Abstract

Indirect taxes apply to goods and services in central and local governments in India. GST is intended to include all these taxes in full ITC as one tax and costs for both goods and services. Therefore, some excise duties, special taxes, service tax and value added tax have been abolished and added to GST. To this end, the GST consists of three parts: CGST, SGST and IGST. Central taxes such as consumption tax are included in CGST and taxes such as value added tax (VAT) are included in SGST. In order to introduce GST in the above form, the government must absorb all taxes and implement the constitutional amendments to achieve the proposed purpose for the State to tax the Union list. Without these permissions, you cannot legally transfer to GST. Therefore, for all transactions of goods and services, GST, consisting of CGST and SGST, applies only one tax. IGST is applied instead of SGST for weekly transactions. Input credits for all taxes are available for all eligible outputs. To implement GST successfully, governments need both governments.

Introduction

The Indian president approved a constitutional amendment to the GST (constitutional amendment) on 8 September 2016, when the bill was passed and the more than 50% of the legislature ratified it. By April 2017, the law will replace the GST with all indirect taxes that the central and provincial authorities levy on goods and services and implement the GST. The implementation of the GST will have a widespread effect on almost every aspect of Indian business operations. India, which currently employs GST in more than 140 countries, has been an exception for a long time.

The Indian president approved a constitutional amendment to the GST (constitutional amendment) on 8 September 2016, when the bill was passed and the more than 50% of the legislature ratified it. By April 2017, the law will replace the GST with all indirect taxes that the central and provincial authorities levy on goods and services and implement the GST. The implementation of the GST will have a widespread effect on almost every aspect of Indian business operations. India, which currently employs GST in more than 140 countries, has been an exception for a long time.

Meaning of God and service tax

"The tax on goods and services in India is a comprehensive targeted multi-level tax levied on all added values."
In short, GST is an indirect tax imposed on the supply of goods and services. The GST Act has replaced many of the indirect tax laws that previously existed in India.

**Benefits of GST**

- Remove cascading load effects
- High threshold for registration
- Composition planning for small businesses
- Simple online procedures under GST
- Weak plasticity
- Defined treatment for e-commerce
- Increased efficiency in selfishness
- Non-organized sector regulation

**Analysis of the impact of GST on SMEs**

SMEs have been seen for decades as an important driver of the Indian economy. Today we can see that about 3 million SMEs in India account for almost 50% of industrial production and 42% of total exports in India. For developing countries, such as India, and their demographic diversity, SMEs have emerged as important sectors for job creation and have balanced development across all sectors. Let's look at the impact of GST on small businesses. Following the approval of the tax on goods and services (GST), industries welcome the government to support this long-awaited reform due to the political deadlock. Before analyzing the impact of GST on SMEs, however, it is important to understand how GST broadens the taxpayer base. In the past, manufacturers with a turnover of less than 1.5 crore did not have to comply with the rules governing consumption tax. If all state and municipal taxes are added to the VAT number, manufacturers with a turnover of more than 20Ls (other) / 10Lakh (countries with a special category) must, however, comply with GST and the corresponding procedures.

Below is an analysis of the impact of GST on SMEs in India.

**Compliance Positive Negative**

- Since online registration does not have the technical expertise to ensure that all small and medium-sized enterprises receive online systems on time, in most cases
- You can obtain and register a registration certificate from the registration intermediary. Registration costs are added at minimal costs.
- Payments, along with taxes, will bring the form of transparency of the electronic credit, reduce the department and create a liquidity crisis. Cost of compliance. Electronic refunds can only be reimbursed after the relevant documents have been submitted.
- With the refund process you can quickly track the return. It also depends on the compliance achieved.
- Liquidity for SMEs All refunds is required. Financial and tax deductions and all taxpayers registered in the course of the year must submit at least 37 reimbursements electronically. As a result calculation sources for return tax and compliance costs are automatically increased based on these reimbursement criteria.
- GST undoubtedly wants to expand regular taxpayers based on taxpayers and will bear the burden of compliance and costs. But in the long term GST will make these small companies more competitive in competition with large companies. In addition, Indian SMEs can compete with foreign competitors from low-cost centers such as China, the Philippines and Bangladesh.

**GST impact on GDP**

At the same time, Soumya Kanti Ghosh Bank's chief economist confirmed on the fourth floor of the building that the main team members did not turn away. Ghosh estimated the growth of GDP at an annual average growth rate of less than 6.5% in 2017-18, after the Central Bureau of Statistics had set the GDP growth rate of April-June quarter at 5.7%, about 24 hour ago.

**Conclusion**

Although the GST rate has not yet been determined, the GST Council, including the minister of uni-union, will decide after the constitutional amendment process has been completed. A GST council determines the tax rate and can change the price accordingly. Let GST lower prices and raise the standard of living and prosperity of the people in India.

**References:**