

THE IMPACT OF FACTORS INFLUENCING ON GST FILING PROCESS AT COIMBATORE CITY – AN EMPIRICAL STUDY

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ABSTRACT

GST refers to Good and Service Tax which is implemented in 2017 .The charges imposed by the state and central governments has been incorporated into the GST. The duty cascading effect has been eliminated, reducing the burden on both the buyer and the dealer. So, while you may appear to be paying a significant amount of duty, you are actually paying smaller retired levies. The goal of the GST is to reduce the tax burden. With a formal economy, government tax collection is predicted to rise, and the fiscal imbalance is expected to remain under control for the time being. GST become “ONE NATION ONE TAX” levied on all goods and service across India. Types of GST are CGST (Central Goods and Service Tax), SGST (State Goods and Service Tax), Union Territory GST. One of the biggest impacts of GST is to eliminate the cascading effect of taxes. The Latin verb "taxare," which meaning "to estimate," is where the term "tax" originates. A obligatory financial fee or other sort of levy is one that is imposed on a taxpayer by a government agency in order to pay for various public expenses. To put it another way, tax is the cost that citizens of a civilized society must pay to the government in order for it to fund public services. Paying late and avoiding taxes are both against the law. A comprehensive indirect tax applied on the production, sale, and consumption of goods and services, the Goods and Service Tax (GST) is based on destination. The GST, which went into effect in India on July 1st, 2017 was based on the idea of "one nation, one tax." The GST tax rate ranges from 0% to 5% to 12% to 18% to 28% on goods and services.

Key Words: GST, Cascading Effect.

INTRODUCTION

The word tax is derived from the Latin word ‘tax are’ which means ‘to estimate’. It is a mandatory financial charge or some other type of levy imposed upon a taxpayer by a government organization in order to fund various public expenditure. In other words, tax is the price which people have to pay to the government for a civilized society, which is used to provide public services. A failure to pay, along with evasion is punishable by law.

Tax structure refers to the various taxes that constitute the tax system of a country, broadly comprising direct and indirect taxes. It is important to know the relative roles of different taxes in a country at any given point of time because the impact of relying on a particular tax may be different from the impact of relying on another tax. India has a well-developed tax structure with clearly democratic authority between Central and State Governments and local bodies. There are two types of tax system they are direct tax and indirect tax.

A Canadian value-added tax known as GST, or goods and services tax, is imposed on the majority of domestic consumption. The tax is imposed to generate income for the government. The GST is a tax that businesses that sell goods and services must levy and pay to the government on behalf of their customers.

India is one of the 123 nations around the world that are now using the VAT mechanism, which was adopted at both the federal and state levels. At the national level, GST is an indirect tax that is levied on the production, sale, and consumption of both goods and services. GST will cover all indirect taxes levied on products and services by the national and state governments of India.

