

A STUDY ON ATTENTIVENESS OF CONSUMER PERCEPTION TOWARDS GST IN KALLAKURICHI DISTRICT

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Abstract

Today, taxes are a significant source of income for governments worldwide. On July 1, 2017, the Indian government decided to introduce GST. This has an impact on every individual and causes a variety of consumer concerns over the adoption of the GST. This project intends to investigate how Indian consumers feel about the GST. The tax is anticipated to lower the idea of "tax on tax," boost GDP, and bring down prices. The national and state governments in India impose various indirect taxes on products and services. A descriptive analysis is used to investigate how people perceive its acceptance. Consumers have a high level of fundamental knowledge. Overall, consumers have been very supportive of the adoption of the GST. The goal of this research project is to identify the critical elements that influenced how customers in the Kallakurichi District perceived and felt about the Goods and Services Tax (GST). In this survey, a number of measurable factors and variables were taken into account, including tax compliance, tax awareness, and tax morale by employing a set of questionnaires as a research tool. The general opinion of the impact of GST on citizens' lives is determined using almost 130 sets of questionnaires. The association between taxpayers' awareness of GST and their tax knowledge, compliance, and morale was examined using distributed multiple regression analysis.

Keywords: GST, Perception, Implementation.

INTRODUCTION

GST is considered as one of the important tax reforms in the history of Indian tax system. It has very much affected almost all the sectors of Indian economy. It is a blend of indirect taxes introduced in India under a single umbrella. Goods and services tax is a comprehensive form based on a uniform rate of tax for both goods and services, payable only at the final point of consumption. It brings together most of the taxes, with exception of a few and it unifies them under a single banner. The Goods and Services tax rates system has a significant impact on the various FMCG products.

Goods and service tax was implemented in India on July 1, 2017 as a mandatory compliance and the government is interested in its effective implementation. Effective implementation of any compliance can be done only when consumers have awareness and knowledge of the same and they readily accept it. Goods and service tax merges various taxes and introduce CGST, SGST and IGST. It has reduced multiple trade barriers. Palil and Ibrahim (2011) also signified goods and service tax by highlighting that consumer will gain confidence when the taxation system adopted by the government is more transparent. Thus, there is a need to understand the perception of consumers towards successful GST implementation across the country. Against this backdrop, the present project reviews the study on attentiveness of customer perception towards GST in India.

The first mention of GST was made in the Indian Budget for the years 2006–2007. As a single, centralized indirect tax, Mr. P. Chidambaram, the finance minister. The GST constitution (122nd) Amendment Bill 2014 was presented on December 19, 2014, and the Lok Sabha passed it on May 6, 2015; the Rajya Sabha has not yet passed it. The proposed new article 246 A of the bill would change the constitution to include the Goods and Services Tax. The ability to enact laws relating to the goods and services tax where the supplies of goods or services take place is granted by this article to the legislatures of every state and the parliament.

OBJECTIVES OF THE STUDY:

- To have a study on the consumer's level of expectation from the implementation of GST
- To analysis customers perception regarding GST
- To find out the perception and their views on new implemented taxation system
- To study the consumers opinion with regard to goods and services tax rates.

NEED OF THE STUDY:

Most of the consumers are unaware of GST applicability on various goods and services and also they don't know the tax rates before GST and after GST. Not only that, some retailers are engaged in cut practices and they are fooling the consumers by charging GST on MRP based products. Some of the products have MRP includes GST but retailers are taking advantage of consumer's confusion over GST. Hence, there is a need to provide the awareness to the consumers on GST.

SCOPE OF THE STUDY:

The purpose about this study is to ascertain consumers' opinions and knowledge of the goods and services tax. The respondents chosen are from a mixed group, which will result in greater comprehension differences. The study's focus is only on the relevant subject area; it cannot be justified for use elsewhere.

