

GST: Awareness and Overview in Haveri District

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Abstract:

The single tax system reduces transportation time. But, the services of external consultants are used for various tax matters. The country's taxation system has improved with the help of GST and the government should take more efforts to training and educating public. Due to frequent change in GST law, companies need to change their accounting system. The technical cost and legal cost in GST are very high and not satisfied with available required services of GST. So, transition to GST is very difficult. Some common problems faced by business are increased overhead expense, supply chain structure, excessive compliances and filling, delays in refund, GST filling, decline in business, refund mechanism and rise in input cost. The satisfaction level of GST after implication has not reached the expectation of all Governments, consumers & business. The urgent requirements for improvement in the nation's interest include rationalizing GST rates, removing excess processes, creating efficiencies and removing debatable aspects. The present study analyzes the awareness and overview of GST in the study area.

Key Words: Tax, GST, Revenue, Difficulties, Awareness, Overview, India.

Introduction:

The single tax system reduces transportation time. GST is stands for Goods and service Tax. It is an indirect tax which came into existence on July 1, 2017. GST will be implemented in India in the fields of manufacture, sale and consumption of goods and services. GST is considered to be as the greatest reform in the aspect of indirect taxation since 1947. This research paper hopes to bring out an

overview of the GST concepts and its significant implications and impact on various Indian businesses. In some countries; VAT is the substitute for GST. But, it is a destination based tax levied on consumption of goods and services. France was the first to introduce GST, Canada is having a dual GST system (somewhat similar to that implemented in India) rate of GST normally ranges between 10-20%. However, it varies from to higher or lower in some of the countries.

**Table-1: List of GST rates applicable in various countries
(Ranking according to descending order)**

Name of the country	GST Rates (in %)
Netherland	21%
UK	20%

France	20%
Germany	19%
India	0%, 5%, 12%, 18% and 28%
Russia	18%
China	17%
Pakistan	17%
Mexico	16%
New Zealand	15%
Australia, Brazil, Indonesia, Korea	10%
Japan, Switzerland	8%
Thailand, Singapore	7%
Malaysia	6%
Canada, Jersey	5%

Source: central board of Excise and Customs (2019)

Review of Literature:

Here, the earlier studies reviewed have been presented as follows.

Kiran et al (2019) state that with the implementation of GST, FMCG sector had really changed. GST alters production-based taxation system to a consumption-based taxation system. Consumer buying behaviour is the sum total of a consumer's attitudes, preferences, intentions, and decisions regarding the consumer's behaviour in the market when a product or service is purchased. Manoj (2019) analyzed the significant impact of GST on various sectors. Sreekumar et al (2018) highlight the attitude of customers or consumers in implementing GST.

Objectives of the study:

For the purpose of the present study have been set the following main objectives:

1. To find out the positive and negative impact of GST on business
2. To point out the overall opinion of the respondents about GST in the study area.

Hypothesis of the study:

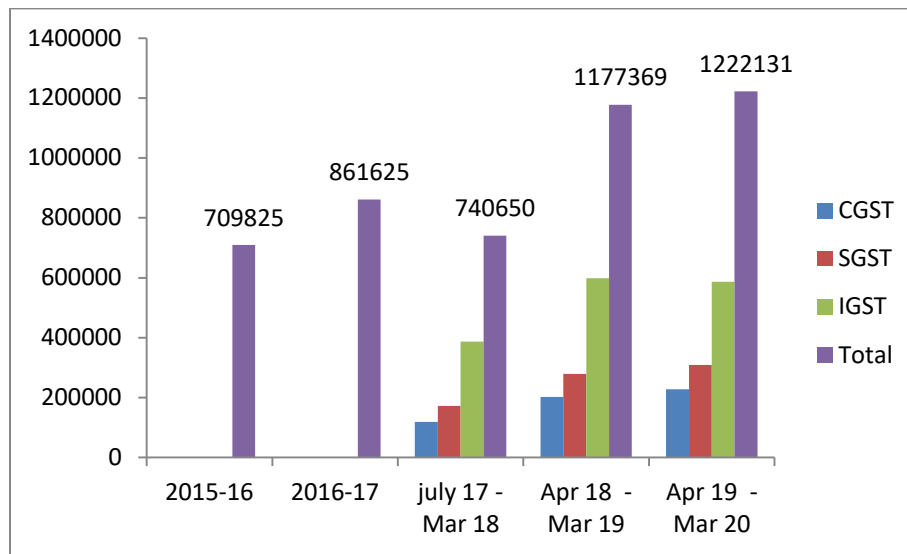
1. There is no positive opinion about the GST overview.
2. There is no proper awareness about the GST.

