

GLIMPSE OF GST: A ROAD TOWARDS TRANSPARENCY

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Extended Abstract

This research paper presents an overview of GST which is new tax regime that will subsume all existing indirect taxes. GST is being introduced in the country after a 13 year long journey since it was first discussed in the Kelkar Task Report, 2003. Once implemented it will create one of the world's biggest single consolidated market place for movement of goods and services across the country. The present paper will provide an insight about GST and its impact on the India economic growth. It will also highlight the impact of GST on different sectors of the economy. GST is a step towards transparency and transformation that has joined the entire nation.

Keywords: GST, SGST, CGST, VAT, CST

Introduction: As India is a place of 1.25 billion consumers, this initiative will provide a very vital role for the growth of the domestic market in India. The paper basically tries to answer that “why it is necessary to have a single tax system?”

Research Objectives: The main objective of the present paper is to study the concept of GST and the current tax structure in India. The other objectives of the study are as under.

1. To gain an understanding about GST in Indian scenario
2. To evaluate the functioning of GST.
3. To understand the advantage and challenges ahead.
4. To highlight some of the major past studies.
5. To form a theoretical background for further empirical research.
6. To understand its impact on different sectors.

Research Methodology: The accessible secondary data is intensively used for research study.

Literature Review: Agogo Mawuli (2014) found that GST is not good for low-income countries and does not provide broad based growth to poor countries. If still these countries want to implement GST then the rate of GST should be less than 10% for growth.

Ahmed and Poddar (2009) study shows that GST introduction will provide simpler and transparent tax system with increase in output and productivity of economy in India. But the benefits of GST are critically dependent on rational design of GST.

Kumar (2014) concluded that implementation of GST in India help in removing economic distortion by current indirect tax system and expected to encourage unbiased tax structure which is indifferent to geographical locations.

Dr. R. Vasanthagopal (2011), concluded that switching to seamless GST from current complicated indirect tax system in India will be a positive step in booming Indian economy. Success of GST will lead to its acceptance by more than 130 countries in world and a new preferred form of indirect tax system in Asia also.

Conclusion: The implementation of GST would ensure that India provides a tax regime that is almost similar to the rest of the world. It will also improve the international cost competitiveness of native goods and services. Further it will also encourage an unbiased tax structure that is neutral to business processes and geographical locations.

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