Goods and Service Tax (GST) As A New Path In Tax Reforms In Indian Economy

Dr. Rita Dixit
Assistant Professor, Department of Hindi
Kishori Raman P.G. College, Mathura

Abstract

GST is a broad fiscal policy that includes all indirect taxes central and state governments. Taxation is a kind of source for generating revenue for the government. In India there are different types of taxes, such as corporation tax and income tax, customs and excise duties. The current government is trying to replace the GST as a value-added tax (VAT) in order to minimize the complexity of the various taxes. This paper highlights the consequences of the new tax system for a variety of selected industries in India. The Indian government is not satisfied with the current tax system, because it is not satisfied with the current tax system. Inherently complex, as well as excluding service costs tax burden is also removed. The government is expected to implement the GST of this fiscal year. The new tax system would improve the level of growth of the Indian economy. This study has discussed reform of the concept of the Indian economy in the GST.

Introduction

"Taxes" is derived from the word "evaluate" Latin "tax". Put simply, it means that fatigue or challenge mean. Indian tax system is configured for direct taxes and indirect taxes. It applies to both individuals and individuals. For example, business, income and wealth taxes. A tax levied on the production or sale of products and services of goods and services. It is called indirect tax. Initially applied in multiple steps, such as brokers to pay the government later added taxes on goods and services and add the license for the full amount to the end user.

It is not only necessary to continue to increase the income needed to cover costs for the social and services of the administration of reducing income and ability to increase equity. In India, the multiple tax system, creating a cascade effect. Suppose a truck to move goods from Delhi to Chennai. We will pass on about eight states. In that period, it pays a variety of taxes local taxes, VAT, excise duties, etc. In many developed countries such as Sweden, Denmark, Germany, Japan and Switzerland confirmed that this is a problem and moved to a single tax system called the GST. Many delays and taxes in one place, without corruption, provide a common point for the collection of taxes. According to Indian Constitution 366 (12A) 'GST is a tax that applies to all goods and services to the exclusion of alcoholic beverages.

GST source:

New tax policies are classified in the same way according to the calculation method for national income. They are ‘gross income method, production method and consumption method’. India follows the GST consumption pattern. It only takes into account the final consumption of the product, eliminates the tax burden at different stages of products and services and creates a taxable system that is easy to manage. Open Access Academic, peer review, interdisciplinary, monthly and complete audit journal.
GST Model:

To bring benefits to the country, the Indian government plans to implement the GST according to the pattern discussed below. This system is called double GST and is subdivided into 'central goods and service taxes and main goods and service tax'. With the exception of the two current elements, another element is added. That is to say, the Integrated Goods and Service Tax (IGST) comprises central goods and services taxes and principal and service taxes that are imposed on all inter-state business transactions. Good service.

GST - "Destination based consumption tax":

India's GST is a destination-based consumption tax because it is fully imposed on the end products that are consumed in the Netherlands. It depends on the location of consumption. Another important element of the destination-based consumption tax is that the export is not taxable, but the import is taxed according to the destination principle of the economy.

GST: impact on the Indian economy

The current tax structure is a major obstacle to the growth and competitiveness of the Indian economy. Tax restrictions in the form of import duties, central sales tax and input taxation divide India's economy. Aboriginal manufacturers are less attractive to the chain effect of tax collection. Some taxes complicate business activities and increase production costs. GST approval is seen as an important condition for economic growth in current scenarios that have a positive impact on the Indian economy.

Conclusion:

GST is a single tax that applies nationwide rather than a variety of taxes, such as central sales tax, consumption tax, VAT, service tax and entertainment tax. A unique national tax system will be considered to bring together the economy of the state. This concept avoids double taxation that will change the speed of our country. The applicability of GST entails important reforms of the indirect tax system. To implement this tax policy, all political parties must keep a word. The GST applies to nearly 140 countries and is a desirable structure of indirect taxes in all countries. France has started to implement the GST in the world. All sorts of entrepreneurs are ready to embrace this system by contributing to the economic growth of a country. Tax rate systems range from 16% to 18%, much less than the current tax rate from 35% to 40%. That is why GST is a tax policy that can be accepted by the government for the reform of Korea.

References: