

## A CONCEPTUAL STUDY OF PROCESS OF IMPLEMENTATION OF GST

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### ABSTRACT

*In recent times, India has been abuzz with criticism on its archaic taxation structure and there is push for a simpler, flat tax structure that will potentially do away with the complicated policy. As the next level policy reform in indirect taxation, Goods and services tax (GST) has taken a centre stage in this respect and is hoped to iron out the wrinkles in the existing tax system. Tax policies play an important role on the economy through their impact on both efficiency & equity and it's high time India braced itself for a relook at the current status.*

*Historically, India has relied too much on indirect taxation because of political compulsions, an agrarian economy, low income levels and lack of infrastructure to track personal income. In order to simplify and rationalize indirect tax structures, government of India attempted various tax policy reforms at different points of time. Lastly, there is lack of integration of VAT on goods with tax on services at the state level and hence the cascading effect of service tax.*

*To address such issues cited above, a comprehensive tax reform (GST is a part) having an extensive base to kick-start the applicability of an efficient and harmonized consumption tax system has been proposed.. GST has been commonly accepted around the world and more than 140 countries have acknowledged the same which ranges between 15%- 20% in most of the countries. GST is a value added tax which will be levied on both goods and services (except for a list of exempted goods and services) at both the centre and state level (Central GST and State GST respectively). This is going to be one single tax which will be levied on the product or service which is being sold. In effect, multiple taxes like CENVAT, central sales tax, state sales tax, octroi etc. will be replaced by GST. This comprehensive tax will cover all stages during production to sale and will be levied only on the value added at each stage of the process.*

### "One Nation, One Constitution and One Taxation"

**KEYWORDS:** CGST, SGST, IGST, CENVAT & ST.

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### Introduction

It has been hailed as India's 'biggest tax reform.' After months of political wheeling and dealing, the government has won a political consensus on the much awaited goods and services tax (GST) bill, which passed in the Rajya Sabha and then after Lok Sabha in Mansoon Session August 2016. The GST will create a common market for over 1.25 billion people.

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