FINALIZED GST RATE CARD FOR ITEMS

0%	No tax will be imposed on items like fresh meat, fish, chicken, eggs, milk, buttermilk, curd, natural honey, fresh fruits and vegetables, flour, bread, newspaper, stamps, handloom, printed books, etc.
5%	Items such as fish fillet, cream, skimmed milk powder, branded paneer, frozen vegetables, coffee, tea, spices, pizza bread rusk, kerosene, coal, medicines, and life boats will attract tax of 5 percent.
12%	Frozen meat products, butter, cheese, ghee, dry fruits in packaged form, fruit juices, tooth powder, coloring books, umbrella, picture books, sewing machine and cell phones will be under 12 percent tax slab.
18%	Most items are under this tax slab which include flavored refined sugar, pasta, cornflakes, pastries and cakes, preserved vegetables, soups, ice cream, mineral water, note books, steel product, camera, speakers and monitors.
28%	Chewing gum, chocolates not containing cocoa, wafers coated with chocolate, pan masala, wallpaper, ceramic tiles, hair shampoo, dye sunscreen, motor cycles, aircraft, for personal use and yachts will attracts 28 percent tax.

RESEARCH METHODOLOGY:

The facts required for this find out about is accrued from each most important and secondary sources. The existing lookup is exploratory in nature. The find out about tries to discover the magnitude of customer grasp involving GST. Validity of any lookup essentially relies upon on systematic strategies of series of facts and thereby inspecting the records is sequential orders with the common sense that it relates to research, primarily based on hassle chosen for the study.

RESEARCH DESIGN:

Research design is basically an arrangement made of conditions for collecting and analyzing of data in a manner which usually aims at combination of relevance to purpose of research with the economy in accordance with the procedures.

Sampling Design:

The pattern dimension for the learn about is seventy-five respondents from kallakurichi district.

Sampling Technique:

The sampling approach used to be judgment sampling (only these respondents had been chosen who had some understanding about GST). The responses has been gathered with the assist of questionnaire via Google forms.

Sampling Unit:

The sampling unit for the find out about is the customers of FMCG products, customer who avail each banking offerings and industrial consumers.

STATISTICAL DESIGN:

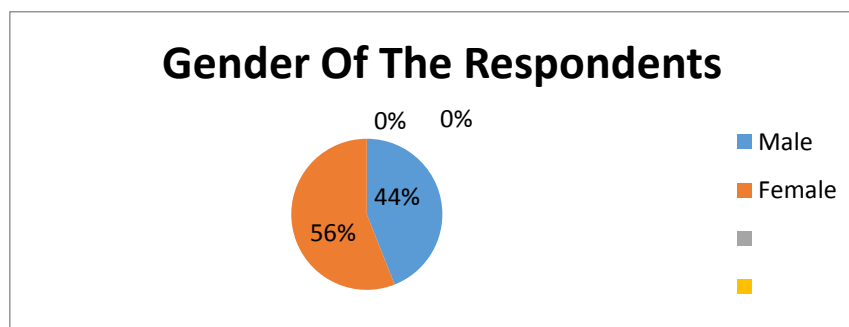
The analytical device used for the learn about is descriptive statistics. The learn about makes use of easy descriptive facts to current the consumers' grasp toward items and carrier tax implementation. Mean, pie chart, bar diagram is used to existing the results

The data collected various respondents have to analysis for the drawing conclusion. So in this chapter efforts have been made to analysis and interpret the collective data towards perception of customers on "Goods and Service Tax" through questionnaire.

First of all the collected data have been presented in tabular form and there after it is analyzed with the help of percentage and pie charts. A brief description of analysis and interpretation given below.

