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# AN ANALYTICAL STUDY OF AMRITSAR RELATED WITH ISSUES OF TAX RATES, FILING OF RETURN AND USAGE OF SOFTWARE OF GOODS AND SERVICE TAX (GST)

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**Abstract-** The main purpose of the paper is to analyse the problems of GST specifically in Amritsar city. The data is based on questionnaires which were distributed to 200 businessmen i.e. manufacturers, traders and service providers of Amritsar to collect their responses. For the purpose of analysing the data, Descriptive statistics and Chi-square test have been used. The result of the study revealed that majority of the taxpayers are satisfied with the implementation of GST and they have no difficulty in filing the return. Surprisingly, the results also found mixed reaction of respondents for usage of GST software. 57.5% of the respondents reported that their system have been equipped to handle GST software. With regard to usage of GST software, there is myth that GST software is not much user friendly and can be handle by expert only.

**Keywords:** Goods and Service tax, Amritsar, Manufacturers, Traders and Service providers

## I. INTRODUCTION

Business and indirect taxation are two sides of same coin. Indirect taxes encompass every area of a company's business. Every business has to deal with taxes on daily bases such as sales tax or value added tax (VAT), service tax, central tax, excise duty, import duty and custom duty etc. In order to deal with the every business activity, businessmen have to modernize themselves about the current alterations of the indirect taxation system.

India has seen significant improvement in Indirect taxes over the past two decades. In order to simplify the complexities of the indirect tax system, the Indian Government does its best with some improvements from time to time. But still the number of different indirect taxes and lot of litigation formalities, cascading effect of tax etc makes it complex to follow by society.

In order to diminish the cascading consequence of tax on the price of goods and services and to make Indian economy stronger and powerful, Goods and Services Tax (GST) is implemented by government from July 1, 2017, by fixing India's complex indirect taxation system, uniting the 1.3 billion people with \$2 trillion economy into a uniform market. GST is India's major tax reform in years of freedom which switched many dozen central and state duties including excise duty, service tax, toll tax and value added tax and thus it is assisting Asia's third largest economy to modernise by bringing together state economies.

In India, the history of Goods and Services Tax could be traced back from 17 troubled years.

In January 2017, Finance Minister Arun Jaitley announced July 1, 2017 as GST implementation date. Centre, states was settled on controversial matter of dual control and rights of taxes on high sea goods. GST council fitted over one thousand and two hundred products in one of four tax slabs of five, twelve, eighteen and twenty eight per cent in May 2017. GST has applicable on all states with separate and dedicated legislation except Jammu and Kashmir in June 2017.

At the end, it was implemented on July 1, 2017 in India. Goods and services tax means a tax on supply of goods or services, or both, except taxes on supply of alcoholic liquor for human consumption (Article 366 (12A) of Constitution of India).

## II. REVIEW OF LITERATURE AND NEED OF THE STUDY

Several researchers have given their views on Goods and Service Tax (GST) in India as well as in other several countries. Various studies conducted on explaining the concept and relation of Goods and Service Tax (GST) is given in as follows:

Breen et al., (2002) pronounced the impact of the introduction of GST on small business in Australia in the perspective of the experiences confronted



in similar countries overseas. Study found that the GST needed extra time and money obligations from businesses to meet their compliance commitments. In addition, businesses supposed that the GST produced cash flow problems.

Valadkhani and Layton (2004) scrutinized the scale and extent of the GST effect on inflation in Australia's eight capital cities and provided a consistent check on the impact and extent of the GST effect. In this study, time series data has been used for the consumer price index of the capital cities. The data for all these cities (including Australia as a whole) were accessible from the third quarter of 1948 to the first quarter of 2003. Results found that GST had a noteworthy but temporary impact on inflation only in the September quarter of 2000 when this new tax system was implemented.

Azmi and Perumal (2008) investigated whether tax fairness dimensions that exist in western countries also exist in Asian country particularly in Malaysia. Principal components factor analysis was used to determine whether the tax fairness dimensions existed. Furthermore, conclusion is made that the respondents perceive that the Malaysian tax system is moderately fair.

