

AN EMPIRICAL STUDY ON PEOPLE'S PERCEPTION ABOUT GST IN KANCHEEPURAM DISTRICT

Dr. P.Sankar

Assistant Professors
Department of Commerce
SRM University

Mail: sankar.p@ktr.srmuniv.ac.in
sankar21.vp@gmail.com

Abstract:

In the past economic scenario we used to pay various taxes i.e. Direct and Indirect taxes, which used to be a burden on us and due to these taxes the corruption was increasing. So, to overcome the flaws in the taxation system the central government decided to make one tax system i.e. Goods and Services Tax (GST). GST is one of the most critical tax reforms in India which had been long awaiting decision. It is a comprehensive tax system that subsumes all indirect taxes of central and state governments GST is one indirect tax for the whole nation, which will make India one unified common market. It is expected to remove the burden of the previous indirect tax system and play an important role in growth of India. GST is a single tax on the supply of goods and services, right from 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 at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages.

KEY WORDS : GST, DIRECT TAX, INDIRECT TAX, REFORMS

GST

The Goods and Services Tax (GST) is a value-added tax levied on most goods and services sold for domestic consumption. The GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services. The Goods and Services Tax has revolutionized the Indian taxation system. The GST Act was passed in the Lok Sabha on 29th March, 2017, and came into effect from 1st July, 2017. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India. Under

GST, goods and services are taxed at the following rates, 0%, 5%, 12%, 18% and 28%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. A single GST replaced several existing taxes and levies which include: central excise duty, services tax, additional customs duty, surcharges, state-level value added tax.

GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state will be levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax, therefore, taxes are paid to the state where the goods or services are consumed not the state in which they were produced. IGST complicates tax collection for

State Governments by disabling them to collect the tax owed to them directly from the Central Government. Under the previous system, a state would have to only deal with a single government in order to collect tax revenue.

Launch of GST in India

The Goods and Services Tax was launched at midnight on 1 July 2017 by the President of India, Pranab Mukherjee, and the Prime Minister of India Narendra Modi. The launch was marked by a historic midnight (30 June – 1 July) session of both the houses of parliament convened at the Central Hall of the Parliament. Though the session was attended by high-profile guests from the business and the entertainment industry including [Ratan Tata](#), it was boycotted by the opposition due to the predicted problems that it was bound to lead to for the middle and lower class Indians. It is one of the few midnight sessions that have been held by the parliament - the others being the declaration of India's independence on 15 August 1947, and the silver and golden jubilees of that occasion. After its launch, the GST rates have been modified multiple times, the latest being on 18 January 2018, where a panel of federal and state finance ministers decided to revise GST rates on 29 goods and 53 services.

Members of the Congress boycotted the GST launch altogether. They were joined by members of the Trinamool Congress, Communist Parties of India and the DMK. The parties reported that they found virtually no difference between the GST and the existing taxation system, claiming that the government was trying to merely rebrand the current taxation system. They also argued that the GST would increase existing rates on common daily goods while reducing rates on luxury items, and affect many Indians adversely, especially the middle, lower middle and poorer classes

Objective of the study:

The following are the objectives of the study:

1. To have an overview about the new GST Bill in India.
2. To have a study on public awareness towards GST (Amendment) Bill.
3. To provide suggestions based on the findings of the study.

Need of the study:

The present study is needed to examine the perception of respondents on GST in Kancheepuram District by collecting the opinion of sample respondents. The present study is needed to

1. Know how GST is working.
2. Understand the benefits and problems of Business man and customers through GST.
3. Determine the factors influencing GST.

Limitations of the study

The limitations of the study include

1. The area of the study is restricted to Kancheepuram district only.
2. The content of the study is subject to change as the GST Bill was passed only last year.

3. The researcher has collected data only from 40 general public due to time constraint.

Methodology

The present research is exploratory in nature. Since GST is a new phenomenon in India, there are hardly any studies in this area. Specially there is a huge gap of empirical and behavior studies on GST in India. The study tries to find the significance of popular perception regarding GST.

The research was based on both primary data and secondary data. Primary data was collected by using questionnaire and secondary data have been collected from journals, websites and so on. The researcher was not possible to study the entire population of Public Awareness about GST in the Kancheepuram district. So the researcher has collected only limited respondents i.e. 40 respondents. The researcher has selected the method of Judgement sampling.

