

A Study on Public Awareness towards Goods and Services Tax (Amendment) Bill in Sivakasi Region

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Abstract - Goods and Service Tax GST is all set to be a game changer for the Indian economy. The tax is expected to reduce the concept of 'tax on tax', increase the gross domestic product of the economy and reduce prices. In India, there are different indirect taxes applied on goods and services by central and state government. GST is intended to include all these taxes into one tax with seamless ITC and charged on both goods and services. For the introduction of GST, the Government needs to get the Constitution Amendment Bill passed so that the proposed objective of subsuming all taxes and allowing states to tax subjects in Union list and vice versa is achieved. Without these powers, it is not legally possible to move towards GST. Conceptually GST is expected to have numerous benefits like reduction in compliances in the long run since multiple taxes will be replaced with one tax.

It is expected to bring down prices and hence the inflation since it will remove the impact of tax on tax and enable seamless credit. It is expected to generate revenue for the country as the tax base will increase as the GST rate will be somewhere around 27% with both goods and services covered. It is also expected to make exports from India competitive and India a preferred destination for foreign investment since GST is a globally accepted tax. Unless the issues relating to GST has been overcome, the GST would become a bare wall without any scripts to describe in future.

I. INTRODUCTION

"Goods and Services Tax" would be a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India, to replace taxes levied by central and state governments. Goods and Services Tax would be levied and collected at each stage of sale or purchase of goods or services based on the input tax credit method. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services as part of their normal commercial activity. Taxable goods and services are not distinguished from one another and are taxed at a single rate in a supply chain till the goods or services reach the consumer. Administrative responsibility would generally rest with a single authority to levy tax on goods and services.

II. STATEMENT OF THE PROBLEM

The new GST (Amendment) Bill is yet to be ratified by all the states of India and is yet to be passed by the Parliament of India. Since there is a dilemma in the GST (Amendment) Bill, there is a lack of awareness among the general public. Even the professionals in the Indian Financial System are facing problems of clarity in the concepts of GST. Therefore, it is the need of the hour to have a study on the public awareness towards GST (Amendment) Bill.

III. OBJECTIVES OF THE STUDY

The following are the objectives of the study:

1. To have an overview about the new GST Bill in India.
2. To have a study on public awareness towards GST (Amendment) Bill.
3. To provide suggestions based on the findings of the study.

IV. REVIEW OF LITERATURE

The following review of literature has been studied:

Nor Iza Biniti Ishak et al., in their article "Students' perception towards the newly Implemented goods and Services Tax (GST) in Malaysia" explained that the majority of the students disagree with the methods taken to implement the GST and also taxation is the main source of revenue for the government.

Noormahayu Binti Mohd Nasir et al., in their article "public Awareness towards Goods and Services Tax (GST) in Kuala Lumpur, Malaysia" explained that the key factor that has contributed to the public awareness towards Goods and Services Tax (GST) in Kuala Lumpur and also revealed that all of three independent variables were found to have significant impact towards the publics' awareness on goods and services Tax (GST).

Mohd Rizal Palil and Mohd Adha Ibrahim in their article "The impact of Goods and Services Tax (GST) on Middle

Income Earners in Malaysia”, explained that the overview on consumer readiness, perceptions and acceptance of GST in a developing country, particularly in Asian countries that were previously under researched.

V. NEED FOR THE STUDY

There are many research projects regarding the students’ perception towards GST, Public Awareness, Impact of GST and so on. “A Study on public awareness towards Goods and Services Tax (amendment) bill in Sivakasi Region” is an untouched topic, hence the present study has been undertaken to fill up that gap.

VI. METHODOLOGY

The research was based on both primary data and secondary data. Primary data was collected by using questionnaire and

secondary data have been collected from journals, websites and so on. The researcher was not possible to study the entire population of Public Awareness about GST in Sivakasi. So the researcher has collected only limited respondents i.e. 40 respondents. The researcher has selected the method of Judgement sampling.

VII. LIMITATIONS

The limitations of the study include

1. The area of the study is restricted to Sivakasi Municipality area only.
2. The content of the study is subject to change since the GST Bill has not been passed in the Parliament.
3. The researcher has collected data only from 40 general public due to time constraint.

