



Analytical Study of Goods Services Tax (GST): A Case Study in Jharkhand

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ANALYTICAL STUDY OF GOODS SERVICES TAX (GST): A CASE STUDY IN JHARKHAND.
Abstract:- The provision of one nation and one tax in India means that the provision of tax has been implemented smoothly in the appropriate state of India on the French model. And saw one of the historically indirect tax reforms in the form of Service Tax (GST). In this country, the Goods and Services Tax (GST) made a rule regulation to levy the provision of tax on every complete supply of goods and services within the country.

ABSTRACT

The provision of one nation and one tax in India means that the provision of tax has been implemented smoothly in the appropriate state of India on the French model and saw one of the historically indirect tax reforms in the form of Good Service Tax (GST). In this country, the Goods and Services Tax (GST) made a rule regulation to levy the provision of tax on every complete supply of goods and services within the country. Along with this, a system of integrated tax on the basis of consumption of goods has been made in India. It is the framework of a comprehensive taxation system, in which all the indirect taxes of this system of governance at the centre and the states are accumulated in the national market in a direct manner to the economy. The introduction of Goods and Services Tax (GST) was also started smoothly in all the states through this governance structure in India.

The main thrust of the study at the present time is to conduct a detailed survey of the existing literature of GST, and as necessary from the point of view of its potential impact on the Indian economy. This shows that the government (both central and state) and most of the country aspires to benefit from the implementation of the Goods and Services Tax (GST) in the future, as well as improve India's overall rate of economic growth will promote.

KEYWORDS

GST, VAT, UPA, Govt, Implementation.

INTRODUCTION

In the state of Jharkhand, India, it is said that once the proposed Goods and Services Tax (GST)

is implemented, bills passed by both the central and state governments will be appropriately implemented in this state as well as at the Centre. Goods and Service Tax should be levied so that the economy of the state can grow. With this, all indirect taxes were smoothly replaced in all parts of the country. And with this, the GST in the state has started working smoothly under a certain percentage by the state governments to integrate the economies in all the states and change the working system. Once again in the country, after getting the official approval of the bill, this work has been given a provision to take as many goods manufacturing company as possible in India. And for his interest in the state, a fully empowered committee was also formed in time, and which was chaired by Asim Dasgupta (then finance minister of West Bengal government), model of goods tax GST Francemodel this draft was completed in full design. To do this, a committee was formed in the country and at the same time a separate committee was formed to oversee the overall preparedness of the entire IT department for its role model out. In 2011, the previous United Progressive Alliance (UPA) government also introduced a constitutional amendment to the bill in the Lok Sabha to facilitate the introduction of the GST tax, but it was rejected outright by several states. Given, then again the tax system was implemented in all the states.

Historical Background of GST in India

It was recommended for the first time in India on the France model by the Kelkar Task Force Committee on the full implementation of the Fiscal Reforms and Complete Budget Management Act 2004 in all the states of the country, and the Goods and Services Tax in India. And the first statement specifically on service tax received the draft of jurisdiction of the finance ministers of the states, it was introduced in the tax committee in all the states of India, and on 10th November, 2009 to the state of Jharkhand along with other states was also included in this. In the year 2011, this bill of Constitution Amendment (115th Amendment), this bill was easily introduced in the Parliament in 2011 in all the states of the country in full, so that the levy and reform of GST is enabled in the state can be made. Rather, the bill ended the system again with the dissolution of the 15th Lok Sabha, and the Constitution (122nd Amendment) Bill, 2014 was smoothly introduced in the Lok Sabha in December 2014. The bill was re-passed smoothly in the Lok Sabha in May 2015 by this bill, and it was sent to a select committee of the Rajya Sabha for examination and with this the GST bill was passed in the Rajya Sabha on 3 August 2016 (03-08-2016), along with GST was again implemented in all the states of the country.

Importance of GST in India

1. To ensure smooth availability in put of the complete value chain along with all the states of the country.
2. To reduce the cascading effect of this taxation in Jharkhand promptly.
3. Complete simplification of this tax administration and its compliance in the state of Jharkhand, India.
4. To harmonize these laws and administrative procedures on a tax basis throughout the country.
5. Appropriately reducing tax rate slabs to avoid classification issues between the Centre and the States as a whole.
6. To prevent unhealthy competition among all the states of the country.

Main Features of GST

1. **Tax applicable on supply way of things:** This is to levy GST on 'supply' of goods or all services as opposed to the old concepts of the article on manufacture or sale of goods or provision of services.