ANALYSIS & INTEPRETATION

Socio Economic Details

S.No.	Particulars		No of Respondents	Percentage
1	Gender	Male	24	60
		Female	16	40
		Total	40	100
2	Occupation	Business	20	50
		Government Employee	10	25
		Private employee	10	25
		Total	40	100
3	Income Level	1,00,000 – 2,00,000	25	62.5
		2,00,001 – 3,00,000	10	25
		Above 3,00,000	5	12.5
		Total	40	100
4	Education level	Primary level	10	25
		Secondary level	10	25
		UG	15	37.5
		PG	5	12.5
		Total	40	100

Source: Primary Data

60% of the respondents are Male; 50% of the respondents are occupied in Business people; 62.5% of the respondents earn between Rs. 1,00,000 – 2,00,000; 37.5% of the respondents are UG Degree Holders

Level of perception

S.No.	Particulars		No of Respondents	Percentage
1	New GST Bill known	Yes	21	52.5
		No	19	47.5
		Total	40	100
2	Any idea about proposed rate of tax	Yes	8	20
		No	32	80
		Total	40	100
3	GST reduce the Tax Burden	Yes	16	40
		No	24	60
		Total	40	100
4	GST completely eradicate differentiation of taxes	Yes	11	27.5
		No	29	72.5
		Total	40	100
5	GST boon or bane	Boon	13	32.5
		Bane	27	67.5
		Total	40	100

Source: Primary Data

Majority of the respondents (52.5%) have aware to know about the new GST Bill; 80% of the respondents have no idea about the proposed rate of tax in GST; (60%) disagree that; the new GST Bill will reduce the 'tax burden' on consumers; 72.5% of the respondents disagree that the new GST Bill will completely eradicate the differentiation of tax rates in various states; 67.5% of the respondents quote GST as a bane rather than a boon to India

Level of expectation

S.No.	Particulars		No of Respondents	Percentage
1	Price of goods would reduce after implementing GST	Agree	13	32.5
		Disagree	20	50
		No Idea	7	17.5
		Total	40	100
2	GST is India's move towards a developed nation	Agree	8	20
		Disagree	11	27.5
		No idea	21	52.5
		Total	40	100
3	Satisfy the principle of "One Nation One Tax"	Agree	11	27.5
		Disagree	8	20
		No Opinion	21	52.5
		Total	40	100

Source: Primary Data

It is found that the (32.5%) have agree about the statement, "The price of goods would reduce after implementing GST"; 52.5% of the respondents have no opinion about the statement, "GST is India's move towards a developed nation"; 52.5% of the respondents have no opinion about the statement, "GST Bill in India would satisfy the principle of 'One Nation One Tax'".

Findings

The following are the findings of the study:

1. It is found that 60% of the respondents are male.
2. It is found that majority of the respondents (50%) are Business people.
3. Most of the respondents (37.5%) are UG Degree Holders.
4. The analysis revealed that 62.5% of the respondents are earning an annual income ranging from Rs.1,00,000 to Rs. 2,00,000.
5. Majority of the respondents (52.5%) know about the new GST Bill.
6. It is found that 80% of the respondents have no idea about the proposed rate of tax in GST.

7. Most of the respondents (60%) disagree that; the new GST Bill will reduce the 'tax burden' on consumers.
8. The analysis revealed that 72.5% of the respondents disagree that; the new GST Bill will completely eradicate the differentiation of tax rates in various states.
9. It is found that 67.5% of the respondents quote GST as a bane rather than a boon to India.
10. Most of the respondents (32.5%) agree the statement, "The price of goods would reduce after implementing GST".
11. It is found that 52.5% of the respondents have no opinion about the statement, "GST is India's move towards a developed nation".
12. The analysis revealed that 52.5% of the respondents have no opinion about the statement, "GST Bill in India would satisfy the principle of 'One Nation One Tax'".

Suggestions

The following are the suggestions of the study:

1. It is suggested that the awareness towards GST should be provided to the illiterate and the women community.
2. It is also suggested that the government should come forward to take short films with respect to the new GST Bill and screen the same in familiarized televisions'.
3. The educated should provide awareness to the general public so as to promote economic development and overall growth of the nation.
4. Even the educated and the business people are not aware of the various important issues in the new GST Bill, so the Government should take necessary steps to make familiarize the concepts of the new GST Bill in India. X.

Conclusion

The present study on GST is all about the popular perceptions of people about GST. People perceived GST as a very good tax reform for India. Though, at the same time they also agree that GST has increased the legal compliances of businessman. People also have a strong perception that GST has increased the tax burden on Businessman and GST has increased the tax burden on Common Man too. People confirm in their perception that GST will increase the inflation (prices) in the country though at the same time it is beneficial in long-term, It will increase the tax collection of the government and also is going to affect the small business very badly. However, the perception is strongly opposite about understanding GST. People have not accepted that GST is very difficult to understand. The government should try to make people understand more about GST and GST complexities. The government should communication with the

communities through various online and offline platforms and must conduct an open talk about GST. Further, government should also make people aware that GST is not going to affect the small businesses because it is not applicable on the businesses having a turnover below 20 lakhs. Similarly, those who have knowledge about GST must also disseminate the same to the community, so that lot of wrong perceptions can be eliminated.

A great revolution is yet to take place in the near future in the indirect tax system i.e. GST, so the general public is almost unaware of the concepts. But, India being a democratic country should make clear to its citizens about the emerging amendments. Therefore, it is the need of each and every citizen to have awareness about the new GST (Amendment) Bill.