International Journal of Research in Social Sciences
Vol. 7 Issue 2, February 2017,
ISSN: 2249-2496 Impact Factor: 7.081
Journal Homepage: http://www.ijmra.us, Email: editorijmie@gmail.com
Double-Blind Peer Reviewed Refereed Open Access International Journal - Included in the International Serial Directories Indexed & Listed at: Ulrich's Periodicals Directory ©, U.S.A., Open J-Gage as well as in Cabell's Directories of Publishing Opportunities, U.S.A

GOODS AND SERVICE TAX: A COMPREHENSIVE INDIRECT TAX REFORM IN INDIA

Kapil Rahang*

Abstract

This paper attempts to study Goods and Service Tax (GST) in the context of India, it is an ambitious indirect tax regime which will replace numbers of existing indirect taxes levied by Centre as well as States. GST will be single tax for the whole nation and will make India one unified market, GST has been proposed to implement from April 1, 2017. Effective implementation of GST will reduce the cascading effect of taxation, make easy compliance of taxation and remove the distortions in taxation system and also helps to boost National Manufacturing Scheme, Ease of Doing Business. GST is expected to increase GDP growth by 0.5% to 2% per annum. In this present study effort has been made to trace out the needs for and effective features of GST, dual GST model, input tax credit criteria, type and method of GST in Indian perspective, recommendations of GST Council on threshold limits, compensation criteria, dual control, GST rate structure, composition scheme. In this study research materials are based on authentic secondary sources mostly retrieved from official publications viz. Proposed GST model, GST Act, 2016 and news articles.

Keywords:GST;indirect tax;threshold limit;dual control;composition scheme;four tiers;cascading effect.

* **Reserch Scholar, Department of Economics, Gauhati University, Guwahati, India**

1. Introduction

Tax policies render significant role in the growth of an economy through their effects on both efficiency and equity. A good tax regime brings equity in income distribution; endeavor to generate a considerable amount of tax revenue to support government budget expenditures, helps stabilizing the macro-economic variables and impacts on export-import policies of an economy. Existing indirect tax structure of India is not free from multiplicity of taxes, cascading effect of taxes, multiple compliance system. To address the issues embedded in existing indirect tax structure of the country and to rejuvenate the Scheme of National Manufacturing and support Ease of Doing Business, succeed goal of Make in India, Government of India has proposed to introduce indirect tax reform through implementation of Goods and Service Tax (GST) regime from April 1, 2017. The genesis of introduction of GST in India was laid down by Union Finance Minister in his Budget Speech of 2006-2007 and formed an Empowered Committee of State Finance Ministers to work with Central Government. On May 10, 2007 the Empowered Committee of state finance ministers set up a Joint Working Group which submitted the report on the road-map of proposed structure of GST on November 9, 2007. Thereafter, there has been a consistent endeavor to introduce GST in the country and also Government of India made an attempt to introduce it for the first time from 1st April, 2010. Then In May, 2011 Constitutional (115th Amendment) bill was introduced to draw up laws for implementation of GST which was discarded by many states, subsequently the Constitution (122nd Amendment) bill was introduced in the 16th Lok Shabha on December 19, 2014. The bill provides for a levy of GST on supply of all goods and services except alcohol for human consumption. The bill was passed by Lok Shabha on May 6, 2015 and Rajya Shabha also passed it on August 3, 2016. Constitution of India has been recently amended by the Constitution (101st Amendment) Act, 2016 to simultaneously empower the Centre and States to levy and collect taxes under GST.

