GST and its Control over the Tax Collection
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Abstract
Goods and services (GST) is the target matrix indirect taxes collected by the central and state governments to meet government expenditure under the mechanisms of the national financial system. In contrast to other bypass indirect goods and services in three of the goods that are manufactured, sold and consumed, as well as indirect tax collection services, as well as how to provide service to tax credits deliverables received at national and state level, in uniform. In this study there was an attempt in connection with collecting and collecting and exchanging between the Center and the State GST to make a roadmap. For example, GST is expected to be economically integrated into the country because it contains a variety of taxes at different points, including different types of taxes being levied at different speeds. Keywords: GST, IGST, SGST, CGST, indirect tax structure.

Introduction
GST will be a game-changing reform of the Indian economy by developing a common Indian market and reducing the cascading impact of taxes on goods and services costs (Kumar, 2014). It will affect the tax structure, tax incidence, tax calculation, tax payment, compliance, credit usage and reporting that will lead to a complete reorganization of the current indirect tax system. India will implement the GST model for taxation and collection. The Center and the State both impose GST on the entire value chain at the same time. Tax is levied on all deliveries of goods and services. The Center collects and collects the Central Goods and Services Tax (CGST) and the State will impose and collect the National Goods and Services Tax (SGST) for all transactions in the country. The tax benefits of CGST can be used to fulfill CGST responsibilities for deliverables at every stage. Similarly, payments to SGST may pay SGST payments. Cross-credits are not allowed. Center collects (Integrated Goods and Services Tax) IGST for goods and services between countries and all taxes. The IGST mechanism is designed to facilitate the smooth load reduction from one state to another. Interstate seller pays the IGST for sold goods on credit, adjust the purchase IGST, CGST and SGST government. The exporting country transfers the SGST credits used for IGST payments to the center. The importer will charge IGST credits in his state with exemption from his output tax (both CGST and SGST). The Center will transfer the IGST credits used for SGST payments to the importing country. Expert opinion and prior investigation (Kumar, 2014, Garg, 2014, Government of India, 2009, Government of India, 2009) is being implemented by GST in India, which absorbs a number of indirect taxes at central and state level. At the central level, the GST includes the following taxes:

1) Central consumption tax;
2) additional consumption tax;
3) excise duty levied by the preparatory legislation for medicines and toilets;
4) service tax;
5) Additional rates.
6) Special customs duties;
7) surcharge; and
8) Cases.

And finally, including tax levels and taxes:

1) VAT / sales tax;
2) Entertainment tax (unless charged by the local community);
3) tax of luxury;
4) taxes on lotteries, games of chance and games of chance;
5) Ceres and surcharges in connection with the delivery of goods and services;

What is the mechanism of GST?

This section assumes a GST percentage of 16 (16) percent and seeks to identify mechanisms for tax collection, collection and mutual acquisition between states and centers that have state and specific states.

Case 1: Sale in one state, resale in the same condition:

In this example the merchandise from Mumbai goes to Pune. Because it is in-state sales, CGST and SGST are charged to the central and state governments respectively. The collection is forwarded to the central and state governments as indicated on the image. Subsequently, the goods are resold from Pune to Nagpur. CGST and SGST are also imposed, because these are also cases of intrastate transactions. The tax burden increases because the sales price is increased. In the case of resale, the credit of the imports CGST and entry SGST (INR 8) is calculated as follows: The remainder of the tax is passed on to governments.

Case 2: sale in one state, resale in another state:

In this case the goods from Indore go to Bhopal. Because it is in-state sales, CGST and SGST are charged. The collection is forwarded to the central and state governments as indicated on the image. Later the goods will be resold from Bhopal to Lucknow (outside the state). That is why IGST is imposed. The entire IGST is forwarded to the central government. With regard to IGST, both taxes are considered credit.

