



A STUDY ON AWARENESS OF TAXPAYERS TOWARDS GOODS AND SERVICES TAX (GST) IMPLEMENTATION

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Cite This Article: Dr. K. R. Sakthi Devi, "A Study on Awareness of Taxpayers Towards Goods and Services Tax (GST) Implementation", International Journal of Interdisciplinary Research in Arts and Humanities, Volume 2, Issue 1, Page Number 204-206, 2017.

Abstract:

The President of India approved the Constitution Amendment Bill for Goods and Services Tax (GST) on 8th September 2016, following the bill's passage in the Indian parliament and its ratification by more than 50% of state legislatures. This law will replace all indirect taxes levied on goods and services by the central government and state government and implement GST by April 2017. The implementation of GST will have a far-reaching impact on almost all the aspects of the business operations in India. With more than 140 countries now adopting some form of GST, India has long been a stand-out exception. Accordingly, this study attempts to find out what level of awareness and Satisfaction to GST taxpayers. This study only consists of 150 taxpayers in Coimbatore District. Data collected using questionnaires. The results showed that the level of awareness was moderate and the majority of respondents give a high negative impact towards GST. This eventually causes the majority of respondents did not accept the implementation of GST.

Key Words: Goods and Service Tax (GST), Awareness & Implementation

Introduction:

GST is a value-added tax levied at all points in the supply chain, with credit allowed for any tax paid on input acquired for use in making the supply. It would apply to both goods and services in a comprehensive manner, with exemptions restricted to a minimum. In keeping with the federal structure of India, it is proposed that the GST will be levied concurrently by the central government (CGST) and the state government (SGST). It is expected that the base and other essential design features would be common between CGST and SGSTs for individual states. The inter-state supplies within India would attract an integrated GST (IGST), which is the aggregate of CGST and the SGST of the destination state.

Salient Features of the Proposed GST System:

- ✓ The power to make laws in respect of supplies in the course of inter-state trade or commerce will remain with the central government. The states will have the right to levy GST on intrastate transactions, including on services.
- ✓ The administration of GST will be the responsibility of the GST Council, which will be the apex policy-making body for GST. Members of GST Council will comprise central and state ministers in charge of the finance portfolio.
- ✓ The threshold for levy of GST is a turnover of Rs. 1 million. For a taxpayer who conducts business in a north-eastern state of India the threshold is Rs. 500,000.
- ✓ The central government will levy IGST on inter-state supply of goods and services. Import of goods will be subject to basic customs duty and IGST.
- ✓ GST is defined as any tax on supply of goods and services (other than on alcohol for human consumption).
- ✓ Central taxes such as central excise duty, additional excise duty, service tax, additional custom duty and special additional duty, as well as state-level taxes such as VAT or sales tax, central sales tax, entertainment tax, entry tax, purchase tax, luxury tax and octroi will be subsumed in GST.
- ✓ A provision will be made for removing imposition of entry tax/ octroi across India.
- ✓ Entertainment tax, imposed by states on movies, theatre, etc., will be subsumed in GST, but taxes on entertainment at panchayat, municipality or district level will continue.
- ✓ Stamp duties, typically imposed on legal agreements by states, will continue to be levied.

GST would be levied on the basis of the destination principle. Exports would be zero-rated, and imports would attract tax in the same manner as domestic goods and services. In addition to the IGST in respect of supply of goods, an additional tax of up to 1% has been proposed to be levied by the central government. The revenue from this tax is to be assigned to the origin states. This tax is proposed to be levied for the first two years or a longer period, as recommended by the GST Council.

Review of Literature:

Vineet Chouhan (2017) in this article titled "Measuring Awareness about Implementation of GST: A Survey of Small Business Owners of Rajasthan" the study seeks to evaluate the awareness of the Business owners about GST and the difficulties they would face in case of the current awareness about it. 148 Small business owners were analysed in order to identify the awareness about GST from Rajasthan State and the kind

and extent of relief provided and the implementation of the provisions under the GST law. The study has revealed that there is a lack of awareness amongst the Small business owners regarding the GST and its rules.

