

## **ATTITUDE OF PUBLIC TOWARDS GOODS AND SERVICE TAX**

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***Abstract :** GST is a revolution in the field of taxation. It is a new face of VAT, which gives a widespread setoff for input tax credit and subsuming many indirect taxes from state and national level. This new system of tax will pave way for a one-country one-tax regime and lead to a single unified market across 29 Indian states. The new tax system is not only seen as the main source of revenue for the government, but it is also expected to change the way how the retail traders do their business and comply with the tax slabs. Even though the whole country, be it policy makers in the Parliament, trade and businesses or common man have been debating about the introduction of GST as a new system of taxation that will replace existing value added tax system in the country, there are some sections of the society that are still not aware of it. Hence, this study put an effort to check the level of awareness among public and the issues faced by them in the implementation of GST. The Malappuram district has been selected as the population and 60 samples were selected for the study. For analysis purpose the sample is divided into 3 categories namely business persons, professionals and laymen. The results revealed that these categories do not differ in their awareness level and opinion on issues faced in the implementation of GST.*

**Keywords :** *Attitude, Goods and Service Tax, Tax Structure, Value Added Tax.*

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## INTRODUCTION

A tax is a mandatory financial charge or some other type of levy imposed upon a taxpayer (an individual or other legal entity) by a governmental organization in order to fund various public expenditures. A failure to pay, or evasion of or resistance to taxation, is punishable by law. Taxation system of India had a long history starting from introduction of Jizya by Aurengzeb to new born GST. Introduction of the Value Added Tax (VAT) at the Central and the State level has been considered a major step in the globe of indirect tax reforms in India. If the VAT is a major improvement over the pre-existing Central excise duty at the national level and the sales tax system at the State level, then the Goods and Services Tax (GST) will indeed be an additional important perfection – the next logical step – towards a widespread indirect tax reforms in the country. In India, Goods & Services Tax (GST) would be a comprehensive tax to be levied on manufacture, sale and consumption of goods & services. GST is one of the biggest tax reforms in the country post-independence which will integrate all the state economies and boost overall growth. GST would introduce a uniform taxation law across states and different sectors in respect to indirect taxes, which would make supply of goods and services, hassle free throughout the country.

### Goods and Service Tax

GST stands for “Goods and Services Tax”, and is proposed to be a comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as services at the national level. Goods and Service was introduced in India on 1 July 2017. Its main objective is to consolidates all indirect tax levies into a single tax, except customs (excluding SAD) replacing multiple tax levies, overcoming the limitations of existing indirect tax structure, and creating efficiencies in tax administration. The GST shall have two components: one levied by the Centre (referred to as Central GST), and the other levied by the States (referred to as State GST). Rates for Central GST and State GST would be approved appropriately, reflecting revenue considerations and acceptability. This new tax structure will help in removing economic distortions, promote exports and bring about development of a common national market which in turn would definitely give a boost to India’s tax-to-

gross domestic product ratio and thus help in promoting economic efficiency and sustainable long term economic growth.

## REVIEW OF LITERATURE

**(Dr. Ramesh R Kulkarni, n.d.)** studied the awareness and preparedness about GST among Retailers. He is of the opinion that most of the people are aware about GST but the preparedness for GST is very low. Some retailers are hesitant to change. This study suggests the govt. to implement more campaigning programme for making awareness among taxpayers.

**(Mohd rizal palil, n.d.)** studied the impact of GST on middle income earners. The study summarise that public are expecting a 4% hike in price of goods if the GST is implemented. Less information is provided by the government to public. The govt. c should take necessary steps to make public aware about the positive impact of GST.

**(Vineet Chouhan, n.d.)** measured the awareness among small business owners about the implementation of GST. The study reaches at a conclusion that the awareness about GST is lower among small business owners. At the same time they are ready to take attend training programs. Majority of the public are not ready to accept the implementation of GST.