Yeung (2010) considered the fiscal system and views of accountants of Hong Kong towards GST. Documentary analysis and Survey by questionnaires have been chosen as qualitative and quantitative methods. Study stated that 62.8% of the respondents were not favoured to the GST because they were not confident that the increase in revenue from the GST would be totally offset by the reductions in income tax and the increase of transfers to help the poor.

Vasanthagopal (2011) studied the impact of GST on various sectors like agriculture, manufacturing industry, housing, exim trade and concluded that GDP would be big leap indirect taxation system and most preferred form of indirect tax in Asia pacific region due to its success.

Bidin et al., (2014) inspected the perception of taxpayers towards the execution of goods and services tax (GST) in Malaysia. Study showed that attitude and subjective norms variables were significantly and positively related to the behavioural intention. But theory of reasoned action (TRA) model expounded that only 28% of sales taxpayers' intent to comply with GST in Kedah and Perlis.

Jaiparkash (2014) did a comparative study of VAT and GST as tax reforms and studied

about the progress of India's indirect tax reforms from an origin-based Central Sales Tax (CST) to a proposed destination based GST. Inference is made that GST will replace a number of indirect taxes presently being levied by centre and state governments and is intended to remove cascading effects of taxes and would provide a common national market for goods and services.

Sinniah (2015) assessed the factors that influence the intention of manufacturer towards GST compliance and tried to investigate the relationship between manufacture's attitudes, subjective, perceived behavioural control and perception on tax law and enforcement with GST compliance. Analyses have been made about that attitudes, subjective norms, tax knowledge and tax system complexity has a significant relationship with the intention to GST compliance.

Khurana and Sharma (2016) highlighted the contextual, aims of the proposed GST and the influence of GST in the current tax scenario in India. It suggested that central government should go for the awareness campaign for general public and tax payers. Government need to construct a proper monitoring system for monitoring the dummy registrations and refunds problems.

Shalini and Biswas(2016) Described the concept of GST with current scenario of real estate sector and analysed the impact of GST on the Indian real estate sector. Cost of under construction residential unit will increase post GST implementation. GST will work as hefty blow for industries having slow sales.

Chen and Taib (2017) acknowledged the issues affecting business operators' awareness on the execution of GST. More than 70% of the respondents are attentive of the GST mechanism, which means that businesses operators do have adequate knowledge on GST in order to face the encounters arising from the implementation of GST.

Muthupandi and Xavier (2017) tried to identify the level of knowledge of the students on issues of GST with socio- economic and demographic profile of the respondents. 90% of the respondents were aware of the implementation of GST and 46.67% of the respondents were strongly disagreed that the GST is the best tax system adopted by many countries around the world.

Sharma et al., (2018) evaluated the history, features of GST in India and also elaborated SWOT analysis of GST in Indian context. GST is most



logical step towards comprehensive indirect tax reform in our country since independence and it would result in increasing revenue at the Centre as the tax collection system becomes more transparent, making tax evasion problem vanish and leading to economic growth, helping Indian people regain the wealth lost within country

Tewari (2018) tried for comparison between pre and post GST. It was quoted that there were 9.8 million unique GST registrations till December 2017, which are slightly more than the total indirect tax registrations under the old system and the GST has raised the number of unique indirect taxpayers by more than 50 per cent to a substantial 3.4 million.

Adhana and Raghuvanshi (2019) illuminated the scenario of GST and the month wise GST collection in India from July 2017 to January 2019. It also studied the impact of GST on selected thirty five sectors from Consumer Goods & Services to Alcohol Industry. Study also shows GST as a game changer for Indian economy by explaining benefits to this tax to exporters, small traders and entrepreneur, agriculture and industry and common consumers.

Govindan (2019) investigated month wise the revenue collection of Goods and Services Tax (GST) and its growth with month as well as quarter wise return filing of 3(b) and GSTR1 in Goods and Services Tax (GST) and its growth rates as on 30th April 2019 in India. It was determined that positive growth was eleven months out of twenty months and negative growth was nine months compared with previous month collections. Further suggestions were provided to the authorities for necessary reforms in GST registrations, filing of returns, payment of tax, refund, interest, penalty and various types of GST exemptions to different type of taxpayers.