GST is a single comprehensive indirect tax for the whole nation which will be levied on the supply of goods and services at all the stages of value additions [2], [9], [10]. It is based on the principle of “One Nation, One Tax” [5], [6] and expected to help increase economic growth of India by 0.5 percent and 2 percentage point [5], [6]. It will make provision for seller or service provider to claim credits of input taxes which seller or service provider has paid during purchase of the goods or service thereby the final consumer will bear only the GST charged by the ultimate dealer in the supply chain. GST will subsume almost all the existing indirect taxes of central government and state governments in a single tax and makes a unified common market. Implementation of GST will reduce the cascading effect of taxation, ease tax administration, bring efficiency regulating functions, reduce time and cost of collecting taxes [2], provide more convenience platform, reduce burden of taxation on consumers, help smooth operation of business activities and help government to stabilize economic fluctuations in its favour, bring welfare and economic growth of the country. It is expected that GST would make consumers the 'king'. The tax rate under GST regime would be kept at minimum workable rate so that state governments do not suffer lots annoying its people with higher tax rate. It is the responsibility of the GST Council to determine the tax rate structure and put recommendation on GST regime. Business personnel and Corporate of India claim that reform in indirect tax will have profound effect on their future business outlook. GST is expected to bring an end to 'Tax Terrorism' [6] because industry evinces that under the plethora of taxes in Centre and States; taxation system is currently distorted and victimized by multiple tax authorities.

Around 160 countries in the world have implemented VAT/GST. France was the first country to implement it in 1954, followed by Germany (1968) and UK (1973). There are 53 countries in Europe, 19 in Asia, 7 in Oceania, 7 in ASEAN, 44 in Africa, 11 in South Africa and 19 in Caribbean, Central and North America who have implemented VAT/GST. Although GST is a unified tax in most of the countries, but Brazil and Canada have dual GST same as Proposed GST model of India. Standard rate of GST in most of the countries hover around 16%-20%, GST Council of India proposed to keep it around 12%-18%.

Review of Literature

Switchover to a '*flawless*' GST would be a big leap in the indirect taxation system and also give a new impetus to India's economic change. Buoyed by the Success of GST, more than 140 countries have introduced GST in some form to other and is fast becoming the preferred form of indirect tax system in the Asian Pacific region [1].Transparent GST introduction will provide simpler and transparent tax system with increase in output and productivity of economy in India. But the benefits of GST are critically dependent on rational design of GST [3]. GST is better approach of indirect taxes; GST would help to reduce the tax evasion and cascading effect of taxes and all the distortions which are the major problems in the current scenario. All these problems can be solved by adopting the GST model. Due to subsume of all state and centre taxes, the tax base structure will be broaden, thereby increasing the revenue of government and will increase export and competitiveness of industries, [4], [2]. Multiplicity of taxes results in tax on tax which makes a goods costlier for the consumer [2]. As GST will have one tax, which means compliance would be easier and cheaper and thus help in ease of doing business [2], [5]. GST is a giant leap for the country in tax reforms to inspire confidence of manufacturers and investors to push the economy forward [6], [1]. Indian manufacturing sector is primarily resource driven than technology driven and therefore the input cost and subsequent taxes on it, make the sector more challenging. Manufacturing sector can be strengthen through fiscal interventions like tax concession, tax reduction on the manufacturing process, specially on import of technology and Research and Development [8]. GST will have a far reaching impact on almost all the aspects in the country, for instance, pricing of products and services, supply chain optimization, IT, accounting and tax compliance system. That is the reason GST Bill has been described as a reform measure of unparalleled importance in independent India [7].

2. Objective of the study

- To study the concept of goods and service tax in Indian perspective.
- To analyze different aspects of GST.
- To trace out the effective features proposed in the GST.

3. Research Methodology

The present study is descriptive type in nature and the materials in the study are retrieved from the secondary sources of official publications like Proposed GST model, GST ACT 2016, news articles etc.