- Destination-based system of taxation:** In the state of Jharkhand, over the entire region of India, GST has been determined in contrast to the existing principle of origin-based taxation and based on the principle of destination-based appropriate consumption taxation.
- Dual Accounting GST System:** This is a tax model model of Dual Accounting GST in India, in which the Central Government and the State Government together levy taxes on the same rate basis. All types of GST levied by the Centre is also called Central GST (CGST) and the GST levied by the states is called State GST (SGST).
- Supply GST Tax:** This import and export of any goods or services into the state is treated as an inter-state supply in full, plus the applicable customs duty at the rate of Integrated Goods and Services Tax (IGST) will be under
- Format of GST:** Rates of GST to be mutually settled - CGST, SGST and IGST are levied by the Centre and the States at mutually agreed rates. The rates are notified on the recommendation of the GST Council.
- Multiple Rates in the Country:** From the very beginning in India, GST rate was levied in the form of four rates i.e. the rate of tax in the country is as follows. 5%, 12%, 18% and 28%. The schedule or list of all the items falling under these multiple slabs is prepared by the GST Tax Council in the country.

Objectives of the Study

- To study about Revenue Reduce in indirect tax GST in Jharkhand.
- To study Trends in GST Collection rate.

Reduced Indirect Taxes (GST)



(Sources: Pib.gov.in)

Trends in GST Collection rate



(Sources: Pib.gov.in)

GST slab Rate in India

1. Article Rates is 0% (on essential items, rice/wheat and many more)
2. 5% rate is (on items of mass consumption).
3. 12% and 18% rate is (standard rates covering most manufactured items and Services).
4. 28% rate on (on Consumer Durable Goods, Pan Masala, tobacco and aerated drinks etc.).
5. Basic philosophy behind of these tax rates are that, to the extent possible, the current combined rate of tax levied on individual goods by the Central and the State Governments should be maintained in GST.
6. Uniform GST rate not possible at this stage as luxury goods and goods consumed by poorer sections of society cannot be taxed at the same rate.

Manifesto of GST

1. **Creating a more competitive business environment:** In India, it is being told to all types of manufacturers that they will pay their taxes on time and its entire system and its manufacturers will reduce and there will be more competition and more freedom in business.
2. **Uniform tax rates across all states:** It is certified that the company is working on preparing its manifesto to attract more people towards all its products and the company will not reduce its rates? Similarly to become competitive states sometimes cut VAT rates. The company has also prepared rule regulations to attract more and more investors according to the nature of the manufacturers, leading to loss of revenue to both the states and the Centre. Similar rates will check this problematic infestation.
3. **Inter-State Trade to Improve the System:** In this present era, no tax credit has been provided for inter-state trade, as the same rates in all the states will promote smooth trade of all types in the country between different states. Therefore, it can also be seen at a higher level as the integration of the country by economic means.
4. **Make no illusions:** What is the activity of company manufacturing or service in the following form, in what form is it represented. To prepare the outline of all these economic activities in the right way was kept in the category of economic activities.
5. **No Adjustment of Conditions of Mass Effect:** To provide complete details of how the taxes of the general public with the company will be taxed. Checking it regularly.
6. **Ease of use on multiple fronts:** It will be easy to understand from this fact that the administration of small and big companies with the company is seen in such a way that it will be easy to make easy payment to the customers as well so that it will be easy to get rid of it. VAT for the traders, such is the magnitude of the problem. Hence ease of administration and understanding will be of great help.
7. **Reasonably Enlargement of Tax Base:** The government should run an awareness campaign to make more people living in the country pay taxes on time so that the common people do not face any problems in any way.

GST dagger in the Jharkhand state of India

Everything comes with a dagger in India. Here are some of GST regulations:

1. **Outline of Centre's Extended Monopoly:** Further centralization in fiscal matters in India has to be strengthened. So that after sharing with the Centre and the states, the percentage of revenue of Jharkhand will be decided. Thus the autonomy of the states would be compromised.

2. **A share of revenue to other states along with Jharkhand:** All the states of India may also suffer due to tax sharing because the centre can decide on its full right to decide on lump-sum compensation. And to compensate for them, the government can increase state taxes by 1-2%.
3. **The pattern of the Jharkhand-Esque puzzle:** States such as the Indian state of Jharkhand, which are responsible for the government to be more goods-driven, and less service-driven, will thus share the revenue of their architectural sales with the Centre,
4. **The following burden on the taxpayers:** Under the system of tax credit in GST in the state of Jharkhand, the money which was not taken from the manufacturer will be recovered from the consumers at the same time, so that whatever data is ready will help in recovering it.

Challenges of GST

1. SCGT and CGST input credit cannot be cross utilized on way of situation.
2. Manufacturing of production within in states lose revenue on a bigger scale.
3. High rate to tax to compensate the revenue collected now from multiple taxes i.e. High Revenue Neutral Rate.
4. The reduction in the fiscal policy rate autonomy of the States.
5. To the Concerns raised by banks and insurance companies over the need for multiple registrations under GST.
6. The levy of additional cess in India.
7. The capacity of State tax authorities, so far used to taxing goods and not services, to deal with the latter is an unknown quantity.

