

Introduction: the consumers pocket. after gst, all the

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Introduction: Goods and Service Tax (GST) as the name suggests is a tax levied when a consumer buys a good or service. It is meant to be a single, comprehensive tax that will subsume all the other smaller indirect taxes on consumption like service tax, VAT etc. Before GST, apart from the central excise duty or service tax, there were indirect taxes levied at multiple points on every product or service be it VAT/sales tax, Octroi, Luxury Tax etc.

which all added up to pinch the consumers pocket. After GST, all the aforementioned indirect taxes have been subsumed under a single GST tax rate. The GST is the country's largest tax reform in the 70 years of independence and it will help modernize Asia's third largest economy worth US\$ 2 trillion with 1.3 billion people into a single market by bringing in a uniform indirect tax system.

It was introduced as the Constitution (One Hundred and First Amendment) Act, 2016. The concept of GST was originally devised in France way back in 1954 and at present it is being followed by 161 countries in the world. India became the 162nd country in this list. There are basically two systems of GST viz., unified GST and dual GST.

India being a quasi-federal country has adopted the dual structure of GST where tax is imposed by both the union and the states. Therefore, we have three forms of GST in India- the Central GST, the State GST and the Integrated GST. Body: All kinds of taxes in India are imposed by the Union and the state governments. The constitution provides that "no tax shall be levied or collected except by authority of law". Hence, the GST had to be introduced as the Constitution (One Hundred and First Amendment) Act,

2016. The main idea behind bringing of GST was to make India a unitary common market by bringing in one single indirect tax which was to be imposed uniformly all over the nation. The core principle of GST thus is “ One Nation One Tax One Market”.

The expectations of the government, taxmen, economists, industry and other stakeholders' up to the common men are many. The government believes that the former system of indirect taxation had a cascading effect and the introduction of GST has rationalized it. The taxmen believes that many areas of services which were earlier untaxed have now been covered after the introduction of GST thereby expanding the base of taxation. The economists believes that GST has enabled much more than simply redistributing the tax burden from one sector or group in the economy to another. The industry believes that GST provided uniformity of taxes pan India regardless of place of manufacture or distribution thereby providing greater certainty and transparency of taxes. The common man believes that GST has made India a common national market by providing an unbiased tax structure which is business neutral irrespective of the geographical locations.

If the GST is implemented properly, it has got many positive points for the stakeholders. The challenges while implementing GST are also diverse. GST follows a fully online procedure beginning from the registration of assessee to the payment of taxes and it is not so easy for the traditional pen and paper following people. The small and medium sized businesses will have to be gradually adapted to this change by equipping them with the required technical support and trained manpower. Even though it aimed for

simplification of tax structure but the presence of multiple slab rates makes it challenging while actual implementation. The regulatory compliance for the Corporate Sector is going to be a hectic one. They have to file 37 returns (3 returns per month plus one annual return) and that is just for one single state.

The organizations having network of branches across different states of India will have to file multiple returns in state specific manner. The IT infrastructure, MIS, Accounting and ERP Software needs to be updated to incorporate GST in them and the major challenge would be to tactfully and carefully deal with bugs, technological issues pertaining to temporary server problems, blackouts etc. in the GST portal while logging in. The need for GST came out of the necessity of making India a One Market Economy.

The Constitution of India states that, " India i. e., Bharat is a Union of States." The Union is strong only if both the Centre and States are strong. Here comes the concept of Cooperative Federalism. The Indian concept of dual GST is also based on this principle of Cooperative Federalism which is justified by the Constitution of India itself. Government of India's present Chief economic Advisor Mr.

Arvind Subramanian once stated that despite being a single country, it's not a single market. There were too many taxes such as Central Sales Tax on inter-state sale of goods and services and numerous intra-state levies such as VAT, Octroi etc. which ended up in raising the price of the goods.

The end consumer thus ended up in paying higher prices since the sellers could not get Input Tax Credit (ITC) on all the taxes paid by him. This problem has been addressed by GST. The uniformity of tax rates across the country with a system of seamless ITC have lead to a reduction in the compliance costs thereby reducing the costs of production of the indigenously manufactured goods and services and thus the consumer is being ultimately benefited. Not only this but also it has lead to an increase in the competitiveness of the Indian exporters in the global market. In the words of present Finance Minister of India Mr. Arun Jaitley, " Old India was economically fragmented.

New India will create One Tax, One Market, and One Nation. It will be an India where Centre and states work together towards the common goal of shared prosperity."