Mohamad Ali Roshidi Ahmad (2016) in his paper titled “Awareness and Perception of Taxpayers towards Goods and Services Tax (GST) Implementation” the study attempts to find out what level of awareness and perception to GST taxpayers in Malaysia. This study only consists of 256 civil servants of the secondary school teachers in the area Kuala Kangsar, Perak. Data collected using questionnaires. The results showed that the level of awareness was moderate and the majority of respondents give a high negative perception to the impact of GST. This eventually causes the majority of respondents did not accept the implementation of GST in Malaysia.

Objectives:

- ✓ To know about the demographic profile of the taxpayers
- ✓ To ascertain the level of awareness among the taxpayers

Methodology:

Researcher using quantitative method for collecting the data through questionnaires-based survey to the respondents. The sample size is 150. The data is divided into primary data and secondary data. The primary data is collected by issuing questionnaire. This questionnaire is divided into two sections. The first section comprised of question related demographic information including Gender, Age, Marital Status, Education Qualification, and No. of members in family and Monthly income. For the second section contain question relating to sources of information and awareness about GST. The secondary data is collected from journals, newspapers, websites and magazines.

Analysis and Interpretation:

Table 1: Demographic Profile of the Taxpayers

S.No	Particulars	No. of Respondents	Percent	
1	Gender	Male	60	40
		Female	90	60
2	Age	Below 25 yrs	40	27
		26-30yrs	60	40
		Above 30 yrs	50	33
3	Marital Status	Married	103	69
		Unmarried	47	31
4.	Educational Qualification	Higher Secondary	12	8
		UG	63	42
		PG	55	37
		others	20	13
5	No. of Family members	Up to 3	67	45
		4-5	45	30
		Above 5	38	25
6	Monthly income	Up to 30,000	61	41
		30,001-40,000	56	37
		Above 40,000	33	22
7	Awareness about GST	Highly Aware	27	18
		Aware	68	45
		Not Aware	55	37

Source: Primary Data

From the above table Majority 60 percent of the respondents are Female. Most of 40 percent of the respondents are under the age 26-30 years. Majority 69 percent of the respondents are married. Most of 42 percent of the respondent’s educational qualification is UG. Most of 45 percent of the respondents have up to three members in their family. Most of 41 percent of the respondent’s monthly income is up to 30000. Most of 45 percent of the respondents are aware about Goods and Service Tax.

Table 2: Source of Information about GST

Source	No. of Respondents	Percent
Newspaper	37	25
Television / Radio	47	31
Internet / Website	18	12
Friends/Relatives	15	10
Social Media	12	8
Seminar /Lecturer	10	7
Others	11	7

Source: Primary Data

From the above table 25 per cent of the respondents know about GST through reading the newspaper. The other major sources that helped promulgate GST, in order of their importance, were television or radio 31 percent. Internet (12%), friends (10%), seminar or lecturers (7%), Social Media (8%) and other sources (7%). Other sources include political talks, life in a foreign country, and information from family members. The predominance of newspapers as a source of information on GST was found among all categories of respondents, implying that this medium.

Suggestions:

- ✓ The public also are not well informed on the implementation of the GST. Therefore, in order to ensure efficient implementation of the GST, the government should come out with a proper guideline to the society on the procedures for the implementation of GST.
- ✓ The government may also revise the 6% rate to a lower rate, which may not burden the people.
- ✓ Gradual stages may be employed for the implementation like the agricultural sector, then industrial and then the service sector.
- ✓ The relevant authority especially the Customs Department must work closely with other departments like information department, Inland Revenue and other enforcement authority in order to ensure good implementation.
- ✓ Lastly, the government must ensure a good management of the income collected from the GST.

Conclusion:

The issue of GST is being discussed much recently. Indian Government proposing to implement GST as a tool to increase its revenue and reduce its deficit. An earlier plan by the government was to implement GST in the beginning of April 2017. However this plan was being deferred. Findings of this study shows that the level of awareness among Indians are still relatively low. It could be due to the lack of knowledge or information regarding GST. For this reason, the government should reflect on how to increase the knowledge of GST among citizen. Furthermore, they should put more effort in delivering information and educating the citizen regarding GST, so that the citizen will have positive view about this GST implementation.

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