



"A New Tax System Concept- GST Review"

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Introduction :-

India is known in the world as a federal democracy. The Constitution of India sets out certain rules for public power, authority, responsibility and revenue collection to the Central and State Governments. Taxes are known to be an important source of public revenue when it comes to public taxes. It has a share of direct taxes and indirect taxes, but the share of Indirect taxes in the share of public income is more than the share of Direct taxes. However, as the indirect tax system in the country is more complex and complex, the Central and State Governments abolished many previous taxes and introduced the GST tax system in the 122nd Amendment to the State Constitution with effect from 1 July 2017. As a researcher, I have tried to take a detailed look at this concept from the present research paper titled "**A New Tax System Concept- GST Review.**"

Keywords: -GST, GSTN, Revenue, Central Government, State Government. etc.

Research Objectives: -

- 1) Review of pre-GST tax concept.
- 2) Review of GST concept.

Hypothesis: -

- 1) GST has reduced the complexity of tax collection in the country.
- 2) GST has increased the tax collection of the government.

Research Methods: -

Analytical and descriptive research methods have been adopted for the present research paper which is based entirely on the second instrument. References, newspapers, and reference sites have been used for this Research Paper.

History of G.S.T.: -

France was the first country in the world to levy GST in 1954, followed by Malaysia, New Zealand, Brazil and Canada. GST is levied in more than 160 countries of the world. In India, MODVAT was levied in 1986, CENVAT in 2004 and VAT in 2005. A special session of Parliament was held on the night of June 30, 2017 to implement GST. The President officially announced the introduction of GST around midnight. We are using The Canada country model recommendation by Dr. Kelkar committee. It was announced that GST would be levied on sale, transfer, exchange, rental or import of all goods and services. In our

Country there are seventeen types of Indirect Taxes included in the GST. In short, the concept of GST was tried to simplify and simplify the indirect tax system.

Meaning of GST: -

GST is called in English - **Goods and Service Tax**. GST is a tax levied on purchases of any goods or services. GST is an Indirect Tax. This is a single tax. In the past, many types of taxes existed in the country such as Central Excise Duty, Value Added Tax, Entertainment tax, Additional customs duty, Travel tax, Service tax etc. All these taxes were removed and GST tax was introduced in its place. The concept of "**One Nation OneTax**" has been implemented in India since **July 1, 2017**. Tax rates have been fixed at 0%, 5%, 12%, 18% and 28%. First, the state of Assam agreed to the GST, and lastly Jammu and Kashmir agreed to the GST in the country.

Definition: -

"GST is a tax levied on the sale and purchase of goods and services".

Features: -

1. GST is a form of Indirect Tax.
2. One country one tax, the whole country will be a unified market.
3. Will help in making tax structure transparent.
4. This tax was levied not on production of goods and services but on sale and purchases
5. Central Government and State Government levy GST on goods and services Simultaneously.
6. There are currently 160 countries in the world with GST.
7. Input Tax Credit for all transactions
8. Tax Identification Number (TIN) is given to each taxpayer.
9. France was the first country in the world to introduce this tax in 1954
10. GST is applicable for 1200 goods and 500 services in 10 countries.
- 11 First GST was introduced in France.
- 12 There is no arbitrariness on the part of the taxpayer.
13. Tax will not be levied.
14. GST is a completely online process, etc.

Why apply G.S.T.?

The old rules relating to taxes in the Indian Constitution gave the Central Government the power to levy taxes on the production / manufacture of goods and services. State governments were empowered to levy taxes on the sale of goods. Each set its own tax and tax rates, making it very difficult for small entrepreneurs and companies to handle their rules and regulations. They had to re-tax on taxes, to eliminate this kind of discrepancy in the country and to bring a single tax for all, GST, as a unified law. The tax was levied on both goods and services. The only basis for GST was fixed by removing the confusion of production and sales in the country.

Centre's taxes included in GST: -

Central excise duty, excise duty (medicine and cosmetics), additional excise duty (for special important goods), additional customs duty (CVD), special additional customs duty (SVD), service tax, surcharge of goods and services supply center etc.

States taxes included in GST .: -

State Government Value Added Tax (VAT), Central Sales Tax, Entrance Tax, Tax on Luxury Goods Entertainment and Entertainment Tax, Advertising Tax, Purchase Tax, Lottery, Gambling Tax, State Surcharge and Supply of Goods and Services etc.

