

PERCEPTION ON THE GOODS AND SERVICE TAX (GST) IN INDIA WITH SPECIAL REFERENCE TO PALAKKAD DISTRICT, KERALA - INDIA

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ABSTRACT

Value Added Tax (VAT) which came to India was considered an initial step to reformations in the existing Tax regime in India. An updating was seen by the Central excise duty at the federal level along with the earnings tax system at the State level. The Goods and Services Tax (GST) will be an improvement to the preexisting system and significant reform to keep up with the taxation regimes all around the world. The First Discussion Paper from the Empowered Committee of the State Finance Ministers on 10.11.2009, proposed the present "Double GST" system in India. The system proposed to permit the Centre and the State to enforce the taxes. GST was a change and so as to prevent the payment of taxes India had to be part of it. The new system envisaged a unification of several taxes and duties to create a uniform tax system throughout the country.

KEYWORDS: Goods and Services Tax (GST), Value Added Tax (VAT), Perception, Knowledge, Understanding & Application Skill

INTRODUCTION

'Tax' has been term associated from time immemorial. References to a system of taxation can be found in ancient Egypt and Rome In the span of Manu Smriti and Arthasastra, taxation has its origins in India. The taxation system's cornerstone is the concept of social wellbeing that is maximum. The term 'Kara' was mentioned in Manu's novels. Some of the Substantial indirect taxation that occurs in India comprise Central Sales Tax, Central Excise Duty, Value Added Tax, Customs Duty, stamp duties and cost tax

In Order to prevent the payment of taxes like excise duty and assistance Service Tax (GST) suggested to unite these taxations and creates a standardized taxation Regime around the nation. A review of past studies suggests numerous research works into conceptualizing and debating the nature and applicability of GST with elaborate studies made into the methodologies, implementation, and impact of the new regime. To mention some of the noteworthy studies on GST are undertaken by Chrisholm et al. (1990), Ruggeri & Bluck (1990), Valadkhani (2005), Dickson & White (2008), Vasanthagopal (2011). However, very little literature is found enquiring into the opinion of the tax department staff and tax practitioners about the GST to be implemented in India.

Dani, "A Research Paper in an Effects of Products and Service Tax (GST) on Indian Market". This paper is an effort to examine the effect of Services and Goods Tax. The research concludes that before the consensus is attained, the authorities should resist from executing regime.

Khurana, A., & Sharma, A. (2016). "Favorable reform for indirect taxation system". The newspaper highlights goals of this GST, the background and also the effects of GST. It concludes that GST demands efforts of all stakeholders State and Central Government, commerce and business and has a positive effect on several businesses.

CCS National Institute of Agricultural Marketing (2015),"GST: Its consequences on National Agricultural Market". There's a need for clarity on exemptions available under SGST and CGST. The GST connected implementation of NAM envisages flow of goods across States resulting in transparent and aggressive rates.

OBJECTIVE

The study aims at analyzing the extent of knowledge, understanding, application skill of GST among tax department staff and tax practitioners and to evaluate the perception of tax department staff and Tax practitioners regarding GST.

HYPOTHESIS

H_{01} : The opinion of all respondents on GST at the knowledge level is equal to average.

H_{02} : The opinion of all respondents on GST at the understanding level is equal to average.

RESEARCH METHODOLOGY

The analysis is descriptive in character. It studies the understanding of taxation department personnel and taxation professionals regarding the Goods and Service Tax (GST) in India with particular reference to Palakkad District in Kerala, India. Data is collected from both primary and secondary sources. The data is collected through structured interview schedules. The sample consists of employees from both Central and State Excise and tax practitioners (chartered accountants/tax consultants) in Palakkad District.

Table 1: Sampling Design

SI No	Category	Number
1	Central Board of Excise and Customs	30
2	Commercial Tax Department,	30
3	Tax Practitioners	60
Total		120

Percentage Analysis is used to interpret the categorical variables. Tables are used for the presentation of data. To test the hypothesis framed One Sample T-test is used.