## STATEMENT OF THE PROBLEM

GST will be a game changing reform for the Indian economy, as it will create a common Indian market and expected to reduce the cascading effect of tax on the cost of goods and Services. It will impact the tax structure, tax incidence, tax computation, tax payment, compliance, credit utilisation and reporting, leading to a complete overhaul of the current indirect tax system. Not only business decision but also the family budget decision is going to be influenced by GST. The structure of GST rates, the process of Taxation, the benefit of GST, everything has been elaborated by the govt. to the public including retailers, business persons, employees and laymen. We have been in the 5<sup>th</sup> months on implementation of GST in our economy. However certain questions remain unanswered. Certain chaos exists in the mind of laymen which is neither described nor cleared by the government. The retailers are in confusion on pricing of products and rate of GST to be charged on the products and services. The govt. had given enough time for the retailers to sell off

their existing stock at the previous prices, but they are exploiting this opportunity by selling the products at GST rate. Whatever reforms are implemented, they are increasing the tax burden of public. The manufacturers and retailers are getting profit. Hence a detailed study has to be conducted in order to check the awareness level of public towards GST. In this study we attempt to find answers to certain questions they are:

- What is the level of awareness about GST among public?
- Does the public face any issues by the implementation of GST?

## OBJECTIVES

1. To assess the public awareness on GST
2. To know the issues public have faced after the implementation of GST

## RESEARCH METHODOLOGY

The study mainly seeks to measure public awareness about GST. Descriptive data analysis techniques are employed to analyse the data collected from the primary sources through a sample survey. A questionnaire is designed having 11 Variables exploring the level of awareness and issues on implementation of GST. The Malappuram district has been selected as the population. 60 samples were selected. For analysis purpose the sample is divided into 3 categories namely business persons, professionals and laymen.

For this study, convenience-sampling method is used.

## ANALYSIS AND INTERPRETATIONS

**Table.1**

### Analysis of sample demographics

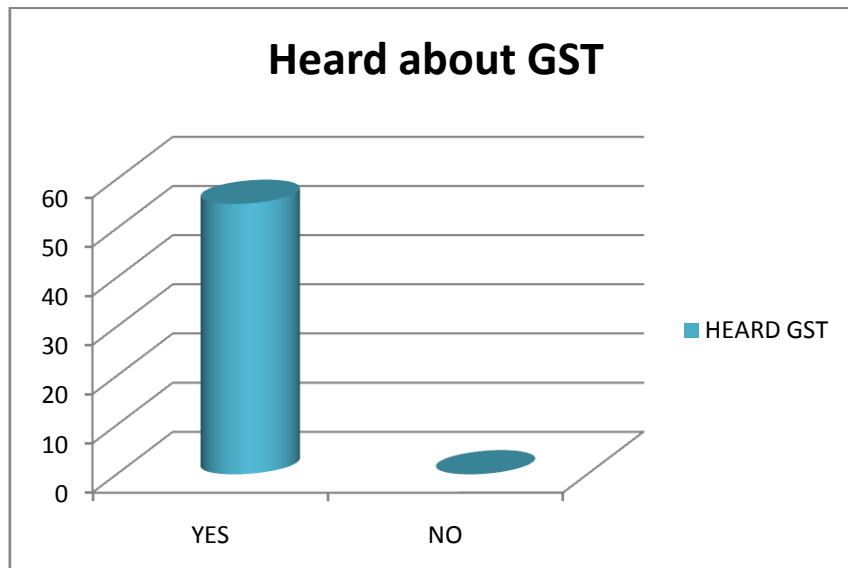
Characteristics	Category	Frequency	Percentage
Gender	Male	36	65.5
	Female	19	34.5
Marital Status	Married	26	47.3
	Single	29	52.7
	Other	0	0

Education	Below sslc	2	3.6
	Sslc/plus two	7	12.7
	Diploma	3	5.5
	Graduate	12	21.8
	Post graduate	23	41.8
	Professional	8	14.5
Income	Below 10000	21	38.2
	10000-20000	8	14.5
	20000-30000	9	16.4
	Above 40000	17	30.9
Age	Below 20	1	1.8
	21-40	46	83.6
	Above 40	8	14.5
Category Of Public	Business person	7	12.7
	Professional	20	36.4
	Laymen	28	50.9

Most of the respondents lie in the category of laymen. Male respondents are dominating gender wise. Majority of the respondents are in the age category of 21-40.

**Graph.1**

Heard about GST



All of the respondents have heard about GST.