4. Need for Indirect Tax Reform in India

The present indirect tax structure of India is characterized as cascading and distorted imposition of taxes on production that misleads resources allocation and reduces productivity and pace of economic growth. Issues also related to double taxation that arises from bifurcation of goods and services and differential treatment particularly associates with taxation of intangible items. These issues inhibit growth of business activities, industries and the National Manufacturing scheme, Program of *Make in India*. Therefore, to create an investment-friendly tax-environment, need for tax reform arises in India on the following grounds

- To bring about certainty in tax laws to reduce litigation, bring higher degree of compliance. It brings in more elements of trust-faith between tax payer and administrator; also bring sufficient level of transparency.
- To establish an economically efficient tax system that minimizes cost of complying with tax laws by reducing their administrative burden and minimizing rigidities in the economy.
- To establish a neutral tax system that will not differentiate between rich and poor, goods and services across the tax horizon.
- To initiate an attractive tax system with better distributiveness to allow the tax credit to flow across the chain of value added. In such taxation, a flawless tax credit transfer is possible which will in turn minimize the cascading effect of taxation.
- To establish a tax system that is simple to administer. For this, multi-point and multi-dimensional taxation system must be abolished.
- To implement a well design destination based GST to eliminate distortions in the economy and taxing consumption.
- To establish a strong tax infrastructure to enhance the efficiency of tax administration in its performance.
- To establish a tax system that would bring greater harmony in the entire tax system. Implementation of GST would contribute to harmonization of the tax base, tax rate and infrastructure across centre and states.

5. Relevance of GST

Relevance of GST arises as it comprises the prerequisite qualities to be a good taxation system. It includes the characteristics that tax reform proposals seek to bring to remove the rigidities and challenges embedded in existing tax structure and to give pace to economic growth. Proposed GST attempts to benefit the different stakeholders as follows:

(a) To Trade and Industry

- Removal of Cascading - A system of flawless tax-credit across the value added chain and across frontiers of states ensures minimal cascading of taxes.

- Reduction in multiplicity of taxes.
- More efficient neutralization of taxes particularly for export sectors which help to make our products more competitive in international market and give boast to the export sector of India.
- Establishment of Common National Market or Common Economic Market, giving a boost to Foreign Investment and campaign like National Manufacturing & Make in India.
- Simpler or easy tax regime with fewer tax rates and tax exemptions.
- Increase in ‘cost competitiveness’ for indigenous industries with reduction in tax costs and cost of compliance. There will no multiple records keeping for a variety of taxes, hence lesser investment of resources and personnel in maintaining records.
- Automated and simplified procedures for various processes like registration, tax payment, returns, refunds etc.
- All interactions are to be made through the common GST Network (GSTN) portal, therefore less public interface between tax administration and taxpayers.
- Average burden of tax on companies is likely to decline thereby reducing prices. Fall in price surges demand leading more production.
- GST is expected to boost export and manufacturing sectors which help generate more employment, reduce pressure of poverty and increase growth rate.

(b) To Government (Central and States)

- Simpler tax regime to administer - GST will replaces the multiple indirect taxes at Central and State level.
- Broader tax base that ensures larger tax revenue therefore more expenditure for development activities, social overhead capital as well as for necessary non-development activities too.
- Improved and more convenient compliance and revenue collections as all returns to be filed online.
- Efficient utilization of resources
- Investment out of saving of consumers – reduction of cascading effect helps to accumulate funds out of saving by consumers – the same can be channelized in developing activities.

- Use of GSTN portal will reduce human interface between taxpayers and tax administration which will go a long way to reduce corruption.

C. To Consumers

- Elimination of cascading effect of taxation will reduce cost of goods and services.
- Single and transparent tax: Under GST there will be only one tax from the manufacturer to the ultimate consumer.
- Reduction in overall tax burden: Efficiency gains and prevention of leakages, the overall tax burden on most goods will decline, cost reduction will increase savings and investment.

