

## Goods and Services Tax (GST) in India: Structure and Working

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### Abstract:

The Goods and Services Tax (GST) is a significant tax reform introduced in India to simplify the indirect taxation system. It replaced several taxes, including Value Added Tax (VAT), service tax, and excise duty, with one single tax. This research paper explains the structure and operation of GST in India. It outlines how GST is applied at various stages of production and distribution and how the government collects it. The study relies on secondary data and aims to provide a clear understanding of GST. The findings indicate that GST has improved transparency, reduced tax complexity, and created a more efficient tax system.

### Introduction:

The Goods and Services Tax (GST) was implemented in India on July 1, 2017, as an indirect tax reform. Before GST, India's tax system had multiple taxes imposed by both the central and state governments. This made the system complex and hard to manage. GST aimed to unify these taxes into a single system and create a "One Nation, One Tax" structure.

GST is a destination-based tax, which means it is collected where the consumption occurs, not where the production happens. It applies at every stage of adding value, and the final tax burden falls on the end consumer. The system lets businesses claim input tax credits, which reduces their overall tax burden and prevents double taxation.

The GST structure in India consists of three main parts: Central GST (CGST), State GST (SGST), and Integrated GST (IGST). These parts ensure a fair distribution of tax revenue between the central and state governments. This paper aims to explain how GST is structured and how it works in India. It will also look at how GST has improved the taxation system.



## Objective:

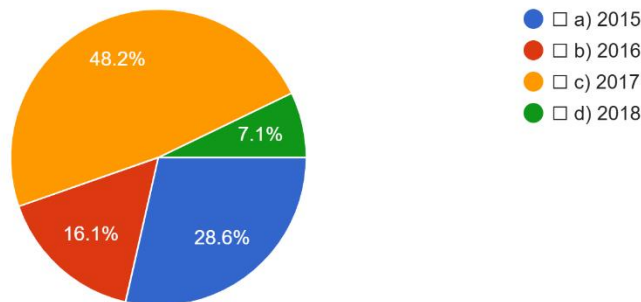
- To understand the concept and meaning of Goods and Service Tax (GST) in India.
- To know the GST structure consisting of CGST, SGST and IGST.
- To examine the working process of GST in Indian taxation system.
- To study the advantages of GST to business and consumers.
- To know the problems faced in the implementation of GST.
- To study the effect of GST on Indian economy and tax system.