But we knew that SGST never went to the central government, but it is claimed that credit is provided. This is a disadvantage of the GST system. Because this amount is a loss for the central government, the state rewards the central government by transferring credit to the central government.
Case 3: Sale outside the state, resale in the state:

In this case the goods go from Delhi to Jaipur. IGST is charged for weekly sales. The collection is delivered to the central government. Later will be sold to Jaipur. That is why CGST and SGST are imposed. For CGST and SGST, 50% of IGST, INR 8, is considered credit. We knew, however, that IGST did not go to the province, but it still claims the recognition of SGST. Because this amount is a loss to the state, the central government compensates the state by transferring credit to the state.

In short, CGST and SGST must be treated separately. CGST payments are considered as input credits and are only used for CGST payments for certain goods and services. Regarding SGST, this is related to the fact that the same rule should follow that the cross-use of input credits between CGST and SGST is not allowed.

With the exception of credit lines, there are several advantages to the introduction of GST in India.

1. Price reductions: It is a good reason to say that a full and perfect credit can cause a price reduction because a manufacturer or trader does not have to make taxes as part of his production costs.

2. Increased government revenue: this seems somewhat ambiguous. At the time of the introduction of VAT, government revenue increased instead of even declining, as many people depended on paying taxes instead of exempting them from the same tax. Governments may want to introduce GST as Revenue Neutral Rate, in which case the turnover may not increase significantly in the short term. However, it will increase due to long-term high compliance and low avoidance. In goods and services taxes, the tax burden is equally divided between production and services. You can do this by lowering tax rates through the tax base and reducing exemptions.

3. Lower compliance and procedural costs: all registrants feel comfortable using GST because of lower compliance costs rather than keeping large records, revenue and reporting according to different laws and regulations. Taxpayers no longer need to keep track of the CGST, SGST and IGST records separately.

4. Go to Integrated GST: Internationally, GST is always preferred as a single GST for the entire country, rather than the duplicated GST format. India is taking over a double GST looking at the federal structure, but it is a good step towards an integrated GST that is considered the best way of indirect taxation.

5. GST is a transparent tax and reduces the number of indirect taxes. With GST, you can view taxes that apply to sales invoices for your business. The customer knows exactly how much he or she has paid for the purchased or consumed product.

6. GST does not cost registered retailers, so there is no hidden tax and operating costs are lower. This will help increase export competitiveness.
7. On GST systems, Central GST and State GST are invoiced for manufacturing costs and are collected at the point of sale. This will help people if prices fall and companies help if consumption increases.

8. Maximum profits are no longer taxable, such as tax, central sales tax, sales tax, immigration tax, license tax, sales tax, etc. All these taxes are based on GST. Doing business is easier and more comfortable because there are no hidden taxes.

(b) What are the challenges in implementing GST?

GST removes many of the disadvantages of the current tax system. But to implement it successfully, you have to be careful with some aspects. Here are a few things to keep in mind about GST:

- The provincial government is in a trading trade in the transport and retail sector and claims that the GST can create a monopoly position. The state thinks that GST will reduce sales. Central governments and opposition parties keep abreast of what should or should not be a GST. GST can only contain 100 items in the entry. E-commerce may not be part of an e-commerce transaction.
- All countries must implement GST together and must actually work at the same speed. Otherwise it would be really annoying if your company meets the legal requirements.
- For a smooth operation it is important that GST presents clearly taxable objects. Currently, the CENVAT credit rules and the point of taxation rules are only changed / introduced for this purpose. However, the rules must be more sophisticated and unambiguous. However, this new GST transfer has the same drawbacks as the existing tax system, as the legislature has the power to adopt legislation that takes precedence over legislation adopted by the legislature.
- GST is a destination-based load, not a starting point. In this situation it must be clearly recognizable where the goods are going. This will be difficult for services because it is not easy to determine where the service is offered. That is why it must be treated in the right way. Recognition of the GST and its benefits should be improved, and professionals like us should take this responsibility.

References:-

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