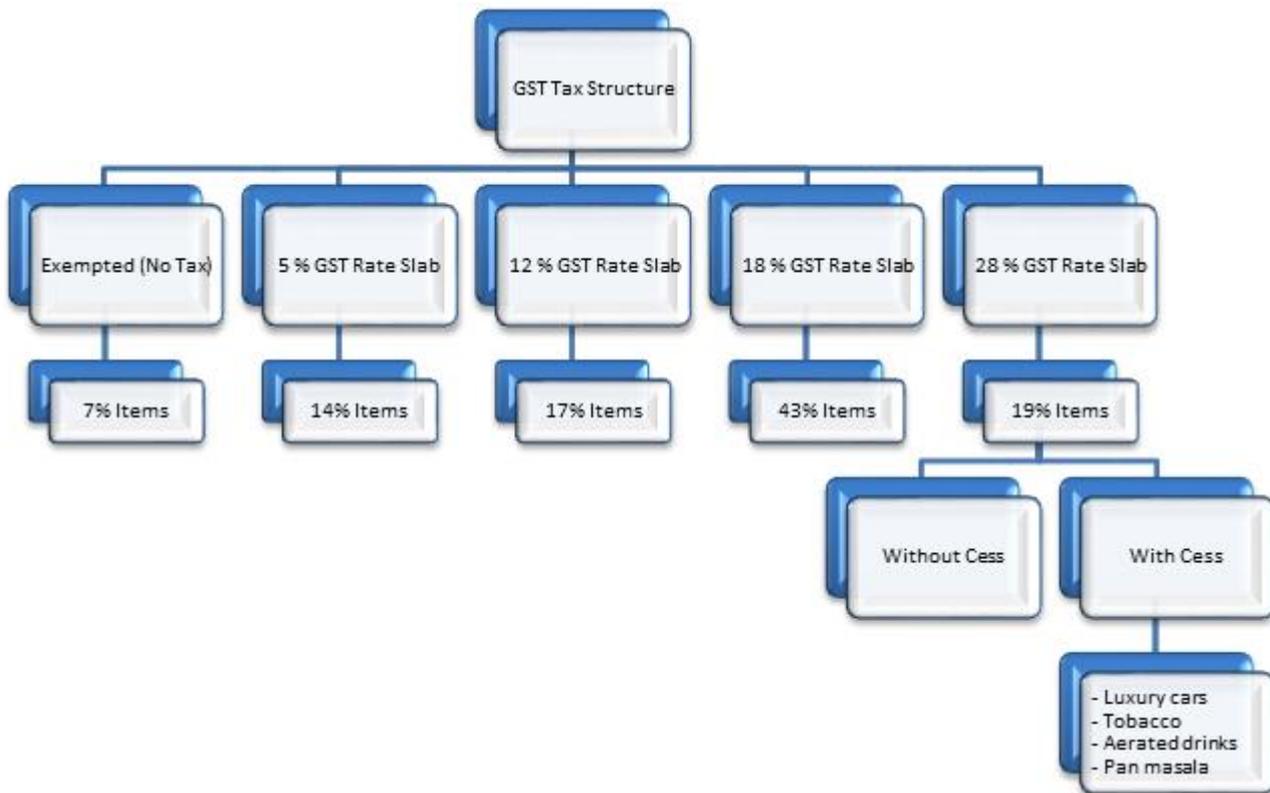
The Indian tax system comprises direct taxes like personal income tax, corporate tax, wealth tax, gift tax (till 1998), land revenue, agricultural income tax and indirect taxes like customs, union excise duties, state excise duty, stamp and registration fees, sales tax, taxes on vehicles, entertainment tax, taxes on goods and passengers, tax on electricity, Value Added Tax (VAT) and Goods and Service Tax (GST). A direct tax is the money paid directly to the imposing authority which most of the time is the government or the municipal authority. An indirect financial charge that is collected by an intermediary from the ultimate bearer of the cost. India has a well structure tax system with clear known system that where Central, State and local bodies can impose their tax. Central government levies taxes on income (except agriculture, state government can), custom duties, central excise and service tax. State Government levies taxes on VAT (value added tax), State excise, stamp duty, land revenue tax and profession tax and local bodies levies tax on properties, water supply.

ST stands for sales tax. The sale of goods and services is subject to this indirect tax. The GST is one of the most anticipated laws, according to reformists, and its implementation will accelerate the nation's economic expansion. If approved by the legislature, this law could go into effect in April 2016. Let's start with the fundamentals of the proposed law in this post since everyone is talking about it right now. current system Using an example will help to clarify this. Let's say you pay Rs. 50 for a bar of soap; this price includes excise duty, VAT or CST, customs duty on raw ingredients imported from abroad, etc.

A comprehensive, destination-based indirect tax imposed on the production, sale, and consumption of goods and services is known as the Goods and Services Tax (GST). The GST was implemented in India on July 1st, 2017, and its guiding premise is "one nation, one tax." GST levies several rates of taxation on goods and services, including 0%, 5%, 12%, 18%, and 28%.

NEED FOR GST IN INDIA:

One of the key initiatives in the nation's economic restructuring is the implementation of the GST. GST essentially combines different state and federal taxes into a single tax. GST reduces double taxation, the cascade impact, tax classification issues, tax multiplicity, etc. With the introduction of GST, the tax base was widened, the tax code was streamlined, and state and federal government operations were synchronised. With the implementation of GST, there is a standard tax structure across the country, and the taxes are split between the state and the federal government. Prior to the introduction of GST, there were several VAT rates across the country that varied from state to state. GST will assist in lowering tax evasion and corruption in our economy (Nayyar et al., 2018). Every person and business is impacted by the goods and services tax. In the beginning, there is some ups and downs in the business sectors because it won't take effect right away. Using statistics produced by the government, authors have examined the significance of VAT in the Indian economy and its impact on citizens, businesses, and industry in India. The author also claimed that analysts believe GST will improve India's tax collecting system and accelerate economic growth.



