

# **Impact Of GST on Markets and Small Business**

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## **Abstract:**

GST entered into force on 1 July 2017, which stated that this would affect the prices of almost all consumer products and services currently available. GST stands for Goods and Service Tax. In order to maintain the political and economic stability of the country, governments often implement policies. There are many types of policies that governments will enforce in the interest of their own stability. However, one of the most important policies used in almost every country is taxes (ie direct or indirect taxes). Analysts claiming to be the largest indirect tax reform since India's independence expect GST to have a positive impact on the Indian economy.

GST is one of the most important tax reforms in India, which has waited a long time for a decision. It is an extensive tax system that will cover all indirect taxes of the national and central government and the entire economy as a smooth country on the national market. It is expected that this will remove the burden of the existing indirect tax system and will play an important role in the growth of the Indian economy. The GST will also accelerate the gross domestic product (GDP). GST is currently recognized worldwide and is used as a sales tax in the country. This report shows the impact of GST after enforcement, the difference between current indirect taxes and GST, and the benefits and challenges of GST after enforcement.

## **Introduction**

Goods and services taxes are regarded as the largest tax reforms since 1947. When GST is implemented, all taxes and charges at central and state level on all goods and services are included in two components, the integrated load, which includes the central GST and the state GST. . The government has successfully implemented GST since 1 July 2017 and these efforts are being continued. The main expectation is that India will compete with World Trade. Under this, only value-added tax is due at each stage and the producer or seller is at any stage in which the buyer can levy taxes on the central or GST tax paid. The end user only takes over the GST that the last dealer in the supply chain imposes and there is a cancellation effect in the previous step. Many illegal transactions begin under GST. A single tax on India appears to be a game changer in a positive way and appears to be profitable both for the nation and for the general public. There is hope that the impact of GST will be positive and will have a positive effect on India's GDP.

India is a tax center where many people are taxed and confused. At the moment we pay two types of taxes, directly and indirectly, in different areas. Direct taxes are paid directly to the government by taxpayers: income tax, wealth tax and corporation tax. Indirect taxes are taxes on

goods and services instead of income or profit. They are received by intermediaries (e.g. retailers) from people (e.g. consumers) who do not pay directly to the government, but who have the ultimate financial burden of taxation. The intermediary later submits a tax return and forwards the tax revenues to the government, for example with a refund of turnover tax, value added tax, excise duties and excise duties. GST is an indirect tax discussion covering indirect state and federal taxes, such as value added tax (VAT), excise duties and footnotes, central tax, entertainment tax and luxury tax. GST was first introduced in France in 1954 and became the first GST-introduced country in France with the introduction of GST. Very high sales taxes and customs had to be introduced because they encouraged cheating and smuggling. It has been taken over by 165 countries after France. Now India will adopt it. After the implementation in India, India will be the 166th country. 16 years ago, ShriAtalBihari Vajpayee introduced this system in India in 2000, but nobody was interested in it and for some reason could not succeed. On 28 February 2006 Minister of Finance P. Chidambaram announced the target date for the implementation of GST on 1 April 2010. The amendment of the Constitution (122 amendments) was introduced in Loksabha on 19 December 2014 by Minister of Finance Arun Jaitely. The bill was adopted by Loksabha in August 2016. The bill was ratified by the United States and received approval from President Pranav Mukherjee on 8 September 2016.

GST invoices are for different costs because other taxes can be brought under one roof and all taxes can be canceled and imported. Direct taxes such as income tax, corporation tax and transfer tax are not affected by GST. It will create, develop and create the Indian tax structure and create a comparable market in many countries. GST is to replace various indirect taxes such as sales tax, service taxes, VAT, excise duties, customs duties, countervailing duties, special additional customs duties and the effects tax on transactions, stamp years, three entertainment, anti-dumping duties, local taxes, property. Taxes, import duties, taxes and electricity, tax and compliance costs for goods and passengers can make life easier for you. This process will help raise the tax to gross domestic product ratio in India. According to experts, GST is expected to increase economic growth between 0.9% and 1.7%. Exports are expected to grow between 3.2% and 6.3% as imports are expected to increase by 2.4% to 4.7%. GST is VAT from April 1 in India. The government has promised that the GST will reduce the burden of current compliance. One of the goals of the GST is being introduced, but the domino effect of the reduction of the tax topic of major care VAT system is not enough to do that. It can be applied to all transactions of goods and services. It must be paid separately in the center and in the United States. The rules for receiving and using credits for the central GST and the primary GST are adjusted. Cross-utilization of input tax credits between CT (CGST) and State GST (SGST) are not allowed except in the case of a weekly delivery of goods.

Center and the governments have the joint jurisdiction over the entire value chain and all taxpayers on the basis of the goods and services provisions for the main reference point and the center. Taxpayers must submit a common form for regular return to central and relevant GST authorities. Each taxpayer is assigned a PAN-linked taxpayer identification number totaling

13/15 characters. August Bihar, Jharkhand August, 22 August Delhi, 26 August Nagaland, 29 August Maharashtra, Haryana, August Telangana, 30 August Sikkim, 30 August Mizoram, 31 August Goa, Odessa, Pondicherry, Rajasthan, Andhra Pradesh 9 wool 8 days) Arunachal Pradesh (9 wool 8 days), Meghalaya (9 wool 9-yl) Punjab (9 12th) GST is expected to lead the growth of the country. Why do we know the question that we need GST? We concluded that the services sector contributed more than 55% in the Indian economy. Individual taxation of goods and services is not feasible or desirable and the added value of the production and sale of goods requires the contribution of goods and services and vice versa. Often they cannot be separated. Now that the GST legislation is soon to be adopted, the government will have to create a mad storm to collect all mechanisms and consent approvals for the GST by 1 April 2017. You must make the necessary changes to go. Some companies may need to reorganize their business processes to implement new tax changes. Each of us will pay GST for every product or service we purchase. Because all the indirect taxes that the state and the Center impose are merged into one GST, we can know exactly how much we owe. Imports are not indistinguishable from Indian goods and are taxed at the same rate. The seller or service provider collects the customer's tax. The success of GST depends on efficiency, fairness and simplicity.