**Table.2**

Respondent's opinion on awareness about GST

Variables	Not aware	Partially aware	Fully aware	Mean	Std.deviation
Replace vat, excise duty & service tax	18.2	20	61.8	2.44	0.788
Indirect tax	12.7	20	67.3	2.55	0.715
Different tax rates	5.5	23.6	70.9	2.65	0.584
Additional cess	36.4	27.3	36.4	2	0.861
Some products have no tax	20.0	25.5	54.5	2.35	0.779

From the table no.2, it is clear that , most of the people are fully aware about the GST and features of GST. However when we look at the mean of each variable, it can be asserted that public are somewhat partially aware about additional cess of 5% on luxury products. Awareness regarding different tax rates are high among respondents surrounded by indirect tax , replace VAT and no tax for some products.

**Table.3**

## Test results on overall awareness

<b>Hypothesis</b>	<b>Test</b>	<b>Probability</b>	<b>Accept/ reject</b>
Ho: there is no significant difference in total awareness between various categories.	One way ANOVA	.710	Ho accepted
Ho: : there is no significant difference in total awareness among gender	Independent t test	.048	Ho rejected
Ho: : there is no significant difference in total awareness between education	One way ANOVA	.131	Ho accepted
Ho: : there is no significant difference in total awareness between age	One way ANOVA	.818	Ho accepted
Ho: : there is no significant difference in total awareness between income	One way ANOVA	.572	Ho accepted

From the analysis of total awareness of people about GST, it is clear that only difference exist in the case of gender. The level of awareness of GST among all other groups like education, category of people, income and age are equal.

**Table.4**

## Opinion on issues in GST implementation

Table No.4 exhibits the frequency, mean and standard deviation of respondents who showed agreement and disagreement towards the issues faced during the implementation of GST . It is seen that the majority of the respondents agree with the issues faced, since all the mean value lies near to 3 and no mean value falls below

Variables	Agree	Neutral	Disagree	Mean	Standard deviation
Old stocks sold off at GST rates	65.5	20.0	14.5	2.52	0.738
Uncertainty among retailers	76.4	18.2	5.5	2.71	0.567
Tax rates has increased	70.9	25.5	3.6	2.67	0.546
Insufficient homework before implementation	63.6	29.1	7.3	2.56	.631
Inadequate supply of information by government	63.6	23.6	12.7	2.51	0.717
Prices gone beyond MRP	45.5	36.4	18.2	2.27	0.757

2. A major part of the respondents agree that there is uncertainty among the retailers regarding the price of the product as their mean value is 2.71 with a low standard deviation of 0.54.

**Table.5**

Test results on issues

Hypothesis	Test	Probability	Accept/reject
Ho: there is no significant difference in issues faced among different categories	One way ANOVA	0.442	Accept Ho
Ho: There is no significant difference between education and issues faced.	One way ANOVA	0.231	Accept Ho
Ho: There is no significant difference in issues faced among different age classes	One way ANOVA	0.281	Accept Ho
Ho: There is no significant difference between income and issues faced.	One way ANOVA	0.635	Accept Ho
Ho: There is no significant difference between Gender and issues faced.	Independent T test	0.11	Accept Ho



Table No.5 Shows results of the tests conducted to study the significance of difference between issues faced by respondents and different demographic variables. The results indicate that the null hypothesis is accepted in all the cases as the significant value lies above 0.05. Hence it can be concluded that total issues faced by the respondents and the demographic variables like age, gender, education, income and categories are independent.

## **FINDINGS AND CONCLUSION**

The present study throws light upon the new implemented game changer, GST in the tax system of India. The results reveal that all of the respondents have heard about GST. Most of the people are fully aware about the GST and features of GST. While analysing the difference in overall awareness of people based on demographic variables, it is found that male and female differs in their awareness level about GST.

The main focus of the study was analysing the opinion of three categories namely, business person, professionals and laymen about GST. There is no significant difference in the level of awareness among three categories on GST and its components. While analysing the issues of GST, It is seen that the three categories do not differ in their opinion regarding the issues followed in line with the implementation of GST. Among the issues, the uncertainty among the retailers regarding the price of the product is the crucial one to be addressed by the Government.

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