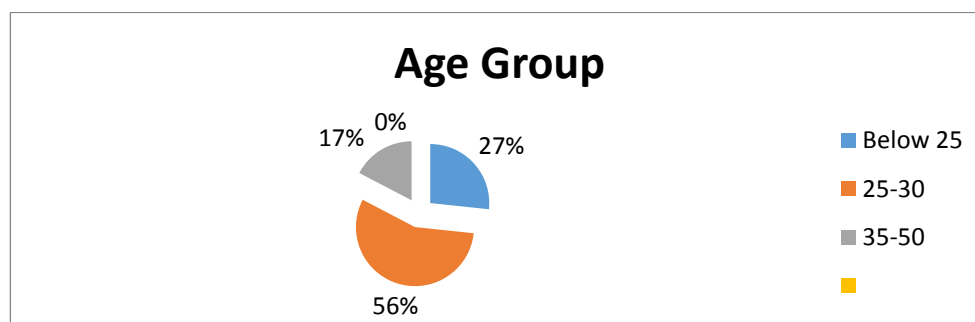
DATA ANALYSIS

Chart-1



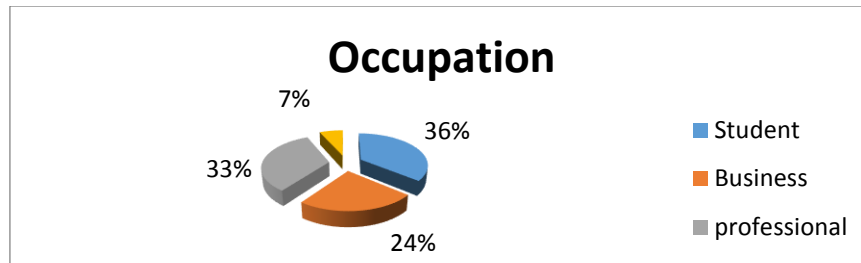
Interpretation: The fact that women made up 56% of the respondents in the above table and men made up 44% indicates that women are more likely than men to be interested in and give thought to paying their taxes.

Chart-2



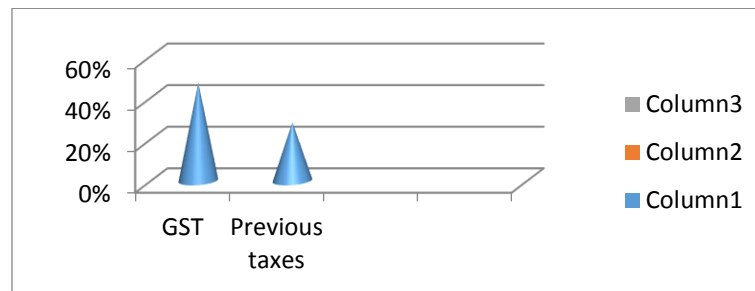
Interpretation: According to the above chart 56% of respondents are between the ages of 25 and 30, with 27% of respondents under 25 belonging to a younger generation who are knowledgeable about the GST and the remaining 17% being over 35.

Chart-3



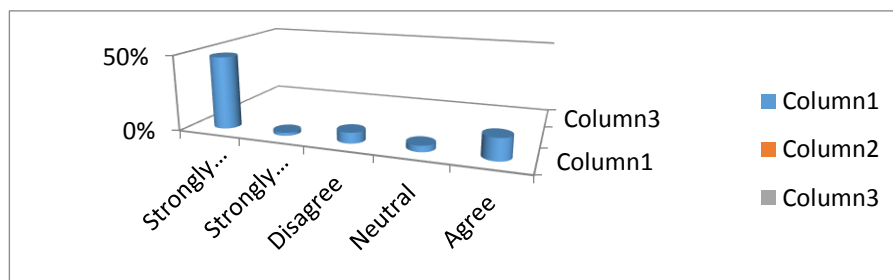
Interpretation: The above image shows that students account for 36% of the total respondents, followed by businessmen (24%), professionals (33%), and other respondents (7%), in that order. We can infer from this that students make up the majority.

Chart-4 Previous Tax beneficiary



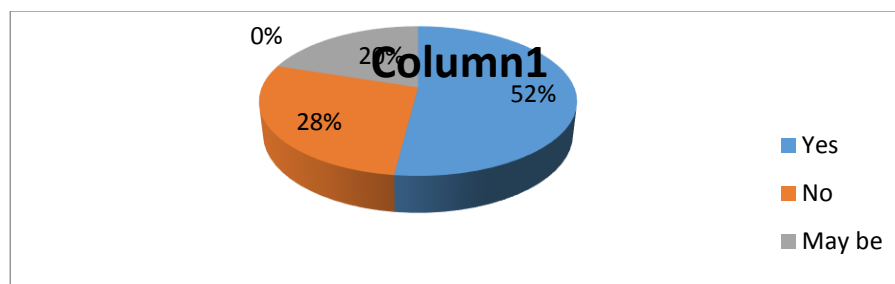
Interpretation: Based on the data, the majority of respondents believe that the GST is better for them than prior taxes, while a minority disagrees.

