

BENEFITS of GST

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Benefits of GST

- 1.Simplified Tax Structure:** GST replaces multiple indirect taxes with a single tax, streamlining the tax structure and making it easier to understand and comply with.
- 2.Elimination of Cascading Effects:** GST allows for the input tax credit, eliminating the cascading effect of taxes, where taxes are levied on taxes. This helps in reducing the overall tax burden on businesses.
- 3.Uniform Tax Rates:** GST brings uniformity in tax rates across states and eliminates the disparity in tax rates, promoting a level playing field for businesses.
- 4.Increased Compliance:** GST introduces a robust technology-driven platform for tax compliance, making it easier for businesses to register, file returns, and fulfil their tax obligations.
- 5.Reduction in Tax Evasion:** GST leverages technology to track transactions and minimize tax evasion. A transparent and accountable tax system decreases the chances of tax evasion.

6. **Boost to Ease of Doing Business:** GST simplifies and standardizes various tax processes, reducing the compliance burden on businesses. This promotes ease of doing business and encourages investment.
7. **Seamless Inter-State Trade:** GST facilitates the seamless movement of goods across state borders by eliminating entry tax barriers and other inter-state taxes, making trade more efficient.
8. **Increased Competitiveness:** GST reduces the cost of production and logistics by eliminating multiple tax checkpoints and reducing transportation time, making Indian goods more competitive in the global market.
9. **Benefits to Consumers:** GST aims to reduce the tax burden on consumers by eliminating hidden taxes and ensuring transparency in pricing. This may lead to a decrease in the prices of goods and services.
10. **Boost to GDP Growth:** The implementation of GST is expected to positively impact India's GDP growth by increasing tax revenues, promoting investment, and stimulating economic activities.

Overall, implementing GST brings several benefits, such as a simplified tax structure, increased compliance, reduced tax evasion, and enhanced competitiveness, contributing to the growth and development of the economy.

GST Registration

- GST Registration refer to the process and adherence to the regulations set by the Goods and Services Tax (GST) system.
- GST registration is mandatory for businesses that meet certain criteria, such as having an annual turnover above the prescribed threshold limit.
- Registration involves providing the necessary details and documents to the GST authorities through the GST Common Portal.
- Upon successful registration, a unique Goods and Services Tax Identification Number (GSTIN) is issued to the business.

GST COUNCIL....

- ❖ GST Council constituted w.e.f. 12.09.2016
- ❖ Thirteen meetings held so far: Decisions:
 - ❑ Threshold limit for exemption to be Rs. 20 lakh (Rs. 10 lakh for special category States)
 - ❑ Compounding threshold limit to be Rs. 50 lakh – not available to inter-State suppliers, service providers (except restaurant service) & specified category of manufacturers
 - ❑ Government may convert existing area based exemption schemes into reimbursement based scheme

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❖ Decisions:

- ❑ To ensure single interface – all administrative control over
 - 90% of taxpayers having turnover below Rs. 1.5 cr. would vest with State tax administration
 - 10% of taxpayers having turnover below of Rs. 1.5 cr. would vest with Central tax administration
 - taxpayers having turnover above Rs. 1.5 cr. would be divided equally between Central and State tax administration
- ❑ Same arrangement would be applicable for IGST Act with few exceptions

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❖ Decisions:

- ❑ CGST, UTGST, IGST, SGST & GST Compensation Law recommended
- ❑ Formula for calculating compensation finalized
- ❑ Tax rates
 - Four tax rates namely 5%, 12%, 18% and 28%
 - Some goods and services would be exempt
 - Separate tax rate for precious metals
 - Cess over the peak rate of 28% on specified luxury and demerit goods
- ❑ Rules on input tax credit, composition levy, transitional provisions and valuation recommended
- ❑ Rules on registration, invoice, payments, returns and refund, finalized in September, 2016, changed in light of the GST bills introduced in the Parliament also recommended

THANKS YOU