VII. ANALYSIS AND INTERPRETATIONS

TABLE 1 SOCIO- ECONOMIC DETAILS

S.No.	Particulars	No of Respondents	Percentage	
1	Gender	Male	24	60
		Female	16	40
		Total	40	100
2	Occupation	Business	20	50
		Government Employee	10	25
		Private employee	10	25
		Total	40	100
3	Income Level	1,00,000 – 2,00,000	25	62.5
		2,00,001 – 3,00,000	10	25
		Above 3,00,000	5	12.5
		Total	40	100
4	Education level	Primary level	10	25
		Secondary level	10	25
		UG	15	37.5
		PG	5	12.5
		Total	40	100

Source: Primary Data

60% of the respondents are Male; 50% of the respondents are occupied in Business people; 62.5% of the respondents

are Rs. 1,00,000 – 2,00,000; 37.5% of the respondents are UG Degree Holders.

TABLE II LEVEL OF PERCEPTION

S.No.	Particulars		No of Respondents	Percentage
1	New GST Bill known	Yes	21	52.5
		No	19	47.5
		Total	40	100
2	Any idea about proposed rate of tax	Yes	8	20
		No	32	80
		Total	40	100
3	GST reduce the Tax Burden	Yes	16	40
		No	24	60
		Total	40	100
4	GST completely eradicate differentiation of taxes	Yes	11	27.5
		No	29	72.5
		Total	40	100
5	GST boon or bane	Boon	13	32.5
		Bane	27	67.5
		Total	40	100

Source: Primary Data

Majority of the respondents (52.5%) have aware to know about the new GST Bill; 80% of the respondents have no idea about the proposed rate of tax in GST; (60%) disagree that; the new GST Bill will reduce the 'tax burden' on

consumers; 72.5% of the respondents disagree that the new GST Bill will completely eradicate the differentiation of tax rates in various states; 67.5% of the respondents quote GST as a bane rather than a boon to India.

TABLE III LEVEL OF EXPECTATION

S.No.	Particulars		No of Respondents	Percentage
1	Price of goods would reduce after implementing GST	Agree	13	32.5
		Disagree	20	50
		No Idea	7	17.5
		Total	40	100
2	GST is India's move towards a developed nation	Agree	8	20
		Disagree	11	27.5
		No idea	21	52.5
		Total	40	100
3	Satisfy the principle of "One Nation One Tax"	Agree	11	27.5
		Disagree	8	20
		No Opinion	21	52.5
		Total	40	100

Source: Primary Data

It is found that the (32.5%) have agree about the statement, "The price of goods would reduce after implementing GST"; 52.5% of the respondents have no opinion about the statement, "GST is India's move towards a developed

nation"; 52.5% of the respondents have no opinion about the statement, "GST Bill in India would satisfy the principle of 'One Nation One Tax'".

VIII. FINDINGS

The following are the findings of the study:

1. It is found that 60% of the respondents are male.
2. It is found that majority of the respondents (50%) are Business people.
3. Most of the respondents (37.5%) are UG Degree Holders.
4. The analysis revealed that 62.5% of the respondents are earning an annual income ranging from Rs.1,00,000 to Rs. 2,00,000.
5. Majority of the respondents (52.5%) know about the new GST Bill.
6. It is found that 80% of the respondents have no idea about the proposed rate of tax in GST.
7. Most of the respondents (60%) disagree that; the new GST Bill will reduce the 'tax burden' on consumers.
8. The analysis revealed that 72.5% of the respondents disagree that; the new GST Bill will completely eradicate the differentiation of tax rates in various states.
9. It is found that 67.5% of the respondents quote GST as a bane rather than a boon to India.
10. Most of the respondents (32.5%) agree the statement, "The price of goods would reduce after implementing GST".
11. It is found that 52.5% of the respondents have no opinion about the statement, "GST is India's move towards a developed nation".
12. The analysis revealed that 52.5% of the respondents have no opinion about the statement, "GST Bill in India would satisfy the principle of 'One Nation One Tax'".

IX. SUGGESTIONS

The following are the suggestions of the study:

1. It is suggested that the awareness towards GST should be provided to the illiterate and the women community.
2. It is also suggested that the government should come forward to take short films with respect to the new GST Bill and screen the same in familiarized televisions'.
3. The educated should provide awareness to the general public so as to promote economic development and overall growth of the nation.
4. Even the educated and the business people are not aware of the various important issues in the new GST Bill, so the Government should take necessary steps to make familiarize the concepts of the new GST Bill in India.

X. CONCLUSION

A great revolution is yet to take place in the near future in the indirect tax system i.e. GST, so the general public is almost unaware of the concepts. But, India being a democratic country should make clear to its citizens about the emerging amendments. Therefore, it is the need of each and every citizen to have awareness about the new GST (Amendment) Bill.

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