As with package products, tax rates between 4% and 5% are imposed before and after the implementation of GST, but these show that after the implementation of GST, the total package products turn out to be expensive and affect the conformity. Man. After purchasing the package, a tax of 4-5% on ready-to-wear clothing will be charged, but 18% after GST. That is why ready-made clothing is also expensive, such as jewelry, mobile, credit cards, etc. But it is expensive, but it is cheaper for cars and household appliances. Here we can conclude that after implementing GST, the public will suffer because they cannot fully meet their needs, but we can conclude that they will have no effect on the rich.

Shows the effect of transplantation GST, can be clearly understood from the table with the percentage of items that increase and decrease after the GST implementation. The table also does not show the product the GST implementation. The first line accounts GST walk after the second line the object on which the post that reduces the speed of the GST after the goods are exempt from GST and the third row. As a result, these were some items that were affected by GST.

In India, the expected model of GST will be "dual GST", a combination of CGST and SGST. All goods and services with tax exemptions are brought to the GST and the difference between goods and services will be ignored. Important features of Dual GST in India after the implementation include: -

- CGST falls under the jurisdiction of Central and the SGST falls under the jurisdiction of the state.
- The VAT system can be replaced by SGST and CENVAT and the service tax can be replaced by CGST.

- Part of the indirect taxes included in the CGST is known as the additional customs tax, additional, sales tax, service tax, usually a compensatory right (CVD), special additional duty (SAD), surcharges and CENVAT under the Medicines Act and toilet junbiboop.
- The taxes included in the SGST include access tax non-tax (VAT), entertainment tax, luxury tax, taxes, betting and gambling, lotteries local organizations for the state to impose.
- The rates of other goods and services are determined by taking into account the tax CGST and SGST must be separated from the general public possibility to pay taxes separately.
- Some products are excluded from GST, such as petroleum, alcoholic beverages and tobacco.
- CGST and SGST export of goods are assessed as zero.
- Taxes levied by local organizations are not included in the GST system.

**GST has a positive impact on the public in many ways:** GST is an integrated tax system that has a positive impact on the public by eliminating the indirect tax bundles such as VAT, CST, service tax, CAD, SAD and consumption tax. Compared with the previous tax structure, tax compliance and streamlined tax policies are reduced, GST tax is the tax that is helping to lower consumer prices by reducing the tax consequences of the tax system. Lower prices lead to higher demand for products / consumption. The growth in demand will lead to a larger supply, and ultimately this will lead to an increase in the production of raw materials. Increased production will lead to more employment opportunities. GST will distribute black money. That is why GST has a positive influence on the public in many ways.

**Problems with GST after enforcement:** disputes may arise between the Center and the state government about taxes. A highly sophisticated IT infrastructure is needed and tax issues with e-commerce need to be addressed and integrated in an appropriate manner and with some political imbalances. Some of the challenges to implementing the GST are the following: This measure has not yet been passed on to Congress. The implementation of this measure requires drastic changes at management level, integration of information technology and a good IT infrastructure. The state must compensate any lost profits (if applicable). GST is a consumption tax. As countries that consume more goods and services generate more income, cooperation with the province will be a key element for the successful implementation of GST.

**Treatment of other areas after GST:** the impact of GST on a variety of products and services is as follows:

- Capital handling products: full and direct input credits are allowed for the taxes paid by both CGST and SGST for purchases of capital goods that will include the GST.
- Disposal of petroleum products: you must check to stop the negative external effects of petroleum products used for consumption. The full range of petroleum products will be

taxed by a combination of taxes at both central and state levels, so that the GST will reduce the cascade effect of only one tax system.

- Treatment of the energy sector: the SGST must include the power obligation imposed by the state. Articles 278 and 288 of the Constitution must be amended in order to be able to bind the GST at all levels to the government's electricity supply, just like other raw materials. The tax system for the electricity sector must be the same as for other normal goods. GST helps reduce the cost of energy projects and will also increase the profitability of the nation through development and distribution. That is why GST is very important in the asset field.
- Transport Service Processing: GST includes all taxes and motor vehicle tax for goods and passengers charged by the state. All transport services, such as all equipment used for transport, railways, airways and waterways, must form an important GST with simultaneous jurisdiction in both the central and southern regions. The load system of transport is the same as other general merchandise. Removal of financial services: there are three exemptions for financial services: exemption, zero rate and full taxation. The exemption method and the zero-line method disrupt consumption by lowering the potential GST base, and the general tax method significantly improves the tax standard and makes all services equally treatable. That is why financial services must be taxed on the basis of full tax.
- Small-scale industry (SSI) disposal: small industries generally have to deal with the small-scale GST tax system that is spoken by CGST and SGST and make important decisions to reduce the burden on various industries.

### **Conclusion**

The GST system (since July 1, 2017) is configured by default to simplify the indirect tax system in India before July 1, 2017. A well-designed GST is an attractive way to remove variations in existing government multi-tax processes. The government has promised GST to reduce compliance costs now and no distinction will be made between imported and exported products. The same ratio. Many indirect taxes, such as import and export taxes, production taxes, immigration rights, sales taxes, excise duties, entertainment taxes and value added tax, have been completed because there is one GST, GST will face many challenges after implementation and will bring many benefits. All in all, we conclude that GST plays a dynamic role in the growth and development of India.

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