Semwal et al., (2020) assessed the impact of Goods and Services Tax on shopkeepers in Hisar City of Haryana state. Study showed that there was decrease in profit as they have to pay taxes more than 6 times in a year. shopkeepers had highly increased tax burden and legal compliances, followed by increase in workers hiring capacity and no impact on ease of doing business, no loss and transparency in business.

Ajay and Divyashree (2021) find out the impact of GST tax audit on taxpayers. Study elaborate that whether the taxpayer as filed their returns and refunds correctly. For the smooth functioning of GST tax audit there is need to verification of place of supply to check whether correct GST is charged,

verification of other income ledger, classification of goods / services and their respective rate.

### III. DATABASE AND RESEARCH METHODOLOGY

The study involves collection of primary data through structured questionnaire. The study is based on Amritsar which is the one of the most important and largest city of the Punjab from the viewpoint of revenue collection and business area. Amritsar is selected due to the reason that various manufacturing and textile units are mainly included in the city and also remain a busy tourist destination which succeeds the business. The main reason of growth of this heritage city as industrial hub is that this is located on the National Highway 1 (NH1) which provides easy connectivity with the other parts of the country.

A pilot survey was conducted before finalisation of questionnaire. The questionnaire was distributed to 200 businessmen i.e. manufacturer, trader and service providers of Amritsar to collect their responses. After the data has been collected from the various respondents, it has been compiled, processed and analysed to arrive at certain conclusion in regard to the study. For the purpose of analysing the data, Descriptive statistics and Chi-Square test have been used. Descriptive statistics such as sum, frequencies, percentages, mean and standard deviations are used to summarize the data and specify basic data characteristics. Chi-Square test is applied to test association between two categorical variables.

### IV. RESULTS AND DISCUSSION

Taxpayer's perspective i.e. view point of various businessmen towards implementation of GST i.e. general information regarding choice about new system of indirect tax, rates of taxes and opinions of taxpayers for filing and filling of returns is analysed.

Taxpayer's perspective towards implementation of GST

This section explores viewpoint of taxpayer's on the implementation of GST i.e. whether they are satisfied with the implementation of GST or not.

Table: 1 GST is better choice or not

Frequenc y	Manufactur er	Trade r	Service Provide r	Tota l
Yes	9 (4.5)	80 (40)	35 (17.5)	124 (62)
No	15 (7.5)	55 (27.5)	6 (3)	76 (38)
Total	24 (12)	135 (67.5)	41 (20.5)	200 (100)



Chi-square = 16.046 Significance Value = .000  
Degree of Freedom = 2

The figures in parentheses denote percentages  
Table: 2 shows that, out of total 200 respondents, 124 (62%) respondents feel that GST implementation is good choice, among them 40% were traders, 17.5% were service providers and rest were manufacturers. On the other side, 76 respondents feels GST is not a good choice. Majority of the respondents who feel GST is not a good choice includes traders (27.5%) whereas as only 3% service providers who feels GST is not good choice. According to category wise results, majority of the traders and service providers are showing their favour for the GST but majority of manufacturers are not favoring GST. The chi-square value of (16.046) has been found to significant at (.000). This suggests that the category wise results of businessmen differ significantly in their response.

Further, respondents were further asked to specify the reasons for favouring and not favouring the GST and they were select one or more than one reason. The responses of respondents are shown in the Table: 2 and Table: 3.

