A study about Perception on GST among Common people

A. Jayaram¹ & Suman kumari C Mali²
¹Co-coordinator of commerce & management, Surana College, Peenya, Bengaluru
²1st SEM M.com, Bengaluru Central University

ABSTRACT
GST celebrated its 1st birthday on 01 July 2018. To account and estimate its advantages and clinches, its intellections & intuition among the common man, success, failures and modernize in the task, is the animus of the study. To know the cognizant and the actual assisted portion to the customers, different slab rates, E-way bill and all the way from GST to GSTN-SPV. The knowledge about the dynamic scenarios and guiding the local people, how far a common person feels the tax is found as much as pinch of salt. Until now many communities are less understanding and confused regarding GST system and also gave a negative perception about it, but also there were few sects of people who were gloomed with the new tax regime. To ascertain the perception among the people about GST, this study is made.

Key words: GST, common man, Perception, awareness.

I. INTRODUCTION
GST, Goods & service tax is comprehensive law in country. A multi stage destination based tax which is added on every value addition. It was introduced as constitution’s 122nd amend mend bill Act 2017 {101st amend mend} and finally was applicable all over the nation on 01st July 2017. It is governed by GST council and its chairman is the Finance minister of India. “ one nation, one tax” policy replaced multiple indirect taxes such as excise duty, VAT, additional customs duty, surcharges, CED, octroi and other levies.

GST is levied on all transactions such as sale, transfer, purchase, barter, lease or import or export of goods/services. It is dual model system administered both by state (SGST) & central Government (CGST & IGST). The tax is expected to reduce the concept of ‘tax on tax’, increase the gross domestic product of the economy and reduce the prices. It is expected to generate revenue for the country as the tax base will increase. It is also expected to make exports from Indian competitive and India a preferred destination for foreign investment since GST is a globally accepted tax. Unless the issues relating to GST has been overcome, the GST would become a bare wall without any scripts to describe further.

It is been a year since the new tax regime is launched. The perception and benefits of GST among common man is still in dark which is studied through this paper.
II. REVIEW OF LITERATURE
Ahmed ET AL (2017) found that the level of awareness of GST is still not reached a satisfactory level. This was because the study involved the general question that should be known by the respondents as end users. This made the respondents give high negative perception of the impact of implementation of GST. As per the economic survey this year by the Economic advisor ‘Arvind Subramanian’ (2018), the revenue to the government by the means of indirect tax is increased. Registration under the regime is 172 % greater than the revenue from the old regime.’ The generation of employment opportunities and registration to EPFO is also brutally increased’, as per the reports of Payroll additions by EPF. The compliances have also increased which leads to increase in tax revenue and more number of people are filing returns compared to earlier period.

2.1 Objective of the study

- To find out common man’s perception about GST.
- The impact of GST to Indian economy.
- To have a study on level of public awareness towards GST.

III. RESEARCH METHODOLOGY
The research is based upon analysis and on secondary data. The study tries to find the perception about GST among common man. Due to time constraint, it is majorly based on collective data through newspapers, survey report, press release, journals and websites related the topic.

3.1 Data analysis and interpretation
i. As per the research of DR. Manoj Kumar Agarwal {2017}, it was found that general public agreed that GST has increased the legal compliances, also increased the tax collection and having long term beneficial towards the economy. But they also pointed that GST is going to affect small business very badly and will increase the inflation in the country. The people’s perception about GST was not significant was rejected and has been perceived by people to be negative, but the public also agreed that the GST is very difficult to understand.

ii. According to the survey by Local circles (published in THE ECONOMIC TIMES) 29th July, 63% of the general public responded that the GST had no role in reduction of their monthly grocery bills, 21% of them gave a positive vote towards it but 16% couldn’t justify about the changes in the price level.

iii. The cost of services (mobile services, Movie tickets) were increased after GST according to 54% of the respondents but decreased according to 14% and no change among 19% and couldn’t justify about it were 13% of respondents respectively.

A survey among 100 set of respondents was performed with the set of questions below, whose data is presented in the form of graphs.

3.2 The Impact: perception about effects of GST in the consumer's daily life.
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1. Cost of food at restaurants:

Q: Have cost of eating out at restaurants reduced for you post GST?

28% of the people agreed it reduced, 57% agreed no reduction in the price and remaining 15% couldn't make any differences.

3. Effect on cost of services:

Q: How have cost of services (mobile services, movie tickets) changed post GST?

