GST and its Effects on Common Man
Aditi Singh
Research Scholar, School of Management, Maharshi University, Lucknow

Abstract
Goods and services taxes are regarded as the largest tax reforms since 1947. This tax system tries to reduce the tax system so that one tax is levied on the supply of goods and services. The bill replaces the 15 states and federal taxes of the federal government, with the emphasis on cooperative federalism and the mission to unite the Indian economy. The government wants to implement the GST on 1 April 2017 and these efforts will be continued. The main expectation is that the ground sign goes a long way in facilitating companies and enables India to compete with World Trade.

Introduction
The GST was first introduced in France in 1954 and is now being followed by 150 countries. Most countries follow a uniform GST, but in some countries, such as Brazil, Canada follows a dual system GST is imposed on both the central and the state. In India the idea for GST in 2000 was emphasized by Vajpayee Govt and on 6 May 2015, "Lok Sabha" accepted the constitutional amendment. GST Constitution Amendment President of India (August 2016 03, Rajya Sabha and August 8 Lok Sabha in 2016), the Indian government has replaced the indirect taxes on goods and services by the Center and the state government until April 1, 2017 and promises to implement the GST. As India is now the third largest economy, GST is the main tax reform since independence, allowing investment and growth to facilitate investment and facilitate business investment in India. The GST measure is described as reform measures of unrivaled importance in the following ways: Dependent India. In India, the current rates vary from country to country. The GST will bring unity, to reduce the cascade effect of these taxes through the contribution tax credit, help the industry who can benefit from a common procedure. This is expected to lower the costs of consumers. The GST will increase India's GDP by about 2% per ministry.

Fundamental problems of goods and services taxes: The following taxes / levies are included in GST.

From the central government:

i) Central consumption tax
ii) Consumption tax liability (medicines and toilet preparations)
iii) Additional right to consumption tax (textiles and textile products)
iv) Additional Customs (CVD)
v) Special extra work
From the state government:

i) State tax
ii) Purchase tax
i) Iii) Luxury taxes
iii) Central sales tax
iv) Immigration tax (all forms)
v) Entertainment tax (excluding tax imposed by local organizations)
vi) Tax on lottery, gambling and gambling
vii) Tax on advertising
viii) Countries and surcharges related to the delivery of goods and services

Raw materials to be included in the GST:

(i) Natural gas
ii) High-speed diesel
iii) Motor point (petrol)
iv) Crude oil
i) (v) turbine fuel for aviation
v) VAT and sales tax will continue to apply to existing products.

Goods that are not part of GST:

i) Real estate
ii) Electricity
vi) Alcohol for human consumption

Cigarettes treated under GST:

GST is imposed on tobacco and tobacco products. The Center also has the authority to set a central excise duty on these products.

How to deal with import and export:

(i) The import of goods and services is treated as interstate deliveries and the IGST is imposed on the import of goods and services.

(ii) Export is treated as a supply of class 0.

List of goods and services subject to an exemption:

Efforts are to keep the exemption list smaller. The GST Council decides on the exemption of goods and services.
GST Council

The establishment of the GST council was an important development. It is a vertex agency that includes the center and the GST countries. We have the authority to regulate the GST and resolve the dispute. The Federal Treasury Secretary is the Chairman of the Board of Directors and the Federal Treasury Secretary (import), Finance or Tax Secretary or other secretary appointed by the State. The Board consists of two members, including the Center President, one in each of the 29 countries and two United States with legislative offices.

33. The Director-General of the General Secretariat is the Secretary-General of the GST Council and the Chairman of the CBEC is a permanent invitee (non-voting person) in all proceedings of the Board. The Council recommends federal and national issues on important issues related to the GST.

   a) Goods and services that can be exempted or exempted from GST.
   b) Model the GST method.
   c) Principles for determining the location of delivery and threshold limits.
   d) GST speed including the staircase with the tire
   e) Special charges to increase additional funds in the event of a natural disaster / disaster.

