

IMPACT OF GST ON CONSUMERS IN BANGALORE CITY

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Abstract: Consumers are the person who purchases Goods and Services for personal use. The GST is an indirect tax which is used in India on the supply of various goods and services. GST is being imposed at each and every step of the production process. The GST has its impact on the consumers because the tax is to be paid or will be collected by the consumers. The effect of GST is more on the consumers because all others get the refund of their taxes but consumers will not get any refund for any payment. This study thus attempts to analyze the awareness of consumers and their perception towards GST on various consumers Goods and Services and to know whether the GST has a positive or negative impact.

Keywords: GST, consumer's awareness, perception, consumer goods.

INTRODUCTION:

GST is an indirect tax which is levied on goods and services. GST was introduced in India on 1st July 2017 with a theme of 'One Nation One Tax' with the introduction of GST large number of different taxes which were levied at central and state level were merged to single tax. All most all the sectors of economy are now experiencing the effect of GST. But the ultimate effect will be on consumers because the tax is of indirect form which means the incidence and impact is on two different persons, so though the tax is paid by the supplier of Goods and Services it is being collected by the consumers, hence GST has a significant effect on consumers.

Types of GST in India

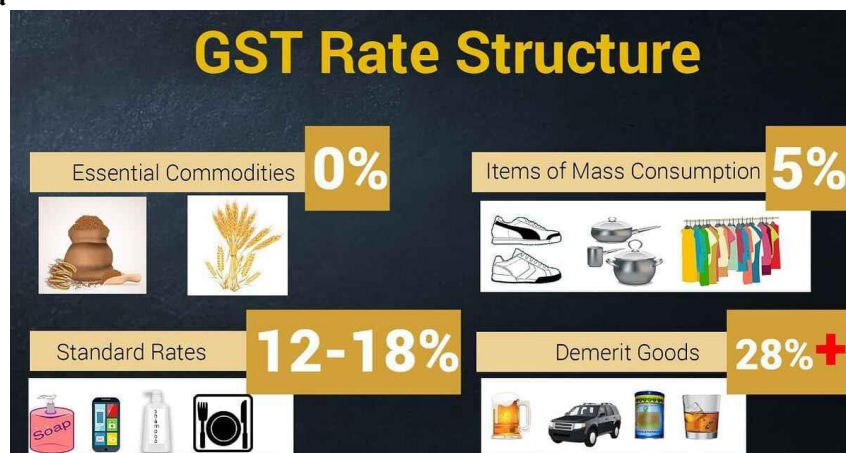
CGST: Central Goods and Service Tax

SGST: State Goods and Service Tax

UGST: Union Territory Goods and Services Tax

IGST: Integrated Goods and Services Tax

GST rates in India



REVIEW OF LITERATURE:

Anshu Ahuja (2017) [1], in the research paper titled "Perception of people towards goods and services tax" found that, the consumers are satisfied that goods and services tax will reduce the tax evasion in the country and will increase the

transparency in the tax structure. He further suggested that, the government should give some relaxation to farmers and small scale business to avoid the adverse impact of goods and services tax on their income level. Gowtham Ramkumar (2017) [2] , in his study titled “Impact of GST on consumer spending ability in Chennai City” concluded that, the consumers are left with less money after GST, International Journal of Financial Management and Economics ~ 40 ~ rise in inflation level and fall in prices of certain goods after GST implementation. He further concluded that, the GST rates will have a significant impact on the spending ability of the consumers and suggested that benefits of input tax credit must be transferred by the companies to the consumers. Manoj Kumar Agarwal (2017) [3] , in his research paper titled “People’s perception towards GST – An empirical study” found that, the people feel that GST has increased the legal compliances and it will increase the tax collection of the government. He further found that, the GST has increased the tax burden of businessmen and suggested that efforts should be made on the part of the government to ensure people have a proper understanding of the goods and services tax implemented in India. Prof.Pooja.S.Kawle and Prof.Yogesh.L.Aher (2017) [4] concluded that a single tax will help to maintain simplicity and transparency by treating all goods and services equal without giving a special treatment to some types of goods and services. It will reduce the litigation on classification of issues. It is also said that implementation of GST in Indian framework will lead to commercial benefits which VAT has not given and hence it would essentially lead to economic development. GST may assure the possibility of overall gain for industry, trade, agriculture and also to central and state government. Now Indian consumer need to have professionalism to acknowledge the GST.

