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## Good sand Service Tax in India :One Nation One Tax

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### Abstract

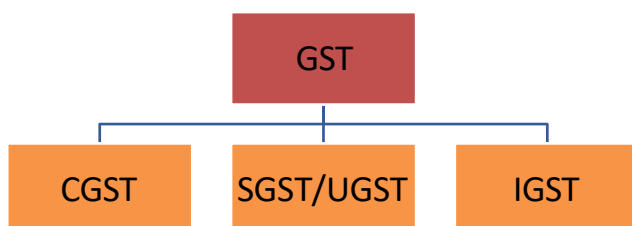
The Goods and Services Tax (GST), a major tax change enacted on July 1, 2017, is the subject of this research report. The focus of this study is on the Goods and Services Tax's economic importance (GST). The Goods and Services Tax (GST) is an indirect tax levied on the provision of goods and services in India. CGST and SGST will be levied by both the federal and state governments under this comprehensive tax system, which covers all indirect taxes levied by the states and by the federal government. After the implementation of GST, this study shed light on the benefits to the Indian economy.

**Keywords:**Cascade consequences of the Goods and Services Tax (GST)<sup>1</sup>.

### Introduction

366(12A) of Article 366 states that the Products and Services Tax applies to both the supply of goods 366(12) and the delivery of services 366(26A) as well as both. Comprehensive and multistage, the GST is both. Because it includes all indirect taxes, the GST is a comprehensive tax. Each step of the manufacturing process imposes GST, making it a multistage tax. Excise

duty on manufacturing, (Central), Service Tax on services rendered, VAT on retail sales, entry tax, and the like are all taxes imposed by the Indian government on the same supply chain. Each stage of a product's production process is taxed, and this adds to the burden on taxpayers in the form of additional payments



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The Goods and Services Tax replaces all of the aforementioned levies (GST). State governments will collect State GST (SGST) on intra-state supply of goods or services, while the Central Government would collect CGST on inter-state supply of goods or services. The central government would levy and collect IGST on interstate supply of goods and services.

Goods and services are taxed at 0 percent, 5 percent, 12 percent, 18 percent, and 28 percent under the new GST system. Rough precious and semi-precious stones are subject to a 0.25 percent special fee, while gold is subject to a 3% special rate. Taxes of up to 22% are added on top of the 28% GST on luxury cars and other high-priced goods such as watches and jewelry. However, the GST does not apply to petroleum items, alcohol for human consumption, or electricity.

1. Other items and services are not included in the scope of the GST tax. To name a few:
2. It's not included in the GST because alcohol for human use is not taxed, and the state has the authority to tax this type of booze.
4. Crude oil, diesel, gasoline, ATF, and natural gas are all examples of the five major petroleum products
6. Third, despite being under the GST, but with the power to add additional excise duty to tobacco, the Central Government.

There's a tax on fun. The evolution of the Goods and Services Tax

In more than 150 nations, the goods and services tax has already been put in place. In the 2006-07 budget, then Union Finance Minister Shri Atal Bihari Vajpayee recommended the introduction of the goods and service tax on 1st April 2010. The Empowered Committee was tasked with creating a framework for the new tax system. In order to study various elements of the GST, Joint Working Groups were formed that included representatives from both the states and the federal government. It wasn't

until November 2009, after extensive deliberation, that the GST FDP, or First Discussion Paper, was published. 2011 saw a failed attempt in the Lok Sabha to pass the Constitution (115th Amendment) Bill, 2011. Then in December 2014, the Lok Sabha introduced the 122nd amendment bill to the constitution. Parliament passed the bill on August 3rd and 8th, 2016 respectively, in both houses of parliament. The GST Council then endorsed the CGST Bill, the IGST Bill, the UTGST Bill, and the Compensation Bill, which were all passed by the Lok Sabha on March 29, 2017. On April 6, 2017, the Rajya Sabha passed these bills. State Goods and Services Tax Bills were then enacted in a variety of states. GST was implemented in India on July 1, 2017.

#### **Features of GST**

##### **One-Tax System**

Uniform legislation for the central government and the individual states are also possible.

3. Prevent double taxation or cascade effects.

To make use of the GSTN, a computerized process is employed.

5. Tax administrations at the federal and state levels must be held accountable for their actions.

##### **2. Objective of the study**

1. To determine the economic significance of GST in India.
2. To discover the benefits of GST implementation for various industries..

