



An Analysis of the Impact of GST (Goods and Services Taxes) in India

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ABSTRACT:

The country's most ambitious and determined economic restructuring since LPG is now a reality. The country has introduced a new-fangled and unvarying indirect tax system- GST – Goods and Services tax along the length and breadth of the country and it came into effect from July 1, 2017. All indirect taxes collected by state government and central government have been replaced by a single unified tax GST. After the midnight launch of GST, Prime Minister coined a new phrase for GST – Good and Simple Tax. Later he announced that GST will unify India economically. Though it is called as Simple tax by Prime Minister of India complexity of the final tax structure has been the matter of debate all through the country. Many find it difficult to take hold of the system completely, and had a hard-hitting time in understanding the revise tax structure. GST has been lauded for many reasons by many; dissatisfaction has been reflected by many strikes day before and day after the launch. It is believed by the government and people that GST will put an end to corruption and black money. This also put an end to tax terrorism, the cascading effect of tax. It also benefits the economy in various means such as; it will create a unified National market, make India a manufacturing hub, boost investment and exports and generate more employment through many economic activities. This in turn benefits the customer in number of ways that includes customers can avail the product and service at lower price , the purchasing power of the buyer will increase, demand will increase and production will increase. All these benefits have an impact on GDP which may increase by 1% to 3% according to experts. India accounted 7.1 % growth till the March quarter, 2016-17. This paper presents on overview of GST concept and more focussed on GST impact on the Indian Economy

Keywords: Economic reconstruction, Indirect Tax, Tax terrorism, LPG, GST, GDP