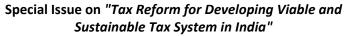
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## Impact of GST on various sectors in India

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#### **Abstract**

Every Nation follows a well structured tax system for their masses. Indian economy also have a well defined and organised tax system. Tax plays very important role in in any economy. As it is a prime most source of revenue to the government. Government utilizes the amount of taxes for the development of a country through various projects, plans and schemes. The entire tax system is under the control of Central Government, as Central Government plans and determine the tax structure, which is to be implemented with the help of state government along with local bodies like Municipal corporations.

Keywords: tax system, revenue, central government.

#### Introduction.

The Reform of India's indirect tax was started from 1986. Since 1999 many reformers and economist tried to bring out and implement GST in India. But it was launched on 1<sup>st</sup> July 2017 by the government of India. It was Deemed to be a milestone in an Indian economy. GST is an indirect tax, which is collected from supply of goods and services. GST is meant to substitute existing indirect taxes from the country. The tax rate slabs and rules are given by GST Council, which comprises finance minister of the Central Government and all the states. However electricity, alcoholic drinks, and petroleum products are taxed by respective state government.

#### **Review of Literature.**

Dr Namita Mishra (2018), concluded in her study that, "Implementation of GST bring various positive changes in an Indian economy. As it leads to increase in FDI and new startups."

Dr P Vijayaraghavan and Mr Muhammad Unais (2017), Wrote in their study that, "GST is a uniform tax system for nation, which helps to reduce tax credit, overtax burden and double taxation problem."

Minakshi Bindal and Dinesh Chand Gupta (2018), concluded in their study that, "GST will bring transparency in tax system, which provides benefit to general public along with government."

## Objectives of the study.

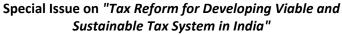
- 1. To Understand tax system in India.
- 2. To know the GST structure in India.
- 3. Examine impact of GST on various sectors.

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4. To know the challenges of GST in India.

## Methodology of the Study.

The study is based on secondary data. All the data have been collected from journals, annual reports, newspapers etc.

## Types of GST.

## 1. Central Goods and Service Tax.

Central goods and Service Tax is charged on the intra State supply of goods and services.

#### 2. State Goods and Service Tax.

State goods and Service Tax is charged on the supply of goods and services within the states.

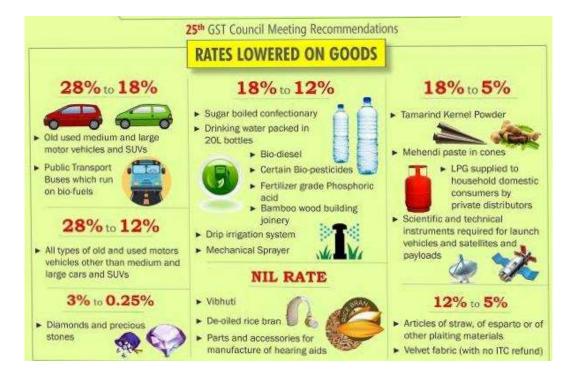
## 3. Integrated Goods and Service Tax.

Integrated goods and Service Tax is charged on interstate supply of goods and services.

## 4. Union Territory Goods and Service Tax.

Union Territory goods and Service Tax is charged on supply of goods and services in any Union Territories of the nation.

#### **GST Rates.**

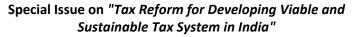


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#### **Benefits of GST**

- 1. Removal of cascading effect.
- 2. Increase in production of goods and services.
- 3. Increase in the consumption of goods and services.
- 4. Increases the government revenue.
- 5. Reduces the burden of final taxpayer's.

### Challenges of GST.

- 1. Impact on prices of goods and services due to comprehensive nature.
- 2. Lack of infrastructure to implement GST.
- 3. Increase in operating cost.

## Impact of GST on various sectors in India.

### 1. Fast Moving Consumer Goods.

The rates of GST for fast moving consumer goods is 18 to 20% which leads to increase in prices of such goods.

## 2. Transportation.

For air travel and cab rates has been lowered to 5%. Which develop tourism industry.

#### 3. E-Commerce.

Post-GST, E-Commerce operators collect 1% of the net value of taxable supplies; which is called tax collected at source (TCS).

## 4. Entertainment and Hospitality Sector.

The rates of the sector is falls under the category of 28%. As a movie tickets and Hotel rates will be costlier to stop

#### 5. SEZ

economic zones have benefited under the GST system, from 10 tax rate

#### 6. Real Estate Sector.

Because of implementation of GST sector becomes more transparent.

#### Conclusion.

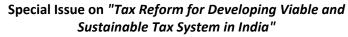
'One Nation, One Tax, One Market' place very vital role in Indian economy. As, it leads to increase in production activity and also the consumption of goods and services. Because of reduction in the burden of final taxpayers. it also brings transparency in the real estate sector. It attracts Foreign Direct Investment, that leads to development of industrial sector and creation of employment opportunity in an economy. This tax system is milestone in Indian economy for sustainable development.

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