Chart-5 opinion about the GST Tax reforms in India



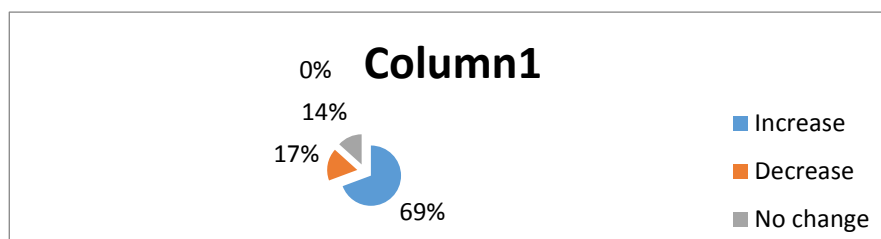
The majority of respondents strongly think that GST is a very positive tax reform for India, according to the data above.

Chart -6 Opinion about the GST Tax rates



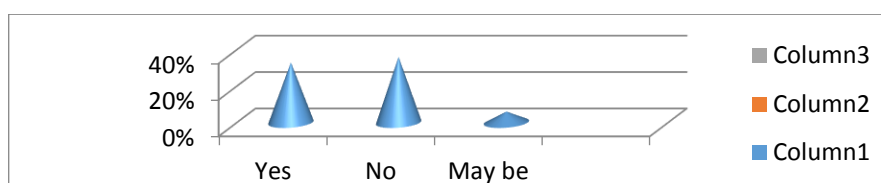
Interpretation: According to the afore mentioned image, the majority of respondents (52%) are "YES" in that they are aware of the GST rates, whereas 28% are "NO" and 20% may be aware of the GST rates.

Chart-7 GST Impact



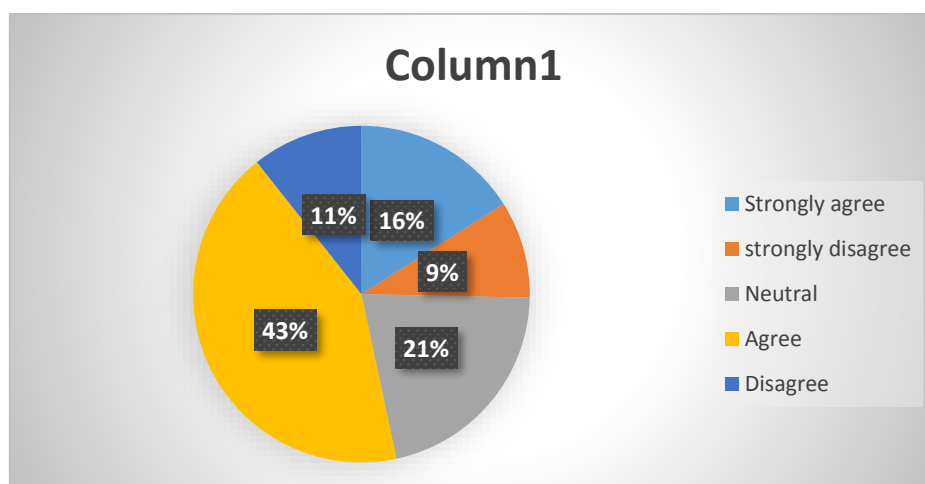
Interpretation: Based on the aforementioned charts, it can be seen that 70% of respondents believe that GST will increase prices for goods and services, 17% believe that it will cut prices, and 13% believe that there will be no change.