STATEMENT OF PROBLEM

India has a well-structured tax system with multiple Indirect tax systems like sales tax, service tax, value added tax, excise duty and custom duty. An indirect tax is calculated at each stage of production. Due to that goods become more expensive when it reached the public's hand. To overcome this problem our government has introduced a new tax system called Goods and Service Tax (GST) to replace all indirect taxes.

Nearly every sector of the economy is now feeling the impact of the GST. However, the vast majority of people are unaware of GST. In order to lessen uncertainty among Indian citizens, the government is still working to raise knowledge of the GST. The need to research GST public awareness in Coimbatore city so arises .

It is an issue if people are still unaware or confuse with the tax system of GST and become worst when people ignore and boycott not to pay the tax. GST is a popular issue that is being discussed by people day to day, it is necessary to know whether the students are aware of the government's plan and do they have knowledge on this issue. The research intends to focus on understanding concept of goods and service tax and its **impact of factors influencing on gst filing process at Coimbatore city – an empirical study is required.**

SCOPE OF THE STUDY

Government has introduced GST to avoid the public to pay the multiple taxes at multi stages from point of production to point of consumption. In our nation, the effects of the Goods and Service Tax were the subject of numerous research papers (GST). However, the general populace lacked appropriate information and awareness of GST. Because it is important for the public to have some basic information of GST, this study is being done to determine the level of public awareness about GST in Coimbatore city. This study assists in the public's provision of various strategies to raise public knowledge of GST..

OBJECTIVES OF THE STUDY

The following are the objectives of the study

1. To measure the level of awareness of GST among publics.
2. To know the impact and opinion of publics towards GST.
3. To give valuable suggestion to improve the awareness of GST among publics.

RESEARCH METHODOLOGY

This part seeks to introduce the methodology used for conducting the study and shows the various criteria used to measure the awareness level of Goods and Service Tax among publics. The research methodology is presented briefly under following headings. My research type is descriptive in nature. Descriptive research describes the situations and they do not make accurate predictions. Under descriptive, we follow survey method. Survey Method means participants answer questions administered through interviews or questionnaires and finally basis on their respondents, study results have been concluded.

SOURCE OF DATA

1. Primary data:

Primary sources are the sources that are collected originally rather than being already made available. The data obtained from these sources are called primary data. The primary data for this study is collected using structured questionnaire. The primary data often is available in raw form which is then processed to make itself suitable for further analysis to arrive at meaningful conclusion.

2. Secondary data:

The secondary sources represent those data made available in a suitable form to lend itself for further analysis. Often, they do not require any processing and can be used for analysis purpose. The Secondary data

for this research is collected through journals, magazines and books relating to economic effects of taxes on the economy.

SAMPLING DESIGN:

A research design is the arrangement of collection and analysis of data in a manner that aims to combine relevance to the research purpose. In this study, convenient random sampling has been used. A convenient random sampling is a type of non-probability sampling method where the sample is taken from a group of people easy to contact or to reach. This type of sampling is also called as grab sampling or availability sampling. There are no other criteria to the sampling method except that people be available and willing to participate.

SAMPLE SIZE AND PERIOD OF STUDY:

Based on the research plan, 100 respondents have been selected for this study by using convenient random sampling technique.

TOOLS USED FOR ANALYSIS

The data collected from the respondents through questionnaire has been consolidated, tabulated and analyzed using appropriate statistical techniques. A short description of every tool used in this study has been given below.

1. Percentage analysis
2. Simple ranking

LIMITATIONS OF THE STUDY

The following are some of the limitations of the study

- Respondent's response may or may not be correct.
- Some respondents refused to disclose the fact due to lack of time and interest.
- The data's are collected only from 100 general public due to time constraint.
- The study limits itself to the publics in Coimbatore city. The results might vary if the study is conducted in different geographical location.

REVIEW OF LITERATURE

This chapter presents the review of literature related to the study undertaken. The purpose of this part is to understand the results of various studies already undertaken in the relevant field and to find out the research gap in the present study. The literature pertaining to the study on “public awareness towards Goods and ServiceTax”.

Vasanthakumar (2018), conducted a study on “**Public satisfaction on GST (Goods and Service Tax)**”. This study consists of only 100 respondents collected from Coimbatore city. This study is conducted to find out the level of satisfaction of public towards Goods and Service tax. The government should try to make public understanding more about GST is not going to affect the small business. Majority of the respondents said that implementation of GST will not affect their spending habits.

