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A STUDY ON AWARENESS TOWARDS GST IMPLIMENTATION IN TIRUCHIRAPPALLI

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Abstract

Taxation is one of the important economic parameters which decides major revenue generation to the country in a particular period .To understand Goods and Services Tax, it is important that we understand the current indirect taxation system. Direct taxes such as income tax are borne by the person liable to pay the tax; this means that the tax burden cannot be shifted to any-one else. The liability of and indirect taxes on the other hand, can be shifted to another person. Goods and Services Tax is a huge reform for indirect taxation in India, the likes of which the country has not seen past independence. GST will simplify indirect taxation, reduce complexities, and remove the cascading effect. Experts believe that it will have a huge impact on businesses both big and small and change the way the economy functions. This paper made and attempt to discuss awareness of GST by small traders in Tiruchirappalli district of Tamil Nadu.

Keywords: Goods and Services Tax, cascading effect, indirect taxation, Direct taxes.

INTRODUCTION

In the year 2000, the then Prime minister introduced the concept of GST and set up a committee to design a GST model for the country. In 2003, the central Government formed a taskforce on Fiscal Responsibility and Budget Management, which in 2004 recommended GST to replace the existing tax regime by introducing a comprehensive tax on all goods and services replacing central level VAT and State level VATs. The

introduction of the Goods and Service Tax. GST is a very significant step in the field of indirect tax reforms in India. By amalgamating many Central and state taxes into a single tax GST will mitigate ill effects if cascading or double taxation in a major way and pave the way for a common national market. From the consumers point of view, the biggest advantage would be interest of reduction in the overall tax burden on goods, which is currently estimated to be around 25 to

30 percent. It would also imply the actual burden of indirect taxes on goods and services would be much more transparent to the consumer. Introduction of GST would also make Indian products competitive in the domestic and international markets owing to the full neutralization of input taxes across the value chain of production and distribution. Studies show that this would have a boosting impact on economic growth, Last but not the least this tax, because of its transparent and self-policing character, would be easier to administer. It would also encourage a shift from the informal to formal economy.

AN OVERVIEW OF GST IN INDIA

GST is a huge reform for indirect taxation in India, the likes of which the country has not seen past independence. GST will simplify indirect taxation, reduce complexities, and remove the cascading effect. Experts believe that it will have a huge impact on businesses both big and

small and change the way the economy functions.

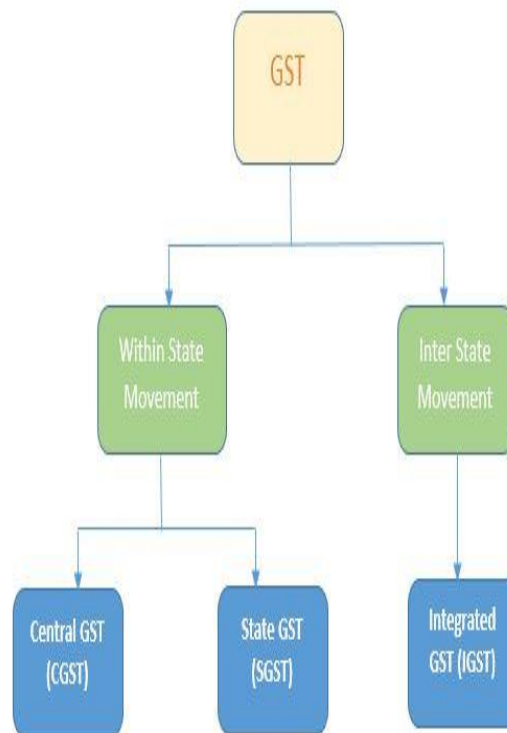


Table - 1

The government proposes to introduce GST with effect from 1st July 2017.

