

A STUDY ON CONSUMER PERCEPTION TOWARDS GOODS AND SERVICE TAX

MINU.C.G., JIJ.K.
ASSISTANT PROFESSOR, PG DEPT. OF COMMERCE,
CCST FOR WOMEN, KARALMANNA

ABSTRACT

Goods and Services Tax is an indirect tax levied on the supply of goods and services, implemented on 1st July 2017. GST has replaced many indirect tax laws that previously existed in India. The aim of the study is to know the consumers awareness towards GST in Cherpulassery Municipality, Palakkad (Dist), Kerala after the implementation in India. The study found that the majority of the consumers are agreed that GST is a simple and transparent tax system and it helps to increase the revenue of the Government.

Key Words: Goods and Services (GST), consumer, perception, CGST, SGST, IGST, CGST Council.

I. Introduction

The tax system in India classified in two, namely Direct and Indirect taxes. Direct taxes are those taxes which are directly paid by individuals to Govt (income tax, Wealth tax, Corporate tax) and indirect taxes are taxes on goods and services (Central and state sales tax, Custom duties, Value added taxes, excise duties etc).

Goods and Services Tax was first introduced in Germany. GST is the most

revolutionary tax reforms in India after independence. It replaces the entire indirect tax system in India. GST was implemented in India on 1st July 2017. GST is an indirect tax levied on goods and services. GST had brought all types of indirect taxes under one umbrella such as Sales Tax, Purchase Tax, Service Tax, Customs Duty, Value Added Tax, Octroi and entry tax, Luxury Tax etc. There are 3 types of GST, CGST- collected by Central Govt., SGST – collected by State Govt. and IGST- for interstate transaction. GST will

remove cascading tax effects. 'Cascading tax effect' means tax on tax i.e. a consumer has to pay tax on tax.

.GST Council as set up to monitor it affairs.

GST council is the main decision – making body that has been formed to finalise the design of GST, consisting of union finance minister, the chairman of the council the minister of the state (Revenue) and the State Finance/Taxation Ministers. GST council make recommendation to the Union and the States. GST Tax slabs are 5%, 12, 18%, and 28%. GST rates is not applicable to some goods and services such as sanitary napkins, fortified milk, fruits, vegetables, bread, salt, bindi, curd, natural honey, eggs, newspapers, printed books.

GST Tax Slab of 5% It includes frozen vegetables , coffee, tea, spices, kerosene, ayurvedic medicines, agrarbtti , insulin, cashew nuts, small restaurants along with transport services like railways and airways etc.

GST Tax Slab of 12% . It includes butter,cheese, ghee, pickles, fruit juice, tooth powder, umbrella, medicines, ell phones, movie tickets priced under Rs. 100, Restaurant

whose bill of hotels less than Rs.7,500.

GST Tax Slab of 18%. It includes detergents, washing and cleaning preparations, pumps ,fans , chocolates, ice creams, washing powder, Refrigerator, televisions (up to 68 cm) marbles and granite, physical exercise equipments and their parts, video games ,tyres etc

GST Tax Slab of 28% .Goods like pan masala , paint ,cement, automobiles, motorcycles and services like five star hotels actual bill of hotel above Rs. 7500, movie tickets, racing etc.

Benefits of GST

1. The main aim of GST is eradicating the cascading effect of tax on the transactions of goods and services.
2. Reduce inflation
3. Levying a uniform tax rate on all products and services
4. Simplified tax policy
5. Control black money
6. Removal of current multiple tax system such as VAT, CST, Service Tax, Excise Duty
7. Boost up the Indian economy in future.

II LITERATURE REVIEW

Schrawat M. And dhandha,U(2015)

According to their study GST is a simple and transparent tax system which will help to create the employment opportunities and increase the GDP of the Indian economy by 1%-1.5%

Kaur J (2016) A Study on impact of goods and service tax in India. According to her study there will be a positive and negative impact of GST in India. She said that prices of the some commodity will decrease and prices of some commodity will increase.

Rajesh (2017)¹ found that implementation of GST will help to increase the revenue of Central and state govt.

Modi (2017)² had the opinion that GST implementation would have a negative impact of common man because GST may leads the service expensive.

Shokeen ,Banwari, and Singh (2017)³ express that GST will leads to reducing the price of product and increasing the revenue of the government.

I. Objective of the study.

1. To study the consumers perception towards GST
2. To study the concept of GST in India
3. To study the consumers awareness towards GST

HYPOTHESIS

H₀: There is no significant difference between education and perception towards GST

H₁: There is significant difference between the education and perception towards GST

II. Research Methodology

The data for the study been collected from both primary and secondary sources. Primary data was collected by using questionnaire and schedules from 40 respondents from Cherpulassery municipality. The secondary data was collected from various sources like journals, Magazines and web site etc. The sample size for the study is 40 respondents.