Methodology:

The data were collected from both primary sources as well as secondary sources. The primary data collected 145 sample units randomly through online interview in Hirekeruru and Ranebennur taluk of Haveri District and Secondary data collected through annual reports from the Government, websites, newspapers and Journals. And it has been analyzed with the help of appropriate and suitable tables and simple statistical tools have also been used in interpretation of data.

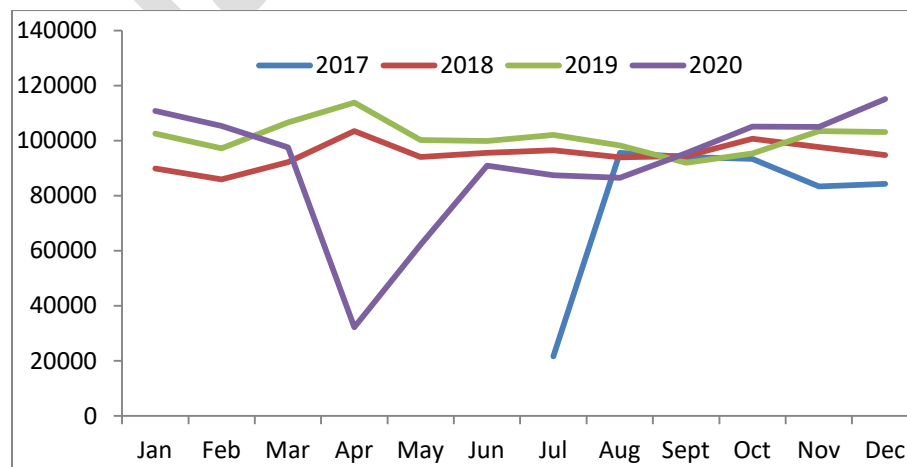
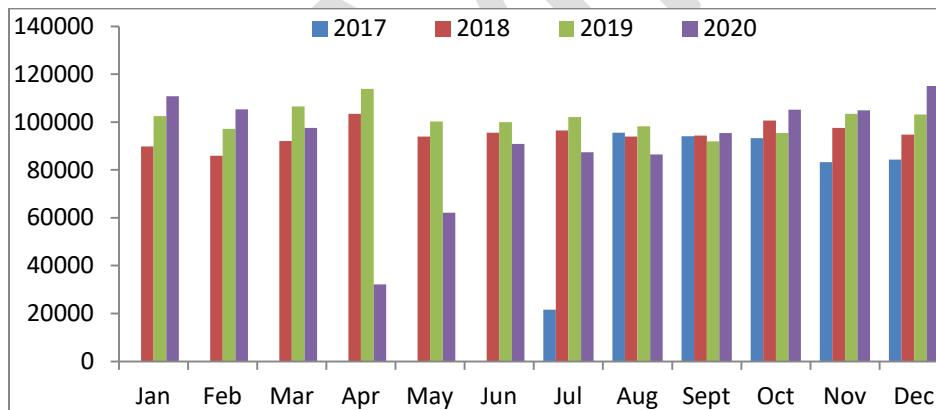
Discussion:

Total revenue collected from Pre and Post GST in India has analyzed below

Figure-1: GST Total revenue collected:

The above figure-1 shows that total revenue has increased after implication of GST in India and the

share of Integrated Goods and Services Tax (IGST) is very high comparing to CGST and SGST respectively

Figure-2: GST Revenue Trends in Month wise

The above figure-2 shows that Month wise revenue collection of GST in India. The figure highlights that revenue collection is more in the month of November to March over the period of 2017 to 2020 respectively. But the collection of GST has declined due to pandemic impact, lockdown and shutdown of all economical activities especially in the month of March to June 2020 considerably. Even though in post pandemic, the revenue

collection of GST has increased at previous stage.

Result:

Table 2 suggests that most of the respondents were in the age group of 26 - 45 years that is 71.03%. Male constituted 63.44% of respondents whereas female respondents were 36.56%. 75.17% of the respondents had below poverty line (BPL) card. Majority of respondents were from joint family 67.59%.