Table: 2 Reasons for favouring GST

Frequency	Manufacturer	Trader	Service Provider	Total	Rank
Online and easy procedure of GST	3 (1.17)	40 (15.56)	24 (9.34)	67 (26.1)	I
Lesser compliances	2 (0.78)	11 (4.28)	17 (6.61)	30 (11.7)	IV
Composition scheme for small business	1 (0.39)	10 (3.90)	7 (2.72)	18 (7.0)	VI
Industrial growth	0	4 (1.56)	9 (3.50)	13 (5.1)	VII
Higher	1 (0.39)	8	12	21	V

threshold for registration		(3.11)	(4.67)	(8.2)	
Defined treatment for E-Commerce operators	1 (0.39)	5 (1.94)	1 (0.39)	7 (2.7)	VII
Reduction in corruption	6 (2.33)	25 (9.72)	11 (4.28)	42 (16.3)	III
Unorganized sector is regulated under GST	8 (3.11)	38 (14.79)	13 (5.05)	59 (23.0)	II

The figures in parentheses denote percentages

Table: 2 describes the reasons for preferring GST. The result shows that majority of the respondents (26.1%) are providing their views for GST as better choice because of its online system. Every transaction is online and easily accessible from registration of person till payment of tax. Respondents also feel that unorganized sector is regulated under GST. Online system with regulated economy provides the transparency which reduced the corruption to some extent, as stated by 16.3% of the respondents. But 5.1% respondents have agreed with the industrial growth after implementation of GST as businessmen are just busy in fulfilling the formalities of GST like registration, obtaining GST identification number and so on. Thus become incapable of taking the advantages of GST in terms of revenue. Only 3.50% service providers and 1.56% traders have favoured for industrial growth after GST whereas none of the manufacturer has provided its opinion for industrial growth. Furthermore, GST has online access as stated above. Everything is available over internet. However, very less percentage (2.7%) is provided on the defined treatment for e-commerce.

Table: 3 Reasons for not favouring GST

Frequency	Manufacturer	Trader	Service Provider	Total	Rank
Troubles and learning for entire new system	6 (3.95)	24 (15.79)	4 (2.63)	34 (22.37)	III
Old product with new name	1 (0.66)	5 (3.29)	0	6 (3.95)	VI
Broaden the gap between the	0	10	0	10	V



rich and poor		(6.58)		(6.58)	
Negative impact on the development of industry	6 (3.95)	29 (19.07)	0	35 (23.03)	II
Increased cost due to software purchase	1 (0.66)	3 (1.98)	1 (0.66)	5 (3.29)	VII
Being GST-Compliant	0	4 (2.63)	0	4 (2.63)	VII I
Increase in operational costs	2 (1.31)	11 (7.24)	0	13 (8.55)	IV
Higher tax burden	9 (5.92)	33 (21.71)	3 (1.98)	45 (29.60)	I

The figures in parentheses denote percentages

Table: 3 specified the reasons of disapproving the GST over previous tax structure. Most of the respondents (29.6%) reported that GST has higher tax burden i.e. rates of taxes are high. Respondents feel that high tax rates are impacting negatively on the development of the industry. As whole system of GST is new and technical in nature, so taxpayers also have problems in learning the changed system of indirect taxes. Likewise, software of GST is foremost requirement. But less of the respondents (3.29%) have provided their views on increased cost due to software purchase. Furthermore, only 2.63% of traders have issue about GST-Complaint. So, the main reason of disapproving of GST is higher tax burden which has unfavourable impact on the economy.

Taxpayer's perspective towards rates of GST

This section elaborates the outlook of taxpayer's on category wise rates of GST tax. It also includes the rates of taxes expected by the respondents.

Table: 4 Satisfaction with Category wise Tax Rates

Frequency	Manufacturer	Trader	Service Provider	Total
Yes	0	3 (1.5)	8 (4)	11 (5.5)
No	24 (12)	132 (66)	33 (16.5)	189 (94.5)
Total	24 (12)	135 (67.5)	41 (20.5)	200 (100)

Chi-square = 19.676 Significance Value = .000 Degree of Freedom = 2

The figures in parentheses denote percentages

Table: 4 reveals that only 5.5% of the total respondents are satisfied with the rates of GST, among them 4% opinions are of service provider and rest belongs to traders. There is huge dissatisfaction about the category wise tax rates (0%-28%) of GST. Almost 94.5% respondents

have an objection with the present rates of taxes. High tax rates are creating high price of products and services which creates instability in the economy. So, there is high demand of low tax rates so that everyone could pay easily and balance in economy could be maintained. Responses of manufacturers, traders and service providers do differ and difference is statistically significant as revealed by the significant chi-square value 19.676.