The success of GST depends on political consensus, technology and the capacity of tax officials to adapt to the new requirements

Review of literature

1. A study on impact of GST after its implementation”, concludes that a well-planned or designed implementation of GST will reduce the distinction between imported and Indian goods, and are both Taxed at same rate. GST plays a dynamic role in the growth and development of our country by mitigating the present compliance Milandeep Kour (2019).
2. Research paper on effects of Goods and Service Tax on Indian economy”. Concludes, GST will give Indian economy a strong and smart Tax system for economic development along with providing relief to various parties like consumers, producers and governments. This is possible only through building strong mechanisms Sachin abda (2020).
3. **Goods and service Tax:** An international comparative analysis, the authors says that –The implementation of GST will facilitates a simplified, user-friendly and transparent Tax system by colligating most of earlier indirect Taxes levied by both central and state government. This will facilitate and leads to higher output, more employment opportunities and acts as a best fiscal policy management through imposing same Tax rate nation-wide. Further GST will give India a world class Tax system Saurabh gupta (2021).

Hypothesis

Research means to investigate something you do not know or understand”. Here also this study is an attempt to know how much is the person’s rationality towards the GST, its rules, notification and circulars. Depending upon the objectives of the study 2 sets of hypothesis was developed with 3 variables. The H_0 (Null Hypothesis) and H_1 (Alternative Hypothesis) are:

H₀: There is no relationship between complexities under pre-GST method of Taxation, satisfaction towards GST implementation and different Tax rates.

H₁: There is relationship between the complexities under pre-GST method of Taxation, satisfaction towards GST implementation and different Tax rates.

Research Methodology

By research method, it means that in a given research paper, “how” to make the practical smoothly, and which method is used in what form so that this work can be very good. The second statement in this is, how a researcher designed a study in such an orderly systematic manner to ensure valid and reliable results addressing the aims and objectives of the research so that the research paper would be good because complete based on views.

Correlations between Agree level towards Tax reforms and Complexities under pre-GST based Taxation method

		Agree level towards Tax-reforms	Complexities under pre-GST based Taxation Method
Agree level towards Tax-reforms	Pearson Correlation Sig.(2-tailed) N	1 115	.026 .781 115
Complexities under pre-GST based Taxation Method	Pearson Correlation Sig.(2-tailed) N	.026 .781 115	1 115

(Source: Field survey)

From the Bi-variate table (Agree level towards Tax reforms against Complexities under pre-GST method), it is very clear that the correlation co-efficient (r) equals 0.260, indicating a weak correlation relationship between the variables with the p-value 0.781 indicating there is a weak correlation between the Agree levels of Respondents

Towards Tax reforms and the Complexities under pre-GST method of Taxation. Further evidence against the null hypothesis which implies the data is consistent with the null hypothesis.

So, $p = 0.781$, $r = 0.260$, $n = 115$

Further another set of variables were tested to know the correlation relationship between them.i.e., Respondents satisfaction level towards GST implementation Vs their satisfaction level towards different rates of Taxes under GST based Taxation method. The tested data’s through using.

Pearson's correlation and results are as follows:
Correlations between Satisfaction towards GST implementation and satisfaction towards different Tax rates.

		Satisfaction towards GST implementation	Satisfaction towards Different Tax rates
Satisfaction towards GST implementation	Pearson Correlation	1	.163
	Sig.(2-tailed)		.083
	N	115	115
Satisfaction towards Different Tax rates	Pearson Correlation	.163	1
	Sig.(2-tailed)	.083	
	N	115	115

(Source: Field survey)

From the Bi-variate correlation analysis table it is evident that, the correlation co-efficient (r) equals 0.163, indicating a negligible correlation relationship between the variables with the p-value 0.083 indicating the consistency of data towards null hypothesis i.e., it implies that there is a strong relationship between satisfaction towards GST implementation and satisfaction towards different Tax rates.

So, $p = 0.083$, $r = 0.163$, $n = 115$

CONCLUSION

This study shows that, to curb the black marketing to the extent of GST model, to strengthen the economy in all the states of the country, the Government of India, the Finance Minister, on the France model, the direction of shifting the Indian economy from informal to formal economy. Taking a positive step in the U.S., it is being considered as a response by the big business minds to make payment of their income as per the tax rate in a timely manner. It is important to make full use of it based on the experiences of global economies to overcome all kinds of challenges in the future.

SUGGESTIONS

Some of the suggestions for better administrative machinery in India to handle the implementation of the Goods and Services Tax Act in India are as follows:

1. There is an urgent need for adequate training for both the taxpayers and the tax enforcers in Jharkhand.
2. Restructuring of the administrative machinery for GST implementation in India.
3. With the creation of information technology, the backbone of the framework is considered to be the Kurian One. A most important initiative for GST implementation.

Uniform implementation of GST should be ensured across all states (as opposed to the staggered implementation of VAT) as several issues may arise in the case of transactions between all GST compliant states and non-GST compliant states.

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