6. Goods and Service Tax for India

Article 246A of the Constitution empowers the Centre and States to levy and collect taxes. Considering the federal structure in Government of India, there will be two types of GST – Central GST and State GST. Both Central and State Governments will concurrently levy GST across the supply chain/value chain of every goods and services. Central Government will levy and collect Central Goods and Service Tax (CGST) and State will levy and collect State Goods and Service Tax (SGST) on all transactions within the state. Input tax credit (ITC) of CGST will be paid on discharging CGST liability on each stage of production. The ITC of SGST will be utilized for payment of SGST liability. There is no cross utilization between SGST and CGST. Moreover, Centre will levy and collect Integrated Goods and Service Tax (IGST) in case of inter-state transactions on all goods and services. The IGST will be equal to CGST plus SGST. ITC of IGST will be utilized for payment of IGST liability then CGST liability and thereafter SGST liability. The IGST will ensure seamless flow of input tax credit from one state to another. Figure-1 shows the classifications of GST and Table.1 shows the levy, imposition and authority under GST.

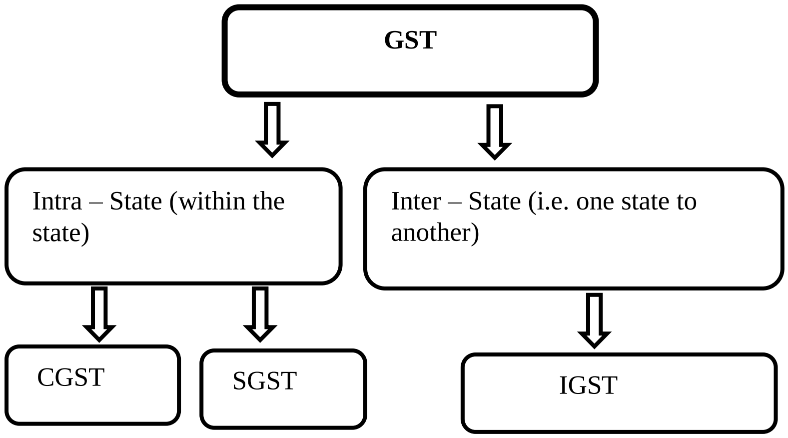

Fig-1: Classifications of GST

Table 1: A summary of Levy, Imposition and Authority

Nature of levy	**To be levied by**	**To be paid to the account of**
CGST	Central Government on intra-State supply of goods and services	Central Government
SGST	State Government on intra- State supply of goods and services	State Government
IGST	Central Government on inter - State supply of goods and services	Central Government

If GST is shown separately in Tax Invoices, for example, Alex purchased a goods and made a payment of Rs. 300 (taxes extra) to Peter. CGST rate 10% and SGST rate 10% then cum-tax price (within the state or supply outside the state) is shown in Tab.2.

Table 2: GST shown separately in Tax Invoices

Intra – State Sale		**Inter – State Sale**	
Particulars	Rs.	Particulars	Rs.
Assessable Value	300	Assessable Value	300
CGST @10%	30	IGST @20%	60
SGST @10%	30		
Price for consumer	360	Price for consumer	360
Tax cost or Tax component	60	Tax cost or Tax component	60

7. Methods of GST

There are three methods to implement GST namely – Gross Income, Production and Consumption method. Table.3 describes their usages.

Table 3: Methods of GST

Method/Type	**Usage**
Gross Income	Credit of tax paid in inputs/capital goods to the extent attributable to depreciation on capital goods in a given year
Production	Treats both consumption and capital accumulation as final use of goods.
Consumption	Final consumption is treated as final use of goods. Full credit on capital goods, in year of purchase

However India is proposed to undertake the *Destination Based Consumption Type GST*. Consumption type GST is:

- Most favoured tax base from the perspective of ease of administration and economic neutrality
- Restricts burden of tax to final consumption goods.

- Keeps no distinction between capital goods and other inputs and no need to calculate depreciation cost.
- Consumption is argued as a broad measure of ability to pay taxes.
- In this method savings is excluded from the base, hence it does not inhibit investment.

Income and product methods are subject to an anti-investment bias. Therefore, considering the above aspects consumption type is adopted for GST in India.