Pankaj Sharma (2018), conducted a study on “**Consumers perception towards Goods and Service Tax**”. This study consists of only 50 respondents collected from Hamirpur, Himachal Pradesh. The study is conducted to find out the perception of customers towards Goods and Service Tax (GST). From the above study it is clearly identified that majority of the respondent perception are very positive towards the Goods and Service Tax and they are aware of GST through the mass media and majority of the respondents strongly agree that Goods and Service Tax is a very good tax reform. Majority of the respondents said that GST is very difficult to understand.

M.V.A.L Narasimha Rao & B. Kishore babu (2018), conducted a study on “**Perception of engineering faculty towards Goods and Service Tax**”. This study consists of 200 Engineering faculty collected in Guntur, Andhra Pradesh. From the above study it is clearly identified that the engineering faculty is not fully aware about the concept of GST. The government of India has to take initiations to remove negative perceptions to faculty by conducting different awareness programs in education institutions. Good understanding among faculty is important as it can generate a positive perception towards the tax policy and make students to aware about GST.

ESSENTIAL CHARACTERISTICS OF TAX

1. It is an enforced contribution.
2. It is generally payable by money.
3. It proportionate in character, usually based on ability to pay.
4. It is levied on person and property with the jurisdiction of the state.
5. It is levied for public purpose.

6. It is required to be paid at a regular interval.

TAX SYSTEM IN INDIA

India has a sophisticated tax system with distinct lines of jurisdiction between the Central, State, and municipal governments. Customs charges, Central Goods & Services Tax (CGST), and Integrated Goods & Services Tax are all levied by the Central Government, with the exception of agricultural income tax, which is levied by the State Governments (IGST). The State Governments impose the State Good & Services Tax (SGST), stamp duty, state excise, land revenue, and profession tax.

PROBLEMS IN EXISTING TAX SYSTEM

India has a well-organized tax system with a well-defined system where municipal, state, and federal governments can levy their taxes. The central government imposes income taxes (state governments may impose taxes on agriculture), customs charges, central excise taxes, and service taxes. Value-added tax (VAT), state excise, stamp duty, land revenue tax, and profession tax are taxes levied by the state government. Taxes on real estate, water supply, octroi, and drainage are levied by local governments.

From above point one can understand that India has a multi tax system actually what happen due to it, same taxes are given two times from difference parties and when a goods are across from one state to another, they take too much time while clearing the paper associated with the tax and that duration delay occurred and in Business delay means losses of money so after GST, there business man may be able to get more benefit. Due to the multiple taxation systems in India, doing business there is more difficult or complex and many investors choose not to do business there. If more investors were willing to invest in India, our economy would grow to be more prosperous and open to the rest of the world, which would also lead to globalization. Due to the fact that retailers and manufacturers both pay the same taxes under the multi-tax system, they raise their selling prices, which causes items to become more expensive. As a result, after the implementation of the GST, goods may be more expensive than they were before.

DATA ANALYSIS & INTREPRETATION

Table No. 1.1

S. No	Particulars	No. of Respondent	Percentage %
1.	Age group		
	Less than 20 years	13	13%
	21 - 30 years	31	31%
	31 - 40 years	22	22%
	41 - 50 years	20	20%
	More than 50 years	14	14%
	Total	100	100%
2.	Gender	No. of Respondent	Percentage
	Male	67	67%
	Female	33	33%
	Total	100	100%
3.	Marital status	No. of Respondent	Percentage
	Unmarried	41	41%
	Married	59	59%
	Total	100	100%
4.	Educational status	No. of Respondent	Percentage
	No formal education	2	2%
	Primary level	19	19%
	secondary level	11	11%
	Diploma	8	8%
	Under-graduation	42	42%
	Post-graduation	10	10%
	Professional course	8	8%

	Total	100	100%
5.	Occupational status	No. of Respondent	Percentage
	Self-employment	25	25%
	Government employee	5	5%
	Private employee	37	37%
	Professionals	4	4%
	Others	29	29%
	Total	100	100%
6.	Economic status	No. of Respondent	Percentage
	Less than Rs 20,000	59	59%
	Rs 20,001 - Rs 30,000	17	17%
	Rs 30,001 - Rs 40,000	12	12%
	Rs 40,001 - Rs 50,000	6	6%
	More than Rs 50,000	6	6%
	Total	100	100%
7.	Family type	No. of Respondent	Percentage
	Joint family	34	34%
	Nuclear family	66	66%
	Total	100	100%
8.	Family size	No. of Respondent	Percentage
	1 to 3 Members	24	24%
	4 to 6 members	68	68%
	Above 6 members	6	6%
	Total	100	100%