Further, respondents were asked about their expected rates for the GST. Their responses of respondents have been shown in next table: 5

Table: 5 Frequencies of Expected Rates of Taxes

Frequency	Manufacturer	Trader	Service Provider	Total
No change	0	3 (1.5)	8 (4)	11 (5.5)
Flat rate-10%	9 (4.5)	45 (22.5)	8 (4)	62 (31)
0%-10%	8 (4)	48 (24)	6 (3)	62 (31)
0%-15%	7 (3.5)	35 (17.5)	17 (8.5)	59 (29.5)
0%-20%	0	4 (2)	2 (1)	6 (3)
Total	24 (12)	135 (67.5)	41 (20.5)	200 (100)

Chi-square = 29.169 Significance Value = .000 Degree of Freedom = 8

The figures in parentheses denote percentages.

Table: 5 shows the frequencies of rates that should be applied as tax rates. Most of the individuals (31%) wish for a uniform tax rate which means single rate of tax on every type of goods and services. Equally respondents prefer tax rates between nil to ten per cent. There are (29.5%) respondents who favoured for the category of tax



rates between nil to fifteen per cent. Further, 4% of service providers and 1.5% traders do not want any change in current tax rates. Only 3% respondents, including 2% of traders and 1% of service providers are satisfied with the category of nil to twenty per cent, if applied. It clarifies that most of the respondents want either flat rate on every commodity or minimum category of tax rates. Chi-square value (29.169) shows significant difference between the responses of respondents.

Taxpayer's perspective towards return filing and filling of taxes

This section interprets the opinions of taxpayers for filing and filling of returns. It also includes the difficulties relating to the return filing.

Table: 6 Difficulty in Filing return of GST

Frequency	Manufacturer	Trader	Service Provider	Total
Yes	11 (5.5)	41 (20.5)	22 (11)	74 (37)
No	13 (6.5)	94 (47)	19 (9.5)	126 (63)
Total	24 (12)	135 (67.5)	41 (20.5)	200 (100)

Chi-square = 8.230 Significance Value = .016  
Degree of Freedom = 2

The figures in parentheses denote percentages.

Filing a return is the process to furnish details of the sales and purchases of goods and services along with the tax collected and paid. Table 4.6 depicts that most of the people (63%) have no difficulty in filing the return of tax, which is more than half of the total respondents. Some respondents file returns with the help of software and some of the respondents file returns through their professionals. And those who themselves file the return (37%), they have their problems. Though traders, service providers and traders do differ in their responses but this difference is not statistically significant as revealed by the insignificant chi-square value of 8.230.

Further, respondents were questioned to state their difficulties for return filing and they were to select more than one reason. The responses of respondents are shown in the Table: 7

Table: 7 Types of Difficulties in Filing Tax Return

Frequency	Manufacturer	Trader	Service Provider	Total	Rank
Multi stage submission and filing requirement	6 (3.75)	20 (12.5)	12 (7.5)	38 (23.75)	II

Multiple dates for various returns on monthly basis	9 (5.62)	23 (14.37)	11 (6.87)	43 (26.87)	I
Payment of tax in cash ledger	0	4 (2.5)	3 (1.87)	7 (4.37)	VI
Mistakes in amount paid into cash ledger irresolvable	0	2 (1.25)	5 (3.12)	7 (4.37)	VI
Differences in decimals in invoice and tax	0	10 (6.25)	3 (1.87)	13 (8.12)	VI
No revision/rectification of return allowed	2 (1.25)	10 (6.25)	7 (4.37)	19 (11.87)	III
Mandatory late fees without any discretion or clarification even in genuine cases	3 (1.87)	10 (6.25)	3 (1.87)	16 (10)	V
Return forms filled are not printable	1 (0.625)	6 (3.75)	10 (6.25)	17 (10.62)	IV

The figures in parentheses denote percentages.

