST



on a typical man or a working class family. For the overall population, there is the real effect of any economy is the point at which the costs of their need end up plainly influenced. For open in huge when costs turn out to be low for the everyday products and enterprises which are devoured, the economy is great generally if the swelling rate is higher then people in general completes unsatisfied with the progressions by the legislature.

For any administration approach, it is critical that the fulfillment out in the open ought to be there on the grounds that without fulfillment the arrangement won't prevail similarly in which government arranged.

Here we are endeavoring to comprehend the new thing in GST from current tax assessment arrangement of India. Right now, we pay aberrant assessment on every last administration which we are expended which is as of now burdened at the distinctive purpose of time. Once in a while we pay the duties on assess sum as well. It's called falling impact. The outcome is that the weight of the expanded cost is managed by the end buyer just and he doesn't realize that how much expense he paid and what is the real cost of the material.

GST will influence employments too in India. There is weight upon India about the usage of GST as – different conditions of the world. After execution of GST in India, it will be conceivable that a large portion of the multinational organizations will come in India for their business and this will likewise build the employments opportunity.

Positive Impact of GST on the Common man or Advantages of GST:

- ❖ A bound together duty framework expelling a heap of backhanded duties like VAT, CST, Service charge, CAD, SAD, Excise and so on.
- ❖ A improved duty arrangement when contrasted with before impose structure. Be that as it may, it's not as basic as it is by all accounts, Check disservices beneath to snatch more subtle elements.
- ❖ Removes falling impact of assessments i.e. evacuates assess on impose.
- ❖ Due to bring down weight of expenses on the assembling segment, the assembling expenses will be decreased, subsequently costs of buyer products prone to descend.
- ❖ Due to lessened costs a few items like autos, FMCG and so on will wind up plainly less expensive.
- ❖ This will help in bringing down the weight on the basic man i.e. you should shed less cash to purchase similar items which were prior expensive.
- ❖ The low costs will additionally prompt an expansion in the request/utilization of products.
- ❖ Increased request will prompt expand supply. Thus, this will eventually prompt ascent in the creation of merchandise.
- ❖ The expanded generation will prompt more openings for work over the long haul. In any case, this can happen just if purchasers really get less expensive products.
- ❖ It will check dissemination of dark cash. This can happen just if the "kacha charge" framework, typically



took after by dealers and businesspeople is put to check.

- ❖ A bound together duty administration will prompt less defilement which will in a roundabout way influence the basic man.
- ❖ Most imperatively, specialists want to see a positive effect of GST on Indian economy over the long haul.

Negative Impact of GST on the Common man or Disadvantages of GST:

The first and the chief purpose of concern : All little merchants and specialist organizations managing in interstate supply of merchandise or administrations need to get enlisted, pay GST and record GST returns additionally independent of the business/wage they produce (regardless of whether high or low).

The number of GST restores that you have to document i.e. you needs to document 3 month to month restores, these sums to aggregate of (3*12) 36 returns in addition to 1 yearly return.

VI. CONCLUSION

India is good to go to present Goods and administrations impose in the wake of intersection the different obstacles in its way. GST is a long haul system arranged by the Government and its positive effect might be found over the long haul as it were. Additionally, this can happen if GST is acquainted at an ostensible rate with decrease the general taxation rate of the last shoppers. Give us a chance to trust GST will leave a positive effect and will support up the Indian economy and will change over India into a bound together national

market with rearranged assess administration. A rising Indian economy will in any case help in the money related development of the basic man! Give us a chance to trust this 'One Nation - One Tax' turns out to be a distinct advantage decidedly and ends up being to be useful to the normal man as well as to the nation all in all. There are different difficulties in method for GST usage as examined above in paper. They require more logical research to determine the battling enthusiasm of different partners and finish the dedication for a key change of expense structure in India.

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