8. Destination Base Principle for GST

Destination based GST is levied on the value added of all taxable products which are consumed domestically, it is concerned with location of consumption, in this principle exports are not taxes but imports are taxed in an open economy. The destination based Consumption type GST is preferential as it increases international competitiveness and sustainability of domestic industries. There is another principle – Origin based GST which is levied on the value added of all taxable products which are produced domestically. In this case exports are taxed but imports are not taxed.

Organisation for Economic Co-operation and Development (2011) supports universal adoption of Destination Based Principle for supplies of services and intangibles as it helps to reduce potential double taxation (i.e. supplies being taxed in both the source and destination) and under taxation (i.e. supplies being taxed in both the source and destination).

9.1. Taxes to be subsumed in GST

At the **Central level** following taxes will be subsumed in CGST;

(a) Central Excise Duty

(b) Additional Excise Duty

(c) Excise duty levied under Medical and Toilet Preparations (Excise Duties) Act. 1955.

(d) Service Tax

(e) Additional Custom Duties commonly known as Countervailing Duty (CVD).

(f) Specified Additional Duties of Customs,

(g) Central Surcharges and Cesses excluding those applicable to income-tax, customs duties and to excise duties so far as they relate to goods outside the purview of the GST.

At **State level** the following taxes will be subsumed in SGST;

(a) State VAT/Sales Tax

(b) Entertainment tax (unless it is levied by the local bodied)

(c) Luxury Tax

(d) Taxes on lottery

(e) Betting and Gambling

(f) Tax on advertisements

(g) State Cesses and Surcharges in so far they relate to supply of goods and service

(h) Entry Tax.

9.2. GST on Tobacco and Tobacco Products

Tobacco and Tobacco products (Sin goods) will be subject to GST. Centre will have the authority to levy Central Excise duty on such products. GST Council proposed to levy 26% “Sin Tax” on tobacco products.

9.3. Commodities not included in GST

(a) Petroleum Products (viz. petroleum crude, motor spirit (petrol), high speed diesel, natural gas and aviation turbine fuel. These products will be included in GST on later date on the recommendation of GST Council)

(b) Alcohol for human consumption

(c) Electricity

However existing taxation system (VAT and Central Excise) will be continued in case of the above commodities.

9.4. GST regarding Import

Import of goods and services will be treated as inter-state supply, IGST will be levied on import of goods and services into the country. The incidence of tax will follow destination based principle and the tax revenue in case of SGST will accrue to the state where the imported goods or services are consumed.

9.5. GST regarding Export

Export will be treated as zero-rated supply. No tax will be levied on exports of goods and services, however credit of ITC will be available and the same will be available as refund to the exporter.

10. Goods and Service Tax Council (GSTC)

As per the *Article 279A* amended constitution the GST Council will be a joint forum of the States and Centre. The council includes the Union Finance Minister, the Minister of State (Revenue) and the State Finance/Taxation Ministers to provide recommendations to the Union and State on the GST rate, threshold limits, exemption, taxes to be subsumed and many other features. Including the Chairman (Union Finance Minister) there will be two more members, one member from the Centre and one member from 29 states and the 2 union territories (with legislature). The Union Revenue Secretary will assume the act of Ex-Officio Secretary to the GSTC and the Chairperson of Central Board of Excise and Custom (CBEC) will be a permanent invitee (non-voting) to all activities of GSTC. The GST Council will ensure harmonization on different aspects related to GST between Centre and States as well as among the states as assigned in the Constitution (101^{st} Amendment) Act, 2016. The above Act provides that every resolution or decision of the Council shall be taken at meeting by a majority of not less than three-fourth of the weighted votes of the members present and voting. The vote of the Union Government will have a weightage of one-third of the total votes cast and the vote of all the State Governments (including Union Territories having legislature) taken together will have a weightage of two-third of the total votes cast. Any resolution will require at least $3/4^{th}$ of total votes.