##### **3. Research methodology**

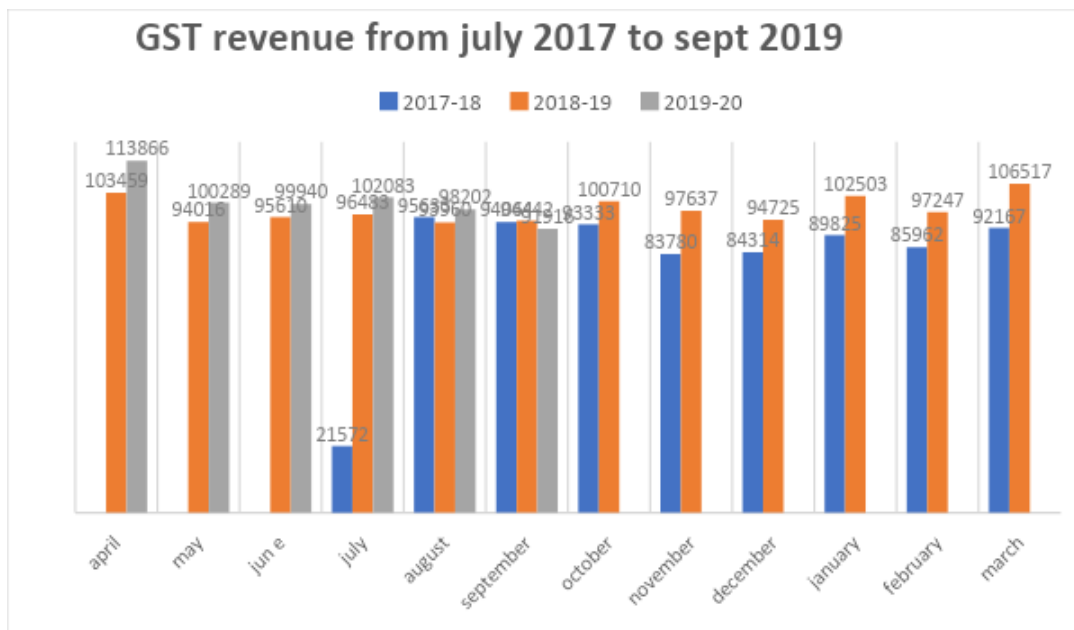
4. The paper relied solely on data from other sources. Different GST-related studies, publications in journals, web pages, newspapers and so on were the secondary data sources. This effort was done using these secondary sources to identify the impediments to GST implementation in India, as well as the potential benefits it could bring to the country's economy in the future.

5. Findings Adding the goods and services tax (GST) helps the government raise more money. The following table illustrates the three-year

revenue growth. GST income from July 2017 to

September 2019 is shown in Table 1.

	April	May	June	July	Aug.	sept	oct	Nov	Dec	Jan	Feb	mar
2017-18				21572	95633	94064	93333	83780	84314	89825	85962	92167
2018-19	103459	94016	95610	96483	93960	94442	100710	97637	94725	102503	97247	106517
2019-20	113866	100289	99940	102083	98202	91916						



**Table 2 GST total registration from August 2017 till June 2019**

Year	No. of registrations
July 2017	38,51,211
June 2018	1,12,45,715
June 2019	1,22,58,569

### **Economic Consequences of GST in India**

6. Indian tax income has risen since the implementation of the Goods and Services Tax (GST). A more prosperous economy can be credited to a unified taxation system. In order to create a unified market, this system makes it easier to identify tax-dodgers. Business transactions will become more efficient and cost-effective as a result of this new system. India's tax evasion problem will be greatly decreased by lowering the cost of taxation. As a result, manufacturers will be able to make better decisions about where to place their money. Using GST has made tax compliance and tax monitoring more efficient and less time-consuming. Manufacturing investments and lower costs will lead to a rise in exports. Tax burden is split between the manufacturing and service sectors. As a result, the federal and state governments no longer collect indirect taxes. In addition to lessening the burden of the cascade impact, the GST structure has also enhanced tax compliance and tax collection by making the system more visible. G.S.T. proves that taxes are uniformly levied across the country. An efficient and transparent tax administration would be established in India thanks to GST, which will prevent taxes from cascading.

### **7. Conclusion**

Although the Goods and Services Tax (GST) is expected to boost tax revenues and contribute to the country's development, it also comes with a number of disadvantages. There are certain issues with the GST as a tax reform. It is essential to conduct thorough study in order to ensure the success of the implementation of GST.

It is imperative that the GST council hold regular meetings to discuss tax reforms and the

finalization of tax rates at the earliest opportunity. It is necessary to monitor the Indian tax system with a technology-based infrastructure like GSTNET.

### **References**

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