RESEARCH METHODOLOGY

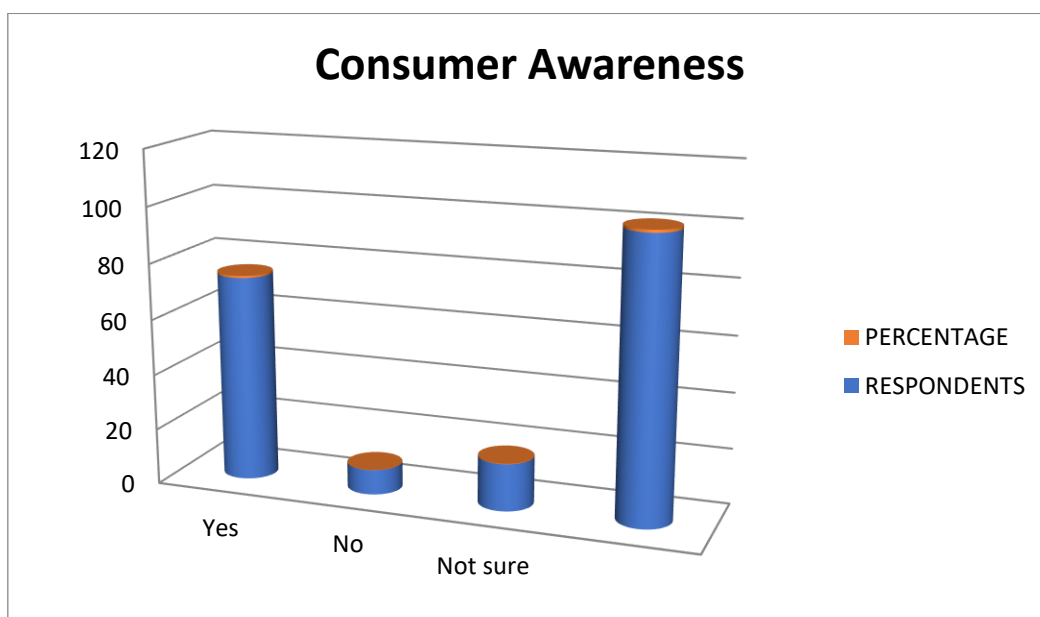
The data required for this study is collected from both primary and secondary data sources.
 Primary data: is collected by 100 consumers in Bangalore city with close ended questionnaire.
 Secondary data: the secondary data is collected from various sources like journals, magazines and websites

Sample size: 100 respondents

Analysis and interpretation
 Statistical tool percentage analysis

Table 1 : Consumer awareness about GST rate charged on various consumer products

GST RATES	RESPONDENTS	PERCENTAGE
Yes	74	74%
No	9	9%
Not sure	17	17%
	100	100%

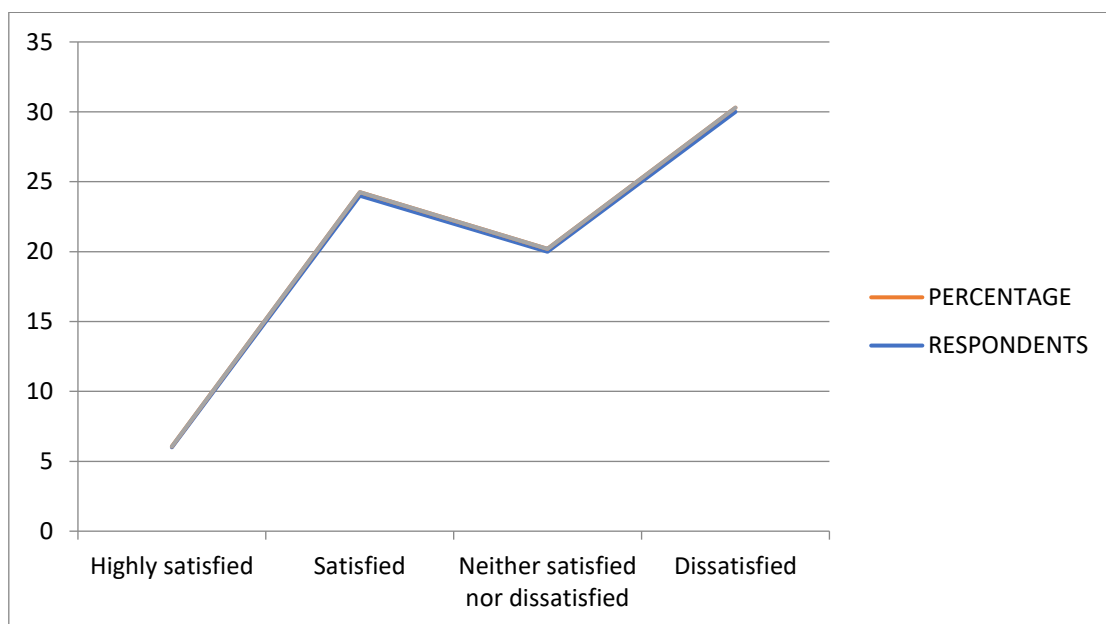


Inference

The above table shows that 74% of consumers are aware of GST rates charged on consumer goods 9% of consumers are not aware of the tax rate and 17% of them are not sure about the rates applicable.

Table 2 Consumer level of satisfaction by implementation of GST

SATISFACTON	RESPONDENTS	PERCENTAGE
Highly satisfied	6	6%
Satisfied	24	24%
Neither satisfied nor dissatisfied	20	20%
Dissatisfied	30	30%
Highly dissatisfied	20	20%
Total	100	100%



Inference

The above table shows that only 6% of the consumers are highly satisfied with GST rates and 20% of consumers are highly dissatisfied.

CONCLUSION

The researcher conclude that With the introduction of GST though there is a reduction in cascading effect but still the consumers have an mixed opinion because different products are charged at different rates and consumers are still not aware of the rates applicable. Hence I conclude that it is the necessary to conduct regular awareness programs regarding the GST rates to consumer.

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