Key decision taken by GST Council

The council took decision on the following major heads:

(i) Threshold Limits: In existing indirect tax regime of India threshold limits for VAT, Service Tax and Excise Duty are Rs. 5 lakhs, Rs. 10 lakhs and Rs. 1.5 crores respectively. For GST, the GST Council agreed to set threshold limits at Rs.20 lakhs for all states barring the North-Eastern and Hilly States. GST threshold limits is fixed at Rs.10 lakhs for businesses in North-Eastern States (Assam, Meghalaya, Manipur, Mizoram, Nagaland, Arunachal Pradesh, Tripura and Sikkim) and 3 Hill-States (Jammu & Kashmir, Uttarakhand, Himachal Pradesh). It implies that the traders with an annual turnover of below Rs.20 lakhs in general states will be exempted from getting registered under GST. While for states of North Eastern and Hill areas those with annual turnover below Rs.10 lakhs will be exempted from GST. This provision will save many small scale business entities and service providers from undertaking GST compliance and it also lessens substantial burden for tax authorities to assess small dealers.

(ii) GST Rates: With the objective of materializing the dream to make India a unified market from 1 April 2017, GST Council has fixed GST rates. Union Finance Minister Arun Jaitley stated in a press conference that GST Council has set a four-tier structure of 5%, 12%, 18% and 28%. The Centre had earlier proposed the GST slabs at 6%, 12%, 18% and 26%, the peak rate being for Fast Moving Consumer Goods and consumer durables. As per the GST rate structure agreed upon by the GST council, a zero tax rate will be applied to around 50% of the items that fall in the consumer price index basket, including food grains such as rice and wheat. The next tax slab will be 5%, wherein items of mass consumption goods like spices, tea and mustard oil will be taxed. Under standard rates of 12% and 18% a majority of the items (70% of taxable items) used by the common man will be taxed. Most of the service taxes will likely to fall in the band of 18%, increase by 3% from current rate of 15% and a few essential services at 12% and 5%. It is expected that rise in service tax by 3% would be offset due to reduction in the taxes on consumer goods. There will be a higher tax slab of 28% where items that currently fall under tax slab of 27-31% will be taxed. However, commodities used by the middle class such as soaps, toothpaste, refrigerators etc. which currently have a high tax rate of more than 27%, will be brought down into lower slab of 18%. So-called demerit items and sin goods such as aerated drinks, tobacco and pan masala, luxury vehicles, a cess shall be levied by the centre over and above the 28% slab. And this cess amount together with the proceeds of the clean energy cess, will be used to compensate states for losses arising from implementation of GST which is estimated to be Rs.50, 000 crores in the first year. This cess will be equal to difference between the current applicable tax on the concern item and 28%. The cess will be reviewed every year by the Council and it shall have a sunset clause of five years as assigned in the Constitution (101st Amendment) Act, 2016. The rate for gold and precious metals, which was earlier proposed at 4%, will be decided later, it is likely to be lower.

(iii) Compensation to State: On the recommendation of the GST Council, Goods and Service Tax (Compensation to the states for the loss of Revenue) Act, 2016 is proposed in

Winter Session of parliament. It is bill to provide compensation to the States for loss of revenue arising on account of implementation of GST for a period of five years as per Section 18 of The Constitution (101st Amendment) Act, 2016. In every quarter states will receive provisional compensation from Centre for loss of revenue arising from implementation of GST but the final annual number will be decided by Comptroller and Auditor General (CAG) after an audit. The compensation would be met through levy of a cess called 'GST Compensation Cess' on luxury items and sin goods for the first five years. The Council has decided on a four-tier GST tax structure of 5%, 12%, 18% and 28%. Luxury items and demerit goods would be taxed at the highest rate and would also attract a cess to create a Rs.50,000 crores corpus for compensating loss incurring states. However, further discussion for finalization of GST Compensation cess will be undertaken by GST Council within December 2016.