Chart-8 GST Result



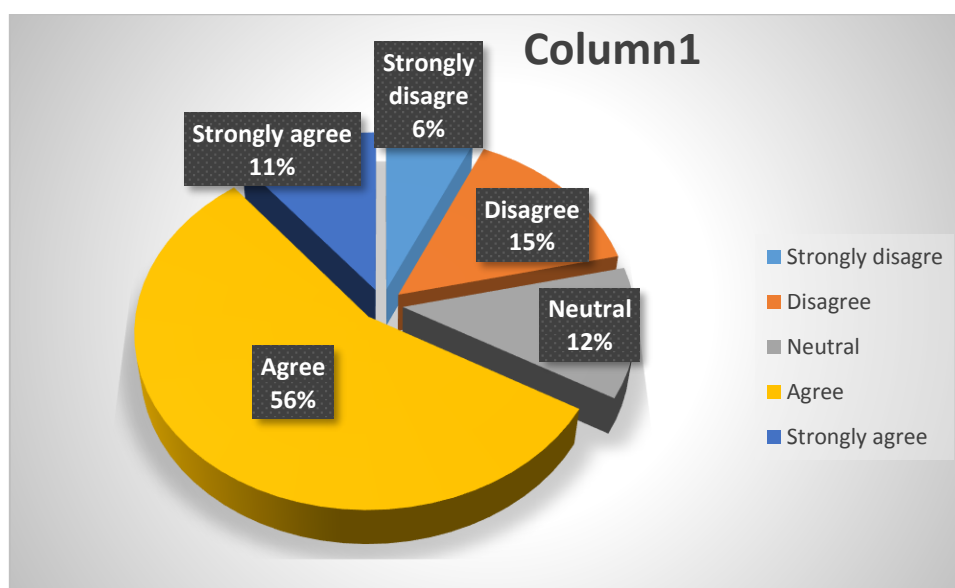
Interpretation: According to the following graph, the majority of respondents believed that the GST has increased personal income and decreased unemployment in the nation. Only a small percentage of responders may have increased their own income.

Chart-9 Classification of the respondents ‘GST has increase the various tax burden on common man’



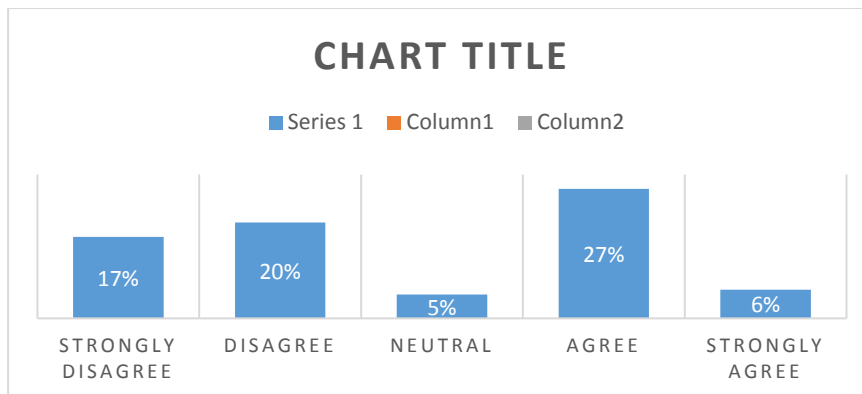
Interpretation: According to the following graph, 43% of respondents strongly disagree that GST has increased the various tax burdens placed on the average person, whereas 11% of respondents strongly agree.