Types of GST: -

1) Central Goods and Services Tax (Central Goods Service Tax –CGST)

The Central Government imposes this tax on goods and services produced in the country. This tax comes under the Central Goods and Services Act 2016. The tax is levied and collected by the Central Government, and the tax is levied on the purchase and sale of goods and services operating within the State, which retains the proceeds.

2) State Goods and Services Tax (State Goods Service Tax –SGST)

The tax is levied by the state government on the purchase of goods across the state and retains the recovery revenue. The tax is levied on the purchase and sale of goods and services operating within the state. Or conduct Entertainment tax, State sales tax. Value added tax. Sign in. Cess and surcharge tax has been replaced.

3) Integrated Goods and Service Tax (IGST)

This tax is levied by the central government on goods and services moving from one state to another. The central government collects this tax and distributes the tax collected amount to the states.

4) Union Territory Goods and Services Tax (UTGST)

India has a total of 7 Union Territories (Delhi, Pondicherry, Chandigarh, Dadra and Nagar Haveli, Daman and Diu, Lakshadweep, Andaman and Nicobar). And the recoverable income is kept to them.

Tax rate composition: -

1) 0% tax: -

The GST Council has exempted some essential goods and services from tax e.g. Cereals, essential medicines, milk, curd, butter, eggs, natural honey, jaggery, flour, gram flour, dates, salt, books, newspapers, education services, health services, hotels and old age homes of less than one thousand rupees, etc.

2) 05% tax: -

The usual essential goods and services are taxed at 05%. E.g. Tea, Sugar, Coffee, Milk Powder Cream, Milk Food, Household, Gas, Kerosene, Slippers, Clothes, Cashews, Agarbatti, Bread, Sago. etc.

3) 12% tax: -

These include pickles, ghee, cheese, stored meat packets, dried nuts, almond chutney sauce, fruit juices, sewing machines, mobile phones, business class airfare, and more.

4) 18% tax: -

These include refinements, sugar, pasta, cakes, stored vegetables, soups, ice cream, computers, printers, IT. services. Adi is included.

5) 28% tax: -

The tax is generally levied on luxury goods, luxury goods and services, e.g. Automobiles, motorcycles, punch star hotels, ATMs, private jets, entertainment. Etc.

Benefits of GST: -

The introduction of GST tax system across the country has increased transparency and accountability in the tax system. On the one hand, the government's difficulty in collecting revenue has been removed, while on the other hand, it has proved to be beneficial for traders and consumers as well.

1. Benefits for common people: -

- A) People are exempted from various taxes. Due to the abolition of this type of tax Unnecessary rise in commodity prices will stop.
- B) Poor and People with low incomes are relieved.
- C) As more and more businesses come under GST, the revenue of the government increases Helped to improve the facilities of common people like utility education, health, transportation.

2. Benefits for Professionals: -

- A) The one nation one tax concept eased the tax burden of traders.
- B) Since all tax related documents are online in GST tax system. The need for professionals to make unnecessary, office visits stopped.
- C) The Central and State Governments are giving concessions to encourage small scale industries and small entrepreneurs, which has given them more opportunity to compete in the international market.

3. Benefits for Government and Administration: -

- A) In the past, there were many complications in tax collection from production to sale of goods. Some people did not even come under the tax net.
- B) In earlier tax system the same goods were being sold at different prices in different states. Some people took advantage of this and started smuggling cheap goods from nearby states. Now that the same tax is levied across the country, the price of goods will be the same and smuggling will be curtailed.
- C) The reduction in the number of taxes has reduced the burden on the officers and employees at the Center and in the States. Online registration and tax filing made tax administration and management much easier for governments.

GST Registration Method: -

To register for GST, one can take the help of GST portal launched by Goods and Services Tax Network (GSTN). This facility is available on the website -www.gst.gov.in. When we register for GST, we get a 15 digit numbers, the first two digit are shows the state in which we do Business, then next ten digit numbers are shoes yours PAN Card Numbers, and the last three digit numbers are shows a machine code. This is confirmed by SMS. Receipt number is sent to GST tax holder. As soon as the application is approved, GSTIN is generated.

Conclusion: -

Consumers, producers, entrepreneurs and investors seem to be relieved that the country's formerly complex tax system has come to an end and a nation –like tax system like GST. has been introduced across the country. Online registration has reduced the hassle of handling documents. Tax evaders come into the tax area due to GST. That is to say that GST increased the revenue of the Government and facilitated the work of administration. Of course, no matter how good the GST tax system look, it is equally true that tax evaders in the country are finding new ways every day.

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