(iv) Dual Control: About the issue of "dual control", Empowered Committee of State Finance Ministers, recommended to Centre that for threshold limits of Rs.1.5 crores, Centre should not interfere in assessment, in audit, legal power and other matters. It will be left with States alone. However, Central Government has agreed to grant states exclusive administrative control of businesses with annual turnover of up to Rs.1.5 crore in goods, while retaining exclusive control by Centre throughout in services. Moreover, Central and state officials will have powers to assess entities with annual turnover above Rs 1.5 crores, in the case of goods. Also a 'Cross-Empowerment' model is being discussed to ensure a taxpayer with an annual turnover above Rs 1.5 crores deals with only one authority for all taxes. Union Finance Minister Arun Jaitley reiterated there would be cross-examination either by officers from the Centre or state to avoid dual control. The assessee will be assessed on the basis of the risk assessment by the Centre and State. Whichever of the two authorities has a higher risk assessment will assess it.

(v) Composition Scheme: Through Composition Scheme the taxpayers (registered only) are given the option to pay an amount calculated on some parameter in lieu of tax calculated based on complex calculations expected by that law. It was decided that taxpayers with aggregate annual turnover up to Rs.50 lakhs shall not pay tax less than 1% of turnover. This scheme shall not be available to taxable person who supply goods or services to other states, in other words, it will not be applicable to inter-state supplies where IGST is payable. Where composition scheme is opted for, taxable person shall not be authorized or shall not collect any tax from his customers and also such taxpayer shall not be entitled to any input tax credit.

11. Findings

From the above analysis about the concept and various features of GST, the findings can be summarized in the following heads.

- GST is a single Indirect tax, will be levied across the country on all goods and services excluding some special goods and services.
- It will follow the equity principle, essential for developing countries like India. Keeping in mind the federal form of government in India and open economy concern under GST the consumption type GST with destination base principle and input credit method will be applied.
- Seamless flow of Tax-Credit across the supply chain and state frontiers would minimize the cascading effect and under GST there will be easy compliance system for tax payers.
- It will benefit manufacturers, government, consumers over time.
- Zero rating of export will help to grow the export sectors, while taxing import will increase tax revenue collection and also protect indigenous firms.
- GSTC has set zero tax rate for the essential goods mostly consumed by the lower income sections of society, hence price of such goods will not be affected while consumer's welfare seems to rise. Slab of 5% for mass consumption commodities, standard slab of 12% and 18% on common man goods will help to control inflation rate over time and better off consumers.
- Reduction in 'Sin Tax' to 28% slab from earlier 40% will negatively impact revenue and public health.
- Service tax will rise in most of the services with increase in service tax from earlier 15% to 18%. However, few essential services will be taxed at 5% and 12%.
- The state incurring loss of revenue due to implementation of GST will be given compensation for a period of five years.

12. Conclusion

Introduction of GST is a milestone in the indirect taxation reform history in India. The Model GST Act has been modified and amended for several times to make more convenience and finally passed the GST ACT 2016 by the parliament of India and the incumbent Central Government has set deadline of April 1, 2017 to implement it across the country.

Incumbent Prime Minister of India Mr. Narendra Modi says GST is a *"Great Step by Team India," a "Great Step Toward Transformation," and a "Great Step Toward Transparency."*

With introduction of GST, there will be one tax for one nation, seamless transfer of goods and services across the country, provision for ITC across supply chain thereby no cascading effect, whole country will become one integrated market, it will lead less leakage of taxation and tax evasions and hence tax base will neutrally expand. This will benefit Central as well as State Governments. Ultimately, under GST regime tax burden on consumers will fall, firms will get ITC (if applicable), small firms that fall under threshold limit will be benefited more; inflation rate would be under control, export sector will grow. GST is expected to boost the National Manufacturing Scheme, Ease of Doing business, Make in India campaign of ruling government and increase GDP growth rate by 2% overtime. Success of GST will depends on the efficient implementation across the country, for this Central Government, State Governments, Union Territories, GST Council, concerning departments; responsible IT department (GST Network) and stakeholders have to work at their best. Although, many resolutions regarding the GST have been taken till now, yet there are many disputes to be resolved especially dual-control, classification of product under different tax brackets, final model GST Act etc.