Source: Primary Data

From the above table shows that out of total respondents taken for study, 31% of the respondents belongs to the age group of 21 to 30 years, 22% belongs to 31 to 40 years, 20% belongs to 41 to 50 years,

14% are above in the age of 50 years and 13% of the respondents are less than 20 years of age. **Majority (31%) of the respondents are in the age group of 21 to 30 years.**

From the above table shows that out of total respondents taken for study, 67% of the respondents are Male and 33% of the respondents are Female. **Majority (67%) of the respondents are Male.**

From the above table reveals that out of total respondents taken for study, 59% of the respondents are Married and 41% of the respondents are Unmarried. **Majority (59%) of the respondents are Married.**

From the above table it is clear that out of total respondents taken for study, 42% of the respondents are Under-graduates, 19% are having primary school education, 11% are having secondary school education, 10% of the respondents are post-graduates, 8% of the respondents are Professionally qualified, 8% are Diploma Holders and 2% of the respondents have no formal education. **Majority (42%) of the respondents are Under graduates.**

From the above table disclosed that out of total respondents taken for study, 37% of the respondents are Private employees, 29% of the respondents includes in other categories like Home makers and Students, 25% are Business people, 4% are Professionals, 5% of the respondents are government employees. **Majority (37%) of the respondents are Private employees.**

From the above table depicts that out of total respondents taken for study, 59% of the respondents are having family monthly income below Rs. 20,000, 17% of them are having monthly income between Rs. 20,001 to Rs. 30,000, 12% of them are having monthly income between Rs. 30,001 to Rs. 40,000, 6% of them are having monthly income between Rs. 40,001 to Rs. 50,000 and 6% of them are having monthly income above Rs. 50,000. **Majority (59%) of the respondents are having family monthly income below Rs. 20,000.**

From the table out of total respondents taken for study, 66% of the respondents belongs to Nuclear family and 34% of the respondents belongs to Joint family. **Majority (66%) of the respondents belongs to Nuclear family.**

From the table it is clear that out of total respondents taken for study, 68% of the respondents have 4 to 6 members in their family, 24% of them have 1 to 3 members in their family and 6% of the respondents have more than 6 members in their family. **Majority (68%) of the respondents have 4 to 6 members in their family.**

TABLE NO: 1.2

OPINION OF RESPONDENTS REGARDING STEPS TAKEN BY GOVERNMENT TOWARDS GST AWARENESS

S. No	Awareness of GST	Frequency	Percentage
1	Yes	32	32%
2	No	36	36%
3	No opinion	32	32%
	Total	100	100%

Source: Primary Data

From the above table no 1.2, it is found out that 36% of the respondents thought that our government didn't give enough awareness before implementation of GST, 32% of the respondents thought that our government has given enough awareness before implementation and 32% of the respondents has no opinion regarding the statement.

Majority (36%) of the respondents thought that our government didn't give enough awareness before implementation of GST.

TABLE NO: 1.3

STATEMENT SHOWING PUBLIC LEVEL OF AWARENESS RELATED TO GST

S. No	Particulars		Highly Aware	Aware	Partly Aware	Not Aware	Total
1	Aware about rates of GST	No	18	39	26	17	100
		%	18%	39%	26%	17%	100%
2	Aware about new GST bills	No	14	36	22	28	100
		%	14%	36%	22%	28%	100%
3	Aware about E-billing of GST	No	7	25	22	46	100
		%	7%	25%	22%	46%	100%
4	Aware about the GSTIN number	No	16	33	7	44	100
		%	16%	33%	7%	44%	100%

Source: Primary Data

From the above table no. 1.3, it is clear that 39% of the respondents are aware about the proposed rates of GST, 36% are aware about new GST bills, 46% are not aware about the E-billing of GST and 44% are not aware about the GSTIN number.

Majority of the respondents are aware about the proposed rates and new GST bills. Majority of the respondents are not aware about the E-billing and GSTIN number.

TABLE NO: 1.4

PROBLEMS FACED BY THE PUBLICS AFTER GST USING SIMPLE RANKING ANALYSIS

S. No	Problems	Rank				Rank
		1	2	3	4	
1	Changes the consumers behaviour to buy less quantity of product	19	31	29	21	2
2	Increases the price of product	44	30	15	11	1
3	Multiple tax rates	23	23	30	24	3
4	Cost of living increased	14	16	26	44	4
	Total	100	100	100	100	

Source: Primary Data

The above table no 1.4, clearly indicates that the majority of the respondents face the problem of increase in the price of product, which is ranked first, changes in the consumer behavior to buy less quantity of the product, which is ranked second, multiple tax rates, which is ranked third and cost of living increased, which is ranked fourth.