Table: 7 elaborate the different types of difficulties faced by the respondents while filing the return of GST. 26.87% respondents reported that there are multiple dates for various returns on monthly basis which creates burden on the taxpayer. Similarly, taxpayers have problems of multi stage submission and filing requirements that makes the filing process complicated. Again, in case of any mistake or error, no rectification of return is allowed. Also, 3.12% service providers and 1.25% traders have problem of payment of taxes in cash ledger and further 4.37% taxpayers reported that any mistake in amount paid into cash ledger becomes irreversible or unchanged.

Taxpayer's perspective towards impact of GST on Business

This section provides the responses of taxpayers on impact of GST on business sector. It also includes the information about software of GST and opportunity to raise voices in indirect matters for taxpayers.



Table: 8 Impact of GST on Business

Frequency	Manufacturer	Trader	Service Provider	Total
Positive	1 (0.5)	10 (5)	3 (1.5)	14 (7)
Negative	19 (9.5)	76 (38)	9 (4.5)	104 (52)
No Impact	4 (2)	49 (24.5)	29 (14.5)	82 (41)
Total	24 (12)	135 (67.5)	41 (20.5)	200 (100)

Chi-square = 24.352 Significance Value = .000  
Degree of Freedom = 6

The figures in parentheses denote percentages.

Table: 8 indicate that a bigger section of the respondents (52%) to be exact believes that GST has negative impact on their business. It has restricted the monopoly of business on its products because higher rates have increased the prices, resulting in adverse effect on profit margin. Further, 41% respondents have provided their neutral decision for impact of GST on their business. They used to pay taxes even earlier and still pay. Very few respondents (7%) reported that GST has positive impact of GST on their business. The Chi-Square Value (24.352) shows significant differences among responses of traders, manufacturers and service providers at (.000) with respect to impact of GST on business sector.

Further, the respondents were asked about the use of GST software and expertise of GST software. Opinions of the respondents have been provided in Table: 9 and Table: 10

Table: 9 System equipped to handle GST Software

Frequency	Manufacturer	Trader	Service Provider	Total
Yes	9 (4.5)	77 (38.5)	29 (14.5)	115 (57.5)
No	15 (7.5)	58 (29)	12 (6)	85 (42.5)
Total	24 (12)	135 (67.5)	41 (20.5)	200 (100)

Chi-square = 6.878 Significance Value = .032  
Degree of Freedom = 2

The figures in parentheses denote percentages.

Table: 9 interpret a mixed reaction of respondents. 57.5% of the respondents reported that their system has been equipped to handle GST software. Further, 42.5% respondents have stated that their

system has no software of GST. As whole process of GST is online so with time there is tendency of increasing number in software installation. The Chi-Square Value (6.878) shows insignificant difference between the responses of traders, manufacturers and service providers with respect to use of software of GST.

Table: 10 Expert to Handle GST Software

Frequency	Manufacturer	Trader	Service Provider	Total
Yes	9 (4.5)	58 (29)	26 (13)	93 (46.5)
No	15 (7.5)	77 (38.5)	15 (7.5)	107 (53.5)
Total	24 (12)	135 (67.5)	41 (20.5)	200 (100)

Chi-square = 6.176 Significance Value = .046  
Degree of Freedom = 2

The figures in parentheses denote percentages.

As there is myth that GST software is not much user friendly and can be handled by experts only. But still majority of the respondents (53.5%) reported that they have no expert to handle GST. They run it ownself for recording the business transactions, bill invoice, management of inventory level, return filing and reporting purposes. But, they have to take help of experts for filing the return. Rest (46.5%) of the respondents have their experts to handle the proper mechanism of software. Chi-Square Value (6.176) shows no significant difference between the responses of respondents with respect to software expert to handle GST.