Reference

[1] Dr. Vasanthagopal, R. (2011), "GST in India: A Big Leap in Indirect Taxation System", International Journal of Trade, Economics and Finance, Vol: 2, Issue: 2, pp.144-146.

[2] Tax Research Department, Institute of Cost Accountant of India, "An Insight of Goods & Services Tax (GST) in India", October 2015.

[3] Dr. Ahmad, E. and Poddar, S. (2009), "GST Reform and Intergovernmental Consideration in India", LSE, Asia Research Centre, Working Paper 26 (2009).

[4] N. & Sharma, M. (2014), "A Study on Goods and Services Tax in India", The International Journal's Research Journal of Social Science & Management, Vol: 3; Issue: 10, pp.119-123.

[5] Sinha, S. (2016), "GST: One Nation, One Tax", YOJANA, A Development Monthly, New Delhi, vol. 60, pp.52-55.

[6] TN, A. (2016), "Tax Reforms: Past, Present and Future", YOJANA, A Development Monthly, New Delhi, vol. 60, pp.7-10.

[7] Mehta, R. (2016), "GST: Game Changer for Indian Economy?" YOJANA, A Development Monthly, New Delhi, vol. 60, pp.35-39

[8] Mohapatra, A.K. (2016), "GST: Rejuvenating the Manufacturing Sector", YOJANA, A Development Monthly, New Delhi, vol. 60, pp.58-60.

[9] gstindia.com [homepage on the internet]. GST India, [cited on December 6, 2016]. Available from http://www. gstindia.com/

[10] dnaindia.com [homepage on the internet]. Zee News, DNA, news-article: GST one nation one tax, [updated on Nov 4, 2016, cited on Dec 6, 2016]. Available from http://www.dnaindia.com/india/report-gst-one-nation-one-tax-2265942

[11] indianexpress.com [homepage on the internet]. The Indian Express, news-article: Finalised 4 tier GST structure, [updated on Nov 4, 2016, cited on Dec 6, 2016]. Available from http://indianexpress.com/article/business/economy/finalised-4-tier-gst-structure-with- 5-per-cent-floor-rate-28-per-cent-at-peak-arun-jaitley-3736001/Four-tier

[12] economictimes.com [homepage on the internet]. The Economic Times, news-article: Industry welcomes news gst rates aam aadmis grocery bill may not rise, [updated on Nov 4, 2016, cited on Dec 6, 2016]. Available from http://m.economictimes.com/news/economy/policy/industry-welcomes-news-gst-rates-aam-aadmis-grocery-bill-may-not-rise/articleshow/55234112.cms

[13] timesofindia.com [homepage on the internet]. Times of India, PTI, news-article: GST Compensation Bill to detail revenue foregone by states, [updated on Nov 6, 2016, cited on Dec 6, 2016]. Available from http://m.timesofindia.com/business/india-business/GST-Compensation-Bill-to-detail-revenue-foregone-by-states/articleshow/55272860.cms

[14] business-standard.com [homepage on the internet].The Business Standard, news-article: GST Council settles exemption, control issues, [updated on Sep 24, 2016, cited on Dec 04, 2016]. Available from http://wap.business-standard.com/article/economy-policy/gst-council-settles-exemption-control-issues-116092301339_1.html

[15] taxguru.in [homepage on the internet]. Tax Guru, India, article: composition scheme GST defies logic, [updated on Sep 24, 2016, cited on Dec 04, 2016]. Available from http://taxguru.in/goods-and-service-tax/composition-scheme-gst-defies-logic.html