Return Form	Particulars	Frequency	Due Date
GSTR-1	Details of outward supplies of taxable goods and/or services affected.	Monthly	11 th * of the next month with effect from October 2018 *Previously, the due date was 10 th
GSTR-2 Suspended	Details of inward supplies of taxable goods and/or services affected claiming the input tax credit.	Monthly	15 th of the next month
GSTR-3 Suspended	Monthly return on the basis of finalization of details of outward supplies and inward supplies along with the payment of tax.	Monthly	20 th of the next month
GSTR-3B	Simple Return in which summary of outward supplies along with Input Tax Credit is declared and payment of tax is affected b taxpayer	Monthly	20 th of the next month
GSTR-4	Return for a taxpayer registered under the composition levy	Quarterly	18 th of the month succeeding quarter
GSTR-5	Return for a Non-Resident foreign taxable person	Monthly	20 th of the next month

GSTR-6	Return for an Input Service Distributor	Monthly	13 th of the next month
GSTR-7	Return for authorities deducting tax at source.	Monthly	10 th of the next month
GSTR-8	Details of supplies effected through e-commerce operator and the amount of tax collected	Monthly	10 th of the next month
GSTR-9	Annual Return for a Normal Taxpayer	Annually	31 st December of the next financial year*
GSTR-9A	Annual Return a taxpayer registered under the composition levy anytime during the year	Annually	31 st December of the financial year*
GSTR-10	Final Return	Once, when GST Registration is cancelled or surrendered	Within three months of the date of cancellation or date of cancellation order, whichever is later
GSTR-11	Details of inward supplies to be furnished by a person having UIN and claiming a refund	Monthly	28 th of the month following the month for which statement is filed

STATEMENT OF THE PROBLEM

Now a day, people all over the world have started using Goods and Services Tax. People paying taxes behaviour and their preference have a great significance in the world. In today's life Goods and Services Tax is treated as an important effective tax system by the people. Now a day's people are aware in paying tax. So the study people felt the good tax method towards Goods and Services Tax may offer a great potential to the world.

SCOPE OF THE STUDY

The researcher studied the taxpayer felt GST is the best tax system in Trichy town area. This study is an attempt to understand the GST Tax is more transparent, to study GST will bring Uniformity in tax rates like know the taxpayer will must accept Goods and Services Tax system.

OBJECTIVE OF THE STUDY

- ❖ To know the awareness on GST

METHODOLOGY

The success of any research depends in the systematic method of collecting the data and analysing the same

in an orderly manner. In the present study extensive uses of the primary and secondary data were collected, convenient sampling method was adopted.

SAMPLING METHOD

The sampling method is the way the sample units are to be selected. Tiruchirappalli is selected as area of the study. It is not feasible to collect data from the entire population. In order to achieve the objectives of research convenient sampling method is used.

SAMPLE SIZE

The population refers to all the users of GST Tax the sample size of study is 60 in total. The sample size in the study is based on Non random sampling method.

SOURCE OF DATA

The data for this study have been collected from primary and secondary sources.

PRIMARY DATA

To attain the objectives set this study was undertaken by using a well framed interview schedule that was filled by the respondents. The respondents were selected from the background based on the important aspects of the

occupation's education age area etc at Tiruchirappalli. All the 60 Respondents have filled the questionnaires with very much interesting.

AREA OF THE STUDY

Tiruchirappalli, one of the major towns in Tamil Nadu, which has been

recently up graded as corporation is situated on the National Highway Connection between Chennai and Kanniyakumari. The town has rich and historical association which can be seen in temples and fortress in the centre of the town.

Table 2
Demographic Profile of Respondents

Variable	Profile	Frequency	Percentage
Gender	Male	54	90
	Female	6	10
Age	Below 30 years	8	14
	Between 31-40	29	48
	More than 41 years	23	38
Education	Illiterate	4	7
	School level	19	32
	Collage level	35	58
	Professional level	2	3
Marital status	Married	50	83
	Single	10	17
Community	SC	13	22
	ST	9	15
	BC	34	57
	FC	4	7
Religion	Hindu	57	95
	Muslim	3	5
Annual income	50,000-1,00,000	17	28
	1,00,000-5,00,000	38	63
	More than 5,00,000	5	8
Annual turnover	Less than 1,00,000	2	4
	1,00,000-3,00,000	5	8
	3,00,000-5,00,000	10	16
	More than 5,00,000	43	72

Source: Primary data

Table no reveals that, 90% of the respondents are male and 10% of the respondents are female.

A maximum number of respondents are belongs to male category.

From the above table, it is clear that 48% of the respondents belong to the age group of 31-40 years, 38% of the respondents belong to the age group of More than 41 years, 13% of the respondents belong to the age group of Below 30 years.

Majority (48%) of the respondents belong to the age group Between 31-40 years.