Chart- 10 GST and Individual income saving



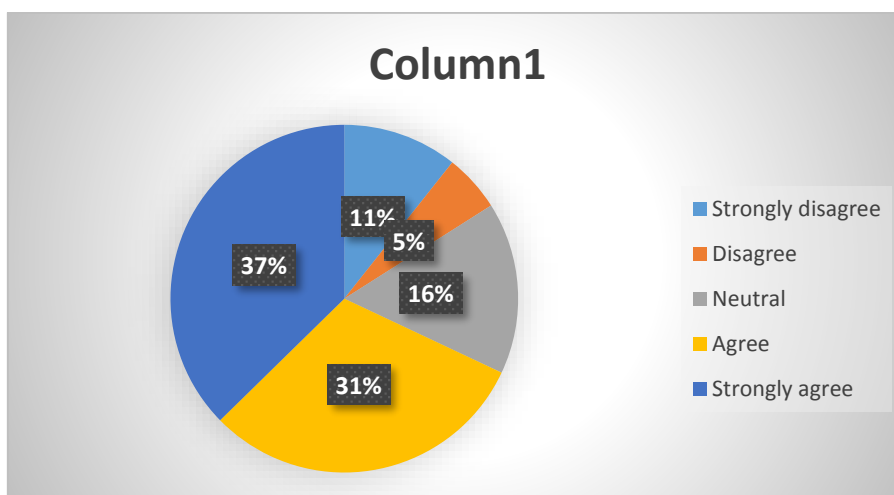
Interpretation: According to the above mentioned graph, 56% of respondents concur that the GST encourages people to save a portion of their income. Only 6% of respondents strongly disagreed with the claim that the GST encourages people to save their money.

Chart-11 GST and Small business



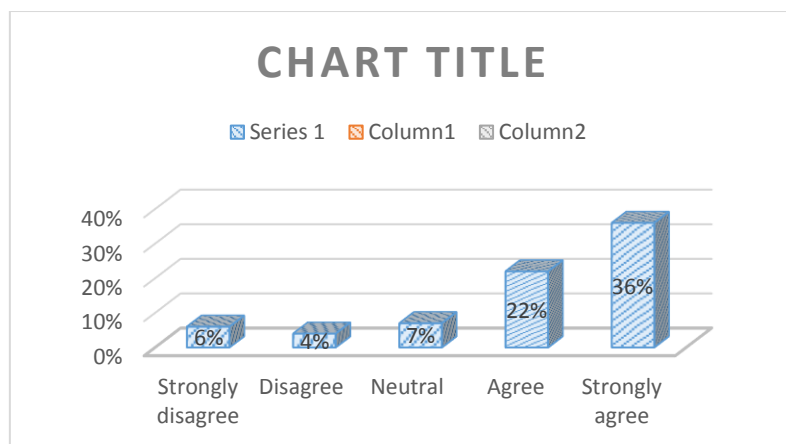
Interpretation: According to the following graph, 27% of respondents strongly believe that the GST will negatively impact small businesses, while 17% of respondents strongly disagree.

Chart-12 'GST and inflation in country'



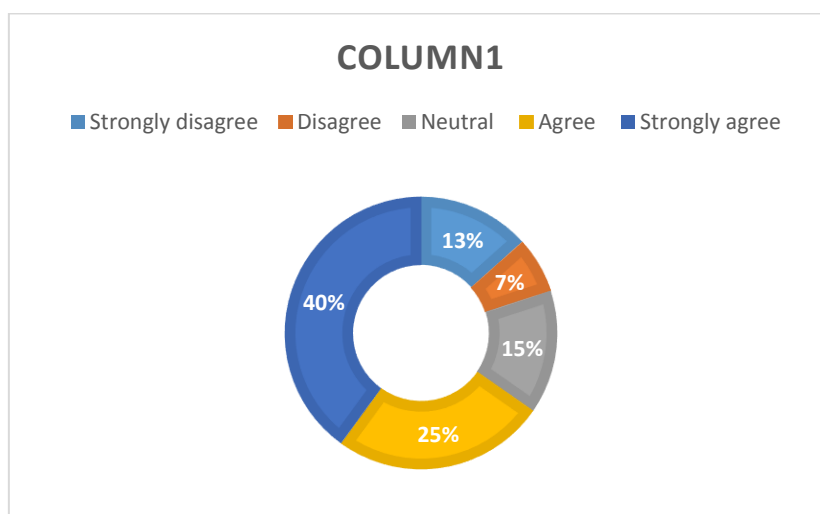
Interpretation: Based on the aforementioned graph, 37% of respondents strongly believe that the GST will increase inflation in the nation; 11% of respondents strongly disagree.