Table: 11 Opportunity to Raise Value in Indirect Matters

Frequency	Manufacturer	Trader	Service Provider	Total
Strongly agree	13 (7.5)	60 (30)	9 (4.5)	82 (41)
Agree	8 (4)	48 (24)	20 (10)	76 (38)
Neutral	3 (1.5)	25 (12.5)	12 (6)	40 (20)
Strongly disagree	0	2 (1)	0	2 (1)
Total	24 (12)	135 (67.5)	41 (20.5)	200 (100)

Chi-square = 10.185 Significance Value = .117  
Degree of Freedom = 6

The figures in parentheses denote percentages.



Table: 11 provide that with the introduction of new indirect tax system, majority of respondents believed that they have now an opportunity to raise voice in indirect matters. 41% of the total respondents have strongly agreed with the statement. Further, there are 38% respondents who have agreed with the statement. This clearly shows that the involvement of people in the new taxation system is really high. On the contrary, very few respondents (20%) have provided their neutral for the statement and only 1% of the traders have strongly disagreed with the statement. The insignificant chi-square value (10.185) reveals no significant difference between the responses of traders, manufacturers and service providers with respect to opportunity to raise voice in indirect matters.

#### V. CONCLUSION

From the above analysis, following inferences have been drawn. Majority of the taxpayers are satisfied with the implementation of GST. But as far as rates are concerns, almost 94.5% of the respondents have an objection with the present rates of GST. Majority of the respondents want either flat rate on every commodity or minimum category of tax rates.

Most of the respondents have no difficulty in filing the return. Some respondents file returns with the help of software and some of the respondents do it through their professionals. And those who themselves file the return (37%), they have their problems. The main problems of return filing are multiple dates for various returns on monthly basis and multi stage submission.

A bigger section (52%) of the respondents to be exact believes that GST has negative impact on their business. It has limited the monopoly of business on its products because higher rates have increased the prices, resulting in adverse effect on profit margin. Further, 41% respondents provided their neutral opinions for impact of GST on their business. They used to pay taxes even earlier and still pay.

Furthermore, results found mixed reaction of respondents for usage of GST software. 57.5% of the respondents reported that their system have been equipped to handle GST software. With regard to usage of GST software, there is myth that GST software is not much user friendly and can handle by expert only. But still majority of the respondents (53.5%) reported that they have no expert to handle GST. They run software own self for recording the business transactions, bill invoice, and management of inventory level, return filing and reporting purposes. But, they have to take help of their professionals for filing the return.

#### Implications of the Study

Implementation of GST has increased operational costs for businesses. In a developing country like India, all small and medium enterprises are unable to bear the cost of electronic devices and accountants required to implement GST for making bills and filing of tax returns. Government should give attention towards those businesses that have small turnover.

Majority of the respondents either want single rate of tax rate or minimum rate of taxes. But according to the mixed nature of Indian economy, it is not possible to set a single rate on each type of goods and services. Government can reduce the percentage of rate according to other mixed economies such as France and Malaysia. Malaysia has maximum tax rate of 6% while France has 20%. There is no doubt that there are different aspects in each country itself. But still government should try to reduce the rates of taxes because 95% of the taxpayers have objection with the current rates of taxes. Furthermore, respondents suggested that some products like plywood, automobile parts, and electronic items have 28% rate of tax which influence buyers to purchase with lesser amount from unregistered dealers.

Most of the small and medium scale businessmen are uneducated. They do not have much information about GST's work. If they go for any professional or specialist of GST, they charge high rates. So, government should try to fix the charges of professionals according to the turnover of businesses.

Filing of returns on monthly basis creates another burden on taxpayers. They find it difficult to file the returns on monthly basis. Government should try to simplify the tax returns in best possible manner. Duration of return filing should be only quarterly or half yearly so that process becomes easy. In case of any clerical error found later while filing of return, there is no facility to modify return of GST. Facility should be provided to rectify such mistakes in returns.

The Goods and Services tax can actually become a Good and Simple tax, as has been described by our Honorable Prime Minister Mr Narendra Modi, if government pay attention towards the issues related to GST. For improving the GST, there are immediate requirements for justified rates, elimination of unnecessary complications and removal of debatable aspects.

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