III ANALYSIS AND INTERPRETATION

TABLE 1 SOCIO-ECONOMIC DETAILS

Sl. No.	Particulars		No. of Respondents	Percentage
1	Gender	Male	30	75
		Female	10	25
		Total	40	100
2	Age	Below 25	10	25
		25-40	20	50
		Above 40	10	25
		Total	40	100
3	Education	Primary Level	5	12.5
		Secondary Level	5	12.5
		UG	20	50
		PG	10	25
		Total	40	100
4	Occupation	Govt. Employee	5	12.5
		Private Employee	10	25
		Business	20	50
		Any Other	5	12.5
		Total	40	100
		5	Income Level	50000-100000
100000-200000	10			25
200000-300000	20			50
Above 300000	5			12.5
Total	40			100

Out of 40 respondents, 75% of respondents are male and 25% are female. 25% of respondents are below 25 years of age, 50% are between 25-40

Age and 25% are above 40 years of age. 50% respondents are UG holders and 25% are PG holders. 25% respondents are working in a private sector

and 50% are business rupees 2 ,00,000-3,00,000
 man.50%respondents are income level.

Consumer’s perception on GST

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
GST is simple	40	1.00	5.00	3.6750	1.30850
Increased legal	40	1.00	5.00	3.1500	1.14466
GST difficult	40	1.00	5.00	3.3250	.97106
GST increase price	40	1.00	5.00	3.4750	1.44980
Increase Tax	40	1.00	5.00	3.6750	1.11832
Increase Revenue	40	1.00	5.00	3.4750	1.37724
Valid N (listwise)	40				

From the above analysis we found that the majority of the respondents are agreed that GST is a simple and transparent tax system than multiple tax system.

From the table we found that majority of the respondents are neutral regarding GST has increased the various legal

formalities; GST is very difficult to understand.

From the study we found that majority of the respondents are agreed that GST has increased the price of the products and services, GST has increases tax burden of people and increases the revenue of the government.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
GST is simple	Between Groups	58.675	3	19.558	86.926	.000
	Within Groups	8.100	36	.225		
	Total	66.775	39			
Increased legal	Between Groups	44.950	3	14.983	87.707	.000
	Within Groups	6.150	36	.171		
	Total	51.100	39			
GST difficult	Between Groups	26.925	3	8.975	32.802	.000
	Within Groups	9.850	36	.274		
	Total	36.775	39			
GST increase price	Between Groups	55.450	3	18.483	60.767	.000
	Within Groups	10.950	36	.304		
	Total	66.400	39			
Increase Tax	Between Groups	39.425	3	13.142	50.599	.000
	Within Groups	9.350	36	.260		
	Total	48.775	39			
Increase Revenue	Between Groups	67.825	3	22.608	132.341	.000
	Within Groups	6.150	36	.171		
	Total	73.975	39			

From the above ANOVA table it is clear that there is significant difference in the perception From statement of GST like GST is a simple and transparent tax system than multiple tax system,GST has increased the various legal formalities,GST is very difficult to understand,GST has increased

From the above ANOVA table it is clear that there is significant difference in GST perception statements of GST like GST is a simple and transparent tax system than multiple tax system. GST has increased the various legal formalities, GST is very difficult to understand, GST has increased the price of the product and services, GST has increased the tax burden of the people and GST increases revenue of the government based on education. From the analysis we found that there is a significant difference between education and perception towards GST. So we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1) of the respondents

V Results and Discussions

1. It is found that 75% of the respondents are male and rest are female
2. It is found that 50% of respondents are age between 25-40
3. Half of the respondents 50% are UG qualification
4. Majority of the respondents are business man
5. 50% of the respondents are earning an annual income ranging from Rs.200000-300000
6. 20(50%) of the respondents are agreed that GST is a simple and transparent tax system than multiple tax system
7. The majority of the respondents 15 (37.5%) are neutral regarding an
8. From the analysis majority of the respondents 20(50%) are neutral regarding GST is very difficult to understand, 10 (25%) are agreed that GST is very difficult to understand, 5 (12.5%) are strongly agreed, 3 (7.5%) are disagree, and 2 (25%) are strongly disagree.
9. From the analysis majority of the respondents 20(50%) are agreed the GST has increased the price of products and services, 5 (12.5%) are strongly agreed, 3 (7.5%) are neutral, 4 (10%) are disagreed, and 6(15 are strongly disagree.
10. From the above table we found that the majority of the respondents 15 (37.5%) are agreed that the GST has increased the tax burden of people, 10(25%) are

strongly agreed, 9(22.5%) are neutral, 4 (10%) are disagree and 2 (5%) are strongly agree.

11. 15 (37.5%) of the consumers agreed that GST has increased revenue of the government, 10(25%) are strongly agreed, 5(12.5%) are neutral, 6 (15%) are disagree, and 4 (10%) are strongly disagree.

CONCLUSION

To conclude, Goods and Service Tax (GST) is considered as an important tax reforms in India after independence. As we are in the initial stage of GST, it will takes more time to positively impact in our economy. GST will help to reduce price of products and services in future and will reduce inflation rate of our country. GST will increase GDP growth of our country in future and will increase the revenue of the Govt.

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