Special regulations for specific countries

All decisions of the Board of Directors will be taken at a meeting by a majority of three-fourths or more of the weighted votes of the members present who vote. The votes of the central government weigh one third of the total number of votes cast and are weighted by two-thirds of the total votes of all states (including federal rules in the legislature). The Governing Board of the G20 will review the future of business rules, regional exceptions and SME control during the last two meetings that took place on 22, 23 and 30 September 2016. At the same time, the IT infrastructure for the GST-GST network (GSTN), which provides a common system for countries, centers and taxpayers, is almost complete. GST network work will be tested in January and February next year.

The impact of GST on the price of the product compared to the current system

We can set an example for a clear understanding of this.

Current tax system:

1. Products sold from Bareilly to Meerut. The price is Rs. 1000
2. VAT is @ 10% = Rs 100.
3. Products sold from Meerut to Delhi. The costs are 1100 rupees.
4. Profit = RS 1000.
5. Sale price = Rs 2100  
6. CST @ 10% = RS 210  
7. Total cost of the product = Rs 2310.

The proposed GST system:

1. Products sold from Bareilly to Meerut. The price is Rs. 1000  
2. CGST is @ 5% = Rs 50. SGST is @ 5% = Rs 50.  
3. Products sold from Meerut to Delhi. The costs are 1100 rupees.  
4. Profit = RS 1000.  
5. Sale price = Rs 2100  
6. IGST @ 10% = RS 110 = 210 - CGST-SGST  
7. Total cost of the product = Rs 2210.

In the example above, we can conclude that the taxes sold within the state can be claimed for taxes sold outside the GST system, and not for the current tax system.

CGST credits cannot be compared with SGST and SGST credits cannot be compared with CGST, but both credits can be compared with IGST.

Some positive effects are as follows.

(ii) Currently we pay both service tax and VAT, but we will eat out cheaper because one tax will be charged after GST.  
(iii) When the GST reaches its final stage, the historic legislation promises to unify the tax system for the country and to increase GDP by 2%.  
(iv) Small cars, FMCG products, etc. can be cheap.  
(v) Television can be cheaper as part of a plan in India. GST is expected to be lower. We currently pay a 24.5% tax on Rs 40,000 LED TV and ultimately give Rs 49,800. If you say about 18 percent under the GST, the costs will be reduced to 47,200 rupees for the consumer.  
(vi) Today, goods are generally taxed at 12.5% (excise) + 5-15% (value added tax), which is always passed on to the end consumer. If the standard tax rate of GST is limited to 18%, there are scenarios where raw material prices can fall significantly for customers. This is because the purchase costs for the company fall and some benefits can be passed on at the end of the chain.  
(vii) GST is expected to reduce production costs and reduce production or distribution costs by 2%, thereby increasing profits by more than 20%. If the GST tariff is lower than the current gross rate, it will ultimately benefit the consumer by making India's greater goal of medical and pharmaceutical products cheaper.  
(viii) The GST will certainly raise the Indian economy to a higher level.
(ix) Increased use of the IT sector in the GST will reduce the relationship between taxpayers and the tax authorities, which will contribute to reducing corruption.

(x) Promote export and production activities and create generic male employment in India;

(xi) Finally, it will contribute to poverty reduction by creating more employment and more resources.

**Negative effects of GST** There are also several negative consequences, including:

(i) Establish the services that cause public consumption, such as telephone / mobile bills that increase the burden of communication, rail, transport, banking, air travel, so expect service to determine the tax rate is expensive.

(ii) E-commerce industry tax deductions are made with regard to buying bags, shoes, electronic products online is more expensive to pay a tax every time you make a purchase from the seller. As a result, e-commerce companies can offer discounts and freebies with lower profits and increased tax compliance.

(iii) Some of the essential pieces of furniture (textiles, books, cooking oil, etc.) are actually 5-8% tax due to exemption. When the interest rate reaches 18%, the product is priced and the entire structure is shaken up.

(iv) Typical tax revenues in the services sector will increase from 15% to 18%.

(v) Mainly service-oriented health insurance and diagnosis centers can be subject to high tax rates, making these services more expensive for the consumer.

The real success of GST depends on its impact on a typical Indian consumer. The essence of GST is that all goods and services are taxed at a moderate tax rate. 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. The positive influence of the GST and having a positive impact on the Indian economy is expected to transition to a unified national market by simplifying the tax position in India. The main expectation is that the ground sign goes a long way in facilitating companies and enables India to compete with World Trade.

**References**