The service sector had a negative impact on the cost as per the general public. In the survey, it was found 54% people’s perception that it lead to increase in the prices, 14% only felt as a decrease in the rates, 19% people didn't feel any changes, and 13% out of the contestants couldn’t answer about it.

4. Charges on MRP or discounted MRP:

(Note: The MRP / Discounted MRP is inclusive of GST)

Q: Have you experienced one or more instance where a merchant levied GST on MRP/Discounted MRP?

- On full MRP: 28% agreed the charges, 46% disagreed to it, 26% couldn’t say about it

- On discounted MRP: 39% agreed the charges were applied, 29% didn't experienced such and 32% had no idea about the same.
3.3 The Impact of “one Nation, one Tax”

**Increased revenue for the Government**

The revenue source, of every month is depicted. It represents a drastic change in the income by the way of indirect tax to the government.

**Increase in the registration and formation of new companies.**

It was found that under the indirect tax regime 6.4 million firms were registered. And under the GST regime 11.2 million firms are registered. Which means a ease of formation and a motive spirit among the entrepreneurs to start up concerns.

Tax base has expanded with GST

**Creation of employment :**

(as per data of payroll additions by EPFO)

**Improvement in the compliances :**

As compliances have increased, even the tax revenue is raised.

The GSTR – 3B returns filed by the taxpayers has increased gradually. (results in lakh)

Business & economy will gain from informal sector becoming formal
3.4 Distribution in the tax slab rate.

<table>
<thead>
<tr>
<th>Slabs</th>
<th>No of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.25%</td>
<td>3</td>
</tr>
<tr>
<td>03%</td>
<td>18</td>
</tr>
<tr>
<td>5%</td>
<td>258</td>
</tr>
<tr>
<td>12%</td>
<td>223</td>
</tr>
<tr>
<td>18%</td>
<td>429</td>
</tr>
<tr>
<td>28%</td>
<td>49</td>
</tr>
</tbody>
</table>

Though they are multiple tax slab rates, 93% of goods are covered in the 3 slab rates i.e. under 5, 12 & 18% tax category.

3.5 Number of people paying tax has increased: Greater formulation towards direct tax rate too

3.6 The modification and up gradation of GST system. – A bird's eye view.

- July 01 2017: GST was launched nationally except the regions of J&K.
- July 17 2017: first GST council meet post launch, recommended increase in compensation cess rates on cigarettes.
- Aug 05 2017: 20th GST council meeting, deliberation on anti-profiteering, job work for textile and textile products to be taxed under 5% rates, GST rates for certain services revised
- Sept 09 2017: GST council extends GSTR 3B to December 2017
- Oct 06 2017: GST council defers TDS/TCS provisions/ reverse charge mechanism on procurement from unregistered persons.
- Nov 10 2017: GST council approves big ticket changes in GST
  Rate changes in 213 items
  28% to 18% - 178 items
  18% to 12% - 2 items
  18% to 5% - 13 items
  18% to 5% - 6 items
  12% to 5% - 8 items
  5% to nil - 6 items
  5% GST without ITC on both AC and NON AC restaurant services.
- JAN 18 2018: rate changes for 21 more items, 40 services exempt from GST.
- Feb 01 2018: E-way bill launched for interstate sales but deferred glitches.
- Apr 01 2018: E-way bill rolled out for Interstate supplies. Staggered rollout for interstate. The national roll out completes now.
- May 4 2018: GST council cleared design of new simple return. Approved proposal to convert GSTN-SPV into a fully owned government company.
IV. FINDINGS

- The people didn’t feel any reduction in their daily bills after GST.
- Many agreed that the prices of services are increased after GST.
- They also have an opinion that GST has increased cost of living with an increase in service prices, food at restaurants and other services getting expensive post GST.
- Though there is input tax benefit, people agreed that they are not receiving any beneficial from it, as the prices of goods remained same or either increased.
- The revenue for the Government through the indirect tax regime has increased.
- The no. of employment enrollments had also increased as per the registration data by EPFO.

V. CONCLUSION

A common man feels that, they are no indirect benefits received yet fully which were expected prior. The services prices are increased, which clinches them. Many customers were not aware about the consequences where the fluctuations happen in their daily transactions. The GST regime has increased the revenue of the Government, the long term benefits in return are expected. The increase in the tax compliances is also observed. People have positive perception about GST, but many modules are untouched and dissatisfactory is found such as increase in cost of services due to GST. Awareness among the tax regime and its functions and effects is also yet to be delivered to the common man. The proper education and guidance about the causes and effects of GST in daily chores is to be made.

VI. REFERENCES

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