It is concluded that, majority of the respondents have faced the problem of increase in the price of the product after implementation of GST.

TABLE NO: 1.5

FACTORS INFLUENCING THE GOVERNMENT TO INTRODUCE GST USING MEAN SCORING ANALYSIS

S. No	Factors	Rank	I	II	III	IV	V	VI	VII	Total score	Mean	Rank
		Value	1	2	3	4	5	6	7			
1	Reduce inflation in the country	No.	6	8	12	5	14	21	34	512	5.12	7
		Score	6	16	36	20	70	126	238			
2	Replace all indirect tax	No.	11	29	24	18	10	3	5	316	3.16	2
		Score	11	58	72	72	50	18	35			
3	Tax uniformity	No.	44	18	10	11	11	2	4	249	2.49	1
		Score	44	36	30	44	55	12	28			
4	Encouraging alien friends to invest in Indian market	No.	10	18	16	16	15	18	7	390	3.90	3
		Score	10	36	48	64	75	108	49			
5	Improve a better standard of living	No.	2	6	14	13	20	24	21	469	4.69	6
		Score	2	12	42	52	100	114	147			
6	Aims to reduce black money	No.	4	10	14	29	16	14	13	437	4.37	5
		Score	4	20	42	116	80	84	91			
7	Increase government revenue	No.	23	11	10	8	14	18	16	397	3.97	4
		Score	23	22	30	32	70	108	112			

Source: Primary Data

The above table no 1.5 clearly indicates that the majority of the respondents gave priority to tax uniformity as a factor influencing the government to introduce GST in India, which is ranked first, replace all indirect tax, which is ranked second, encouraging alien friends to invest in Indian market, which is ranked third.

Followed by it, the respondents gave priority to increase government revenue, aims to reduce black money, improve a better standard of living and reduce inflation in country, which is ranked fourth, fifth, sixth and seventh.

It is concluded that, majority of the respondents gave first rank to the “tax uniformity” as a major factor which influences the government to introduce GST in India.

SCOPE OF FUTURE STUDY

In this study, only the city of Coimbatore is used to gauge public awareness of the GST. To determine the level of awareness, future studies can undertake a study that includes the entire Coimbatore district. This article just focuses on awareness; in the future, public perceptions of the GST can be examined. This all-encompassing tax is imposed on the production, sale, and consumption of products and services. With the exception of a small number of items, practically all indirect taxes have been replaced by the GST. Globally, around 160 nations have switched to the GST from indirect taxes. The state where the goods and services are consumed is responsible for collecting GST. This suggests that the tax is location-based. India implemented a dual GST system, meaning that both the states and the federal government will impose taxes on goods and services.

CHALLENGES OF GST IMPLEMENTATION:

The following are some of the main obstacles to the introduction of the GST in India: (i) Taxes' nature: There are several different taxes in India, including Central Excise, VAT, CESS, and other state-level taxes. These taxes will all be eliminated and replaced by the GST; however, many states and union territories still impose additional taxes that must be addressed. (ii) GST Subtypes: Since there will be two types of GST—Central GST and State GST—further segmentation is necessary based on absolute requirement and property considerations such as need, location, geography, and available resources. (iii) Tax Rates: The tax rate is still being worked on in many ways, taking into account the people's standard of living, among other factors. (iv) Tax Management and Technology Infrastructure: It is crucial to implement effective tax management and infrastructure.

CONCLUSION

The nation's most significant tax reform is the goods and services tax, according to experts. It aims to unify the nation's economic markets. This study's findings suggest that the general public's knowledge of the GST is below average.

The good and services tax will probably balance off the authority of the government. Under this system, the fraudulent practice of failing to pay taxes will end, allowing the government and customers to profit. This aids in the strengthening and stabilization of the Indian economy. The price of numerous goods and services has decreased as a result of the reduction in tax rates on those items. Making the products more inexpensive has increased demand, which in turn has increased production, which will accelerate economic growth. Additionally, the 28% GST Council has concentrated on deterring the use of such sin items by placing them in the highest tax bracket in order to improve the quality of life in India. The government must work more to ensure that the general public understands GST well and forms a favorable opinion of it.

Through this study, we draw the conclusion that if the general public fully embraces the GST, it will play a significant role in the growth and development of our nation.

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