



One year of GST

Description

Theme :-

- 1st July is GST (Goods & Services Tax) day. It's been exactly a year since GST was implemented in 2017.

Aims of GST :-

- To simplify taxation process by replacing many taxes such as Service, Central excise tax etc. with GST.
- To eliminate tax evasions. As GST makes the tax system transparent, tax evasions will be eliminated.
- To increase the number of tax payers. This will have a positive impact on our economy and will reduce the burden of taxes at an individual level.

How far GST is successful :-

- In this one year, government's revenue from taxes in increased.
- When compared to before GST era, now more people are paying taxes and filing returns due to the simplified taxation process.
- Now, everyone can pay taxes online and can file returns through online as well. This eliminated the process of going to tax offices and helped in improving Ease of doing business in India.
- Prices of a lot products dropped as a result of transferring GST benefits to customers.
- As it is now compulsory to issue receipts for purchases worth more than Rs.200, transparency is increased.
- Since GST is implemented, government's revenue from taxes is a bit less than 1 lakh crore rupees every month. In April 2018, it is more than 1 lakh crore rupees.
- Many economists expected that GST will cause inflation in the first year. But it didn't happen.

Failures :-

- There is a lot of criticism on not including petroleum products in GST even in the situations of high international crude oil prices. Not just petro products, but electricity and stamp duty are also not brought under GST.
- Calling GST as 'One Nation – One Tax' may not be right yet because there are multiple tax rates. GST is not simple process as it was intended to. World Bank said that India's GST is the among the most complex GST in the world.
- Many faced technical issues while going through the online process. Technical department of GST wasn't equipped well. Especially on the last day of filing returns, many people faced server issues.
- Many people were confused in the initial days of GST, because tax slabs and allocation of products in tax slabs changed multiple times.
- Government didn't put enough efforts on educating people on GST. Still many people do not have enough knowledge on Goods & Services Tax.
- There is no tribunal to address grievances, as a result people are forced to approach high courts in case of issues.
- In the initial days, refunds were not issued in time to exporters. RBI report revealed that exports decreased in that particular time due to this issue.
- There is a criticism in assigning products to tax slabs. For example, luxury item – Gold is under 5% Tax slab. (There are four tax slabs in GST – 5%, 12%, 18% and 28%)

Conclusion :-

Though there were some loopholes, GST is successful as it could increase tax revenue and brought many people under the ambit of tax system. Difficulties are inevitable in the starting days because GST is a big change for people as well as for administration. By solving the present problems, we can make India's GST the best in the world.

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