## Data Analysis

### Response 1

3. In which year was GST implemented in India?

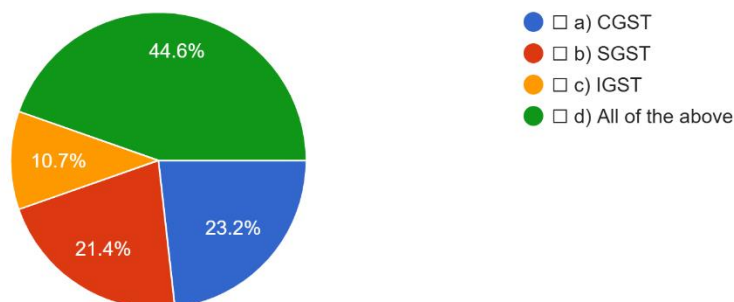
56 responses



### Response 2

5. Which of the following is a component of GST?

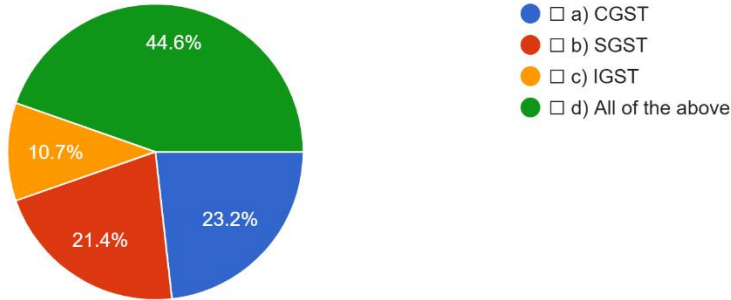
56 responses



### Response 3

5. Which of the following is a component of GST?

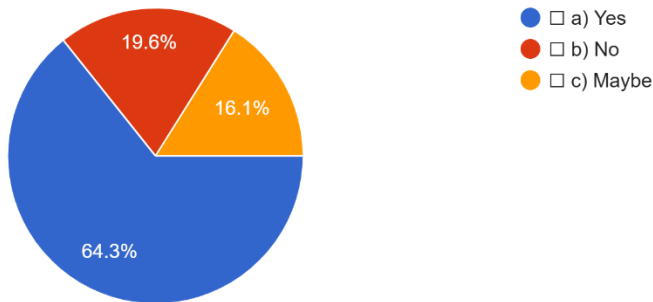
56 responses



## Response 4

6. Do you think GST has simplified the taxation system in India?

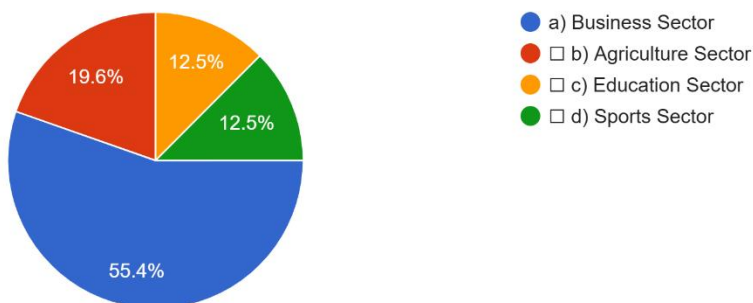
56 responses



## Response 5

10. Which sector is most affected by GST implementation?

56 responses



**Hypothesis:**

**1. GST is mainly which type of tax?**

<u>Sr. no.</u>	<u>Options</u>	<u>Oi</u>	<u>Ei</u>	<u>Oi-Ei</u>	<u>(Oi-Ei)<sup>2</sup></u>	<u>(Oi-Ei)<sup>2</sup>/Ei</u>
<u>1</u>	<u>Direct Tax</u>	<u>85</u>	<u>25</u>	<u>60</u>	<u>3600</u>	<u>144</u>
<u>2</u>	<u>Indirect Tax</u>	<u>15</u>	<u>25</u>	<u>-10</u>	<u>100</u>	<u>4</u>
<u>3</u>	<u>Income Tax</u>	<u>0</u>	<u>25</u>	<u>-25</u>	<u>625</u>	<u>25</u>
<u>4</u>	<u>Corporate Tax</u>	<u>0</u>	<u>25</u>	<u>-25</u>	<u>625</u>	<u>25</u>
		<u>100</u>				<u>198</u>

$X^2 = 198 > 7.815$

**2. In which year was GST implemented in India?**

<u>Sr. no.</u>	<u>Options</u>	<u>Oi</u>	<u>Ei</u>	<u>Oi-Ei</u>	<u>(Oi-Ei)<sup>2</sup></u>	<u>(Oi-Ei)<sup>2</sup>/Ei</u>
<u>1</u>	<u>2015</u>	<u>0</u>	<u>25</u>	<u>-25</u>	<u>625</u>	<u>25</u>
<u>2</u>	<u>2016</u>	<u>20</u>	<u>25</u>	<u>-5</u>	<u>25</u>	<u>1</u>
<u>3</u>	<u>2017</u>	<u>80</u>	<u>25</u>	<u>-55</u>	<u>3025</u>	<u>121</u>
<u>4</u>	<u>2018</u>	<u>0</u>	<u>25</u>	<u>-25</u>	<u>625</u>	<u>25</u>
		<u>100</u>				

$X^2 = 172 > 7.815$

**Conclusion:**

The introduction of GST has transformed the Indian taxation system. It replaced multiple indirect taxes with a single, unified system that makes taxation simpler and more transparent. Its structured approach, which includes CGST, SGST, and IGST, ensures efficient tax collection and distribution. The functioning of GST, particularly the input tax credit, has reduced the cascading effect of taxes and lowered the overall tax burden on businesses and consumers. While there were initial challenges in its implementation, GST has gradually improved the ease of doing business in India. In conclusion, GST is a positive reform that has strengthened the country's economic system. With ongoing improvements and better awareness, GST will play an important role in the growth and development of India's economy.

## References:

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