Table-2: Socio-economic Status of the respondents

Characteristics of Respondents	Number	Percentage
Age		
15-25	30	20.68
26-35	48	33.1
35-45	55	37.93
45+	12	8.29
Gender		
Male	92	63.44
Female	53	36.56
BPL Card		
Yes	109	75.17
No	39	24.83
Types of Family		
Nuclear family	47	32.41
Joint family	98	67.59

The table-3 shows that 74.48% of respondents are aware about the GST in the study area. But the majority of the respondents (53.79%) are didn't have tax system in India as

well as Pre-GST taxation in the study area and also they felt that they are paying first time taxes to government after implication of GST in India.

Table-3:
Awareness about the GST.

Awareness	Frequency	Percentage
Yes	108	74.48
No	37	25.52

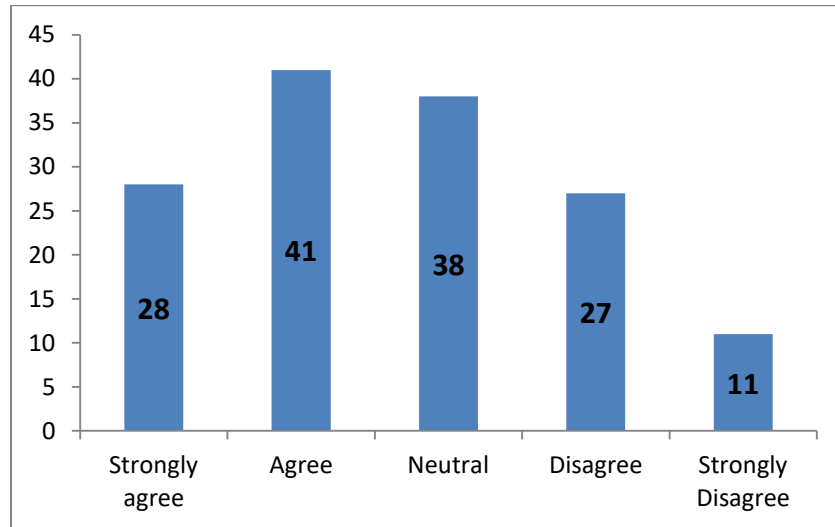
In the study are, nearly 34 respondents are having shops and doing small business with using GST software to maintain daily transaction. And they strongly agreed that due to GST implication they faced several problems to run their business notably.

Further, 62.06% opinion that GST is an extra burden to business activities and remaining 37.31% are saying that GST is beneficial to business activities in the study area. Only 26.2% are satisfied with current rate of GST and more than 80% of respondents are

opinion that due GST, price of goods and services has increased in high rate.

Fable-3:

Single Tax System Reduces Transportation Time and Cascading Effect, Do You Agree With It?



The above figure reveals 47.58% of respondents are agreed that single tax system reduces transportation time and cascading effect and 26.20% are disagreed, remaining 26.22% are neutral respectively.

Findings:

Major findings of the present study have been listed in below.

1. The total revenue of GST has increased over the past year.
2. 74.48% of respondents are aware about the GST in the study area.
3. 64.7% are faced high level of problems (out of 34 business respondents) while filling procedure, change in laws and refund procedure at the study area.
4. 18.62% are saying that transferred to GST was smoother and 25.51% say that it is difficult to transfer to GST and remaining 55.87% say that transferred to GST is very difficult.
5. 53.79% are didn't have tax system in India as well as Pre-GST taxation in the study area and also they felt that they are paying first time taxes to government after implication of GST in India
6. More than 80% of respondents are opinion that due GST, price of goods and services has increased in high rate.
7. 75.86% are agreed that frequently changing of GST rates causing price instability and it will be more burdens to weak section of the society.
8. 50.34% of respondents thought that due to GST the price of goods and services will be reduce but in recent days the price of goods and services is increasing continuously and it will be become a more economical burden to their family.
9. More than 75% of respondents believing rumors/fake news in Social media about the GST.
10. Ranebennur taluk respondents having more awareness about GST than Hirekerur taluk of Haveri District.
11. Null hypotheses accepted and there is no positive opinion about the GST overview in the study area.

12. Null hypotheses rejected and there is good awareness about the GST in the study area.

Suggestions:

Suggestions from our study are as follows:

1. Government should enlarge awareness program and training campaign about GST.
2. Government also should reduce the GST rates on basic need and daily needs of the households.

Conclusion:

Under GST regime, the indirect tax for various sectors has been classified into a simplified tax system. Internet technologies help to reduce manual intervention of tax authorities. The different rates given by GST council unify tax structure in India. The price depends not only on tax rate implementation, but, also it is a part of factors affecting the product. The based on primary data and secondary data investigation and discussion we can conclude this, the GST council and government have to take necessary steps to educate about GST in the country.

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