Chart-13 GST is very difficult to understand''



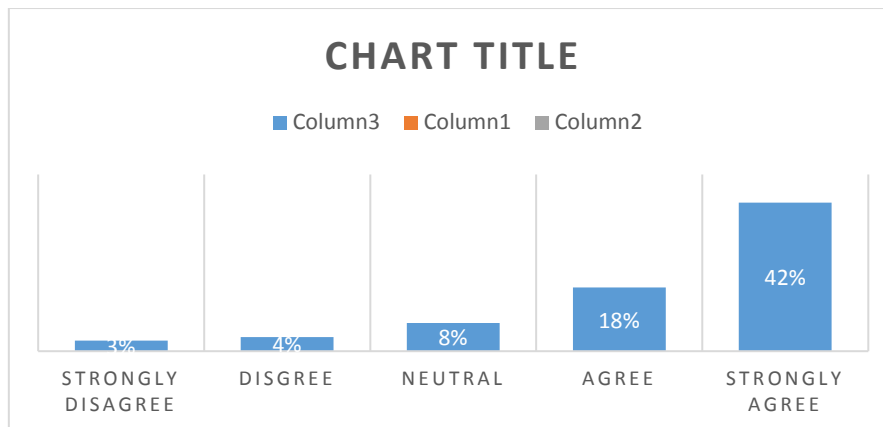
Interpretation: As shown in the accompanying graph, the majority of respondents—36%—strongly agree that the GST is very difficult to understand. Only a small number of respondents disagree.

Chart-14 'GST is beneficial in long term'



Interpretation: Based on the aforementioned graph, 40% of respondents firmly believe that the GST will be advantageous in the long run. Only 7% of respondents dispute the long-term benefits of the GST.

Chart -15 ‘GST will increase tax collection of government’



Interpretation: Based on the aforementioned graph, 42% of respondents strongly think that the GST will enhance government tax revenue. Only a small percentage of respondents strongly disagree with the claim that the GST will raise government tax revenue.

FINDINGS

After the completion of our survey work, I come to know about these findings which are as;

1. Maximum number of respondents are female accounting 56%
2. The main age bracket of respondents is in between 25 years to 30 years which accounts 56%
3. About 35% of respondents are college going students.
4. About 33% of respondents are professionals and 24% are businessman and 7% are common citizens.
5. About 60% of respondents are in favor of GST and they think that it is game changer for Indian economy in long run.
6. Most of the respondents understand have thinking that GST is fair taxation system and it will boost up the Indian economy.
7. Most of the respondents understand the difference in older taxation system and GST and they are aware of it.
8. Most respondents think that GST is complex taxation system and it increases the paper work.
9. Most respondents want to discuss this reformation of taxation system for their clear vision on future aspects.
10. Most respondents admitted that they are aware of GST in general but they are not completely aware of its all provision.

11. Overall, respondents want clear image of taxation system and they are in support of union government over GST.

Suggestion

1. Respondents suggested that government should have make this taxation system more simple and easy to understand by common people.
2. Consumers give advice that tax slab should be more uniform and more clear.
3. Government should have trained officials on large numbers so that consumers should not face confusion.
4. Government should have make arrangements for the better understanding of GST for common people.
5. Union government should make good coordination with state government.
6. Government should make proper guidelines for citizens.
7. Government's guidelines must have its all provisions and its implementation.
8. GST council should have proper coordination with other sectors.
9. Any disputes regarding GST should resolve in protective and speedy manner.
10. Taxation amount generated through GST must be used with proper planning and execution by government so that every citizen will benefited.

CONCLUSION

From this survey work, I conclude that there are lots of work still to be done by government. This survey work which includes the common people from Kallakurichi, Tamil Nadu and they have good understanding of GST. The consumers are hopeful for our new taxation system and they have positive attitude towards GST. Government should have to make more efforts in execution of GST. Consumers still struggle to understand the whole complex tax structure. Government authority should start awareness program regarding GST on the root level of society. Government must ensure that every citizen should get benefited from GST. I finally come to on conclusion that it is good step towards making our economy bigger and stronger. It is step towards building our nation.

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