It is evident from the above table that 58% of the respondents are college level 32% of the respondents are the school level 7% of the respondents are illiterate 3% of the respondents professional level

Out of the total respondents 58% of the respondents are college level.

The above table indicates that 83% of the respondents are married that 83% of the respondents are married and 17% of the respondents are single

83% of the respondents are Married.

The above table, it is clear that 57% of the respondents belong to the community group of BC 22% of the respondents belong to the community group of SC, 15% of the respondents belong to the community group of ST, 7% of the respondents belong to the community group of FC.

Majority (57%) of the respondents belong to the community group of BC.

The above table, it is clear that 95% of the respondents are Hindu 5% of the respondents are the Hindu.

The above table, it is clear that 63% of the respondents are 100000-500000, 28% of the respondents are 50,000-1,000,000, 9% of the respondents are more than 500000.

Maximum number of respondents are belongs to 100000-500000 category.

The above table, it is clear that the respondents are 72% of the respondents are more than 500000, 17% of the respondents are 300000-500000, 8% of the respondents are 100000-300000. 3% of the respondents are less than 100000.

Table 3
Business Profile of the Respondents

Variable	Profile	Frequency	Percentage
Type of business	Micro	13	22
	Small	37	62
	Medium	10	16
Nature of Business	Manufacturing	5	8
	Service	8	14
	Trading	38	64
	Repair & Maintenance	9	15
Location	Rural	3	5
	Urban	54	90
	Semi-Urban	3	5
Type of Ownership	Sole trading	51	85
	Partnership	9	15
Year of experience	Less than 5 years	13	22
	6-10 Years	18	30
	More than 10 years	29	48
Origin of business	Inherited	17	28
	Purchased	27	45
	Newly started	16	27
Place of unit	Own land	7	12
	Rented land	41	68
	Leased land	12	20
Period of GST registration	Less than 1 year	19	32
	1-2 years	23	38
	More than 2 years	18	30
GST payment process	Self	4	7
	Agent	56	93
Average monthly GST Tax Amount	Below 3000	25	42
	4000-6000	19	32
	Above 6000	16	26

Source: Primary data

The above table, it is clear that 62% of the respondents are small, 22% of

the respondents are Micro, 16% of the respondents are Medium.

The above table, it is clear that 64% of the respondents are Trading, 15% of the respondents are Repair & Maintenance, 13% of the respondents are service, 8% of the respondents are Manufacturing.

The above table, it is clear that 90% of the respondents are Urban, 5% of te respondents are Rural & Semi – Urban.

The above table, it is clear that 85% of the respondents are Sole trading, 15% of the respondents are Partnership.

The above table, it is clear that 48% of the respondents are More than 10 years, 30% of the respondents are 6 – 10 years, 22% of the respondents are Less than 5 years.

The above table, it is clear that 45% of the respondents are Purchased,

28% of the respondents are Inherited, 27% of the respondents are Newly started.

The above table, it is clear that 68% of the respondents are Rented Land, 20% of the respondents are Leased Land, 12% of the respondents are Own Land.

The above table, it is clear that 38% of the respondents are 1 – 2 years, 32% of the respondents are Less than 1 years, 30% of the respondents are 30% of the respondents are More than 2 years.

The above table, it is clear that 93% of the respondents are Agent, 7% of the respondents are Self.

The above table, it is clear that 42% of the respondents are Below 3000, 32% of the respondents are 4000 – 6000, 26% of the respondents are above 6000.

Table 4
Awareness about GST

Variable	Profile	Frequency	Percentage
Awareness about GST	Aware	36	60
	Partly aware	12	20
	Highly Aware	12	20
Awareness about payment process	Highly Not Aware	8	13
	Not Aware	25	42
	Aware	19	32
	Partly Aware	3	5
	Highly Aware	5	8
Awareness about returns, may submit on monthly (or) quarterly	Not Aware	2	3
	Aware	31	52
	Partly Aware	13	22
	Highly Aware	14	23
Awareness about input credit Tax	Highly Not Aware	3	5
	Not Aware	6	10
	Aware	34	57
	Partly Aware	10	17
	Highly Aware	7	11
Awareness about SGST and CGST	Highly Not Aware	3	5
	Not Aware	8	13
	Aware	41	68
	Partly Aware	2	4
	Highly Aware	6	10
Awareness about Dual Tax method	Not Aware	32	53
	Aware	7	12
	Partly Aware	19	32