RESULTS AND DISCUSSIONS

This study attempts to find out the current status in terms of Knowledge, and Understanding, on GST among Tax facilitators.

Table 2: Respondents Current Status in Terms of Knowledge, and Understanding, with Respect to GST

Opinion	No	Percent (%)
Requires more Training Classes	61	50
Aware of all aspects related to GST	0	0
Still in confusion	42	35
Lack of Proper Knowledge	17	15
Total	120	100

Source: Primary Data

Interpretation

Table 2 reveals that the majority (50%) of the respondents say they require more training classes relating to GST. 15% firmly believe they lack proper knowledge relating to GST and none of them vouch that they are aware of all aspects relating to GST.

H_{01} : The opinion of all respondents on GST at the knowledge level is equal to average.

Table 3: Knowledge Regarding GST

Sl No	Statements	Mean	Std Deviation	t value	p value
1	The knowledge level of GST has increased since it was first publicized in 2007-08	3.66	0.893	8.072	<0.001**
2	GST is likely to increase the revenue of center and state	3.52	0.686	8.253	<0.001**
3	GST is likely to increase voluntary compliance	3.55	1.401	4.299	<0.001**
4	GST can be incorporated with Unique Identification Number (UID)	3.58	1.400	4.498	<0.001**
5	GST is capable of being linked to Permanent Account Number (PAN)	3.58	1.400	4.498	<0.001**
6	More clarity in inter-state transactions are possible through GST	2.64	1.143	-3.433	<0.001**
7	The current system for adjudication of disputes is adequate for implementation of GST	3.59	1.411	4.593	<0.001**
8	Current tax evasion measures are adequate even in GST	3.30	1.510	2.177	0.031*

Source: Computed data, ** Indicate significance at 1% level * Indicate significance at 5% level

Interpretation

The table 3 shows that p-value is less than 0.01 (1%) for all statements except statement 8, so the null hypothesis is rejected at 1% level with regard to Knowledge related factors of GST except statement 8. For statement 9 since the p-value is greater than 0.01 (1%) the null hypothesis fails to be rejected at 1% level but the p-value is less than 0.05 (5%) for statement 9, so the null hypothesis is rejected at 5% level also.

H_{02} : The opinion of all respondents on GST at the understanding level is equal to average.

Table 4: Understanding Level of GST

Sl No	Statements	Mean	Std deviation	t value	p value
1	There should be a standardized tax system in the country	4.58	1.001	17.230	<0.001**
2	Audit procedures are effective under the new GST system also	3.33	0.748	4.879	<0.001**
3	Minimum tax evasion under GST	3.99	1.319	8.237	<0.001**
4	GST must be separated for both the Centre and State	2.96	1.411	-0.324	0.747*
5	GST does not permit implementation on the same lines as VAT	2.82	1.478	-1.359	0.177*

Source: Computed data

Interpretation

The table 4 shows that for statements 1, 2, & 3 since the p-value is less than 0.01 (1%), so the null hypothesis is rejected at 1% level with regard to the understanding level of GST among respondents. Since the p-value for statements 4, & 5 are greater than 0.05 (5%), so null hypothesis fails to reject at 5% level.

CONCLUSIONS

The benefits of GST is likely to bring to India a manifold. The study revealed that GST is a better indirect taxation system and most respondents want GST to function in its full-fledged form as soon as possible. The findings of the study revealed that in the opinion of tax department staff and tax practitioners they have to improve in their knowledge and understanding of GST as they have to act as facilitators of tax. However, it requires a lot of preparation and training both at the implementation level and knowledge level. The seems to persist at present confusion in the minds of tax department personnel, tax practitioners and taxpayers. There is a need to increase the knowledge and skills of the stakeholders to ensure its successful implementation and ensure the ultimate goal of revenue collection.

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