	Highly Aware	2	3
Awareness about New GST Tax rate	Highly Not Aware	4	7
	Not Aware	24	40
	Aware	14	23
	Partly Aware	16	27
	Highly Aware	2	3
Awareness about No GST is Imposed on exported goods and services	Highly Not Aware	2	3
	Not Aware	8	14
	Aware	29	48
	Partly Aware	19	32
	Highly Aware	2	3
Awareness about the tax rates applicable to different product	Not Aware	10	17
	Aware	30	50
	Partly Aware	18	30
	Highly Aware	2	3
Awareness about the various provisions of GST	Highly Not Aware	7	12
	Not Aware	20	33
	Aware	29	48
	Partly Aware	2	3
	Highly Aware	2	3

Source: Primary data

The above table, it is clear that 60% of the respondents are Aware, 20% of the respondents are Partly Aware and Highly Aware.

The above table, it is clear that 42% of the respondents are Not Aware, 32% of the respondents are Aware, 13% of the respondents are Highly Not Aware, 8% of the respondents are Highly Aware, 5% of the respondents are Partly Aware.

The above table, it is clear that 52% of the respondents are Aware, 23% of the respondents are Highly Aware, 22% of the respondents are Partly Aware, 3% of the respondents are Not Aware.

The above table, it is clear that 57% of the respondents are Aware, 17% of the respondents are Partly Aware, 11% of the respondents are Highly Aware, 10% of the respondents are Not Aware, 5% of the respondents are Highly Not Aware.

The above table, it is clear that 68% of the respondents are Highly Aware, 13% of the respondents are Not Aware, 10% of the respondents are Highly Aware, 5% of the respondents are Highly Not Aware, 4% of the respondents are Partly Aware.

The above table, it is clear that 53% of the respondents are Not Aware, 32% of the respondents are Partly Aware, 12% of the respondents are Aware, 3% of the respondents are Highly Aware.

The above table, it is clear that 40% of the respondents are Not Aware, 27% of the respondents are Partly Aware, 23% of the respondents are Aware, 7% of the respondents are Highly Not Aware, 3% of the respondents are Highly Aware.

The above table, it is clear that 48% of the respondents are Aware, 32% of the respondents are Partly Aware, 14% of the respondents are Note Aware, 3% of the respondents are Highly Not Aware and Highly Aware.

The above table, it is clear that 50% of the respondents are Aware, 30% of the respondents are Partly Aware, 17% of the respondents are Not Aware, 3% of the respondents are Highly Aware.

The above table, it is clear that 48% of the respondents are Aware, 33% of the respondents are Not Aware, 12% of the respondents are Highly Not Aware, 3% of the respondents are Partly Aware and Highly Aware.

SUGGESTIONS

More than 150 countries in the world experience the GST system and practice three major system of Taxation. The experts view that the best method of proposed GST is dual method out of the three methods.

It is elicited that majority of the traders are aware of Income tax and Sales tax followed by Input tax credit, CENVAT credit and Service tax in Tiruchirappalli. Awareness of all other tax must be more among the traders.

It is further suggested that traders wanted the proposed GST to be reduced as has been done in most of the countries and self-assessment procedure should be as simple as possible for better practicing of VAT system. This will enhance reduction in unethical practices both the tax payers and tax enforces.

Any new system of Taxation should bring in administrative convenience, economic stability, and better compensation to States, taxing less than on roof, more tax compliance and tax collection. With the implementation of GST, the Government will surely be able to make the indirect tax regime more transparent and widen. Cost of collection of tax will be reduced due to merging of existing different indirect taxes into proposed GST.

CONCLUSION

GST is one of the most important and innovative milestones in Indian taxation system which help to simplify the tax system in India. The implementation of GST will be in favour of free flow of trade and commerce throughout the country. This single most important tax reform initiative by the Government of India since independence provides a significant fillip to the investment and growth of our country's economy. Introduction of GST is a desire need for the multinational companies as most of the countries have already implemented GST. In spite of several hurdles, there is a scope for implementing GST in April 2012. Reforms

are always continuous, and all should ready, receive and enjoy the fruits of that. Therefore, it is concluded that awareness of GST become an important point of effective implementation of taxation system in our country. As a citizen of the country, all must know something about the GST for the responsible taxpayer in our life.

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