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“Challenges for Implementing GST System and Tax Slab Rates in India”

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Introduction :

Goods and Services Tax (GST) is an indirect tax which was introduced in India on 1 July 2017 and was applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12%, 18% and 28%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. GST was initially proposed to replace a slew of indirect taxes with a unified tax and was therefore set to dramatically reshape the country's 2 trillion dollar economy. The rate of GST in India is between double to four times that levied in other countries like Singapore.

Key words – Goods and Service Tax, GST,

Objectives of the study:-

The objectives of the research paper are as below:

1. To know the concept of goods and service tax.
2. To Understand Components of GST.
3. To study Challenges for implementing Goods & Services Tax system.
4. To Understand the GST Tax Slab Rates in India and other countries.

Research Methodology:-

The primary source of data collection in this research paper is the secondary data. The available information on Goods and Service Tax has been extensively used to complete the

research report. All the available Journals, Related books, Web, Articles, Publish and unpublished information and Papers provided necessary information to the finalize the research paper.

GST at the Centre and State level :

A) At the Central level, the following taxes are being subsumed:

1. Central Excise Duty,
2. Additional Excise Duty,
3. Service Tax,
4. Additional Customs Duty commonly known as Countervailing Duty, and
5. Special Additional Duty of Customs.

B) At the State level, the following taxes are being subsumed:

1. Subsuming of State Value Added Tax/Sales Tax,
2. Entertainment Tax (other than the tax levied by the local bodies), Central Sales Tax (levied by the Centre and collected by the States),
3. Octroi and Entry tax,
4. Purchase Tax,
5. Luxury tax, and Taxes on lottery, betting and gambling

GST Tax Slab Rates in India:

5%, 12%, 18% and 28%. Taxes to be subsumed under GST are Excise Duty, Service Tax, Central Sales Tax, Surcharge & Fees, VAT, Taxes on Lottery, Luxury Tax, Entry Tax, Entertainment Tax (These are the parts of Central Tax & State Tax). Category wise products GST Rates List updated. Small retailers not hurry in stock up fresh inventory due to unclear vision on GST.

GST Tax Slab Rates in India and other countries

Sr. No.	Country	Rate of GST
1.	Australia	10%
2.	France	19.6%
3.	Canada	5%
4.	Germany	19%
5.	Japan	5%
6.	Singapore	7%
7.	Sweden	25%
8.	India	28%
9.	New Zealand	15%
10.	Pakistan	18%
11.	Malaysia	6%

Major features of the registration procedures under GST

The major features of the proposed registration procedures under GST are as follows:

1. **Existing dealers:** Existing VAT/Central excise/Service Tax payers will not have to apply afresh for registration under GST.
2. **New dealers:** Single application to be filed online for registration under GST.
 - iii. The registration number will be PAN based and will serve the purpose for Centre and State.
 1. Unified application to both tax authorities.
 2. Each dealer to be given unique ID GSTIN.
 3. Deemed approval within three days.
 - Post registration verification in risk based cases only.

Major features of the returns filing procedures under GST

The major features of the proposed returns filing procedures under GST are as follows:

1. Common return would serve the purpose of both Centre and State Government.
2. There are eight forms provided for in the GST business processes for filing for returns. Most of the average tax payers would be using only four forms for filing their returns. These are return for supplies, return for purchases, monthly returns and annual return.
3. Small taxpayers: Small taxpayers who have opted composition scheme shall have to file return on quarterly basis.
4. Filing of returns shall be completely online. All taxes can also be paid online.

Major features of the payment procedures under GST

The major features of the proposed payments procedures under GST are as follows:

1. Electronic payment process- no generation of paper at any stage
2. Single point interface for challan generation- GSTN
 - iii. Ease of payment – payment can be made through online banking, Credit Card/Debit Card, NEFT/RTGS and through cheque/cash at the bank
 1. Common challan form with auto-population features
 2. Use of single challan and single payment instrument
 3. Common set of authorized banks.
 - iv. Common accounting codes.

Challenges for implementing Goods & Services Tax system

1. The bill is yet to be tabled and passed in the Parliament

2. To implement the bill (if cleared by the Parliament) there has to be lot changes at administration level, Information Technology integration has to happen, sound IT infrastructure is needed, the state governments has to be compensated for the loss of revenues (if any) and many more..
3. GST, being a consumption-based tax, states with higher consumption of goods and services will have better revenues. So, the co-operation from state governments would be one of the key factors for the successful implementation of GST

Since GST replaces many cascading taxes, the common man may benefit after implementing it. But it all depends on 'what rate the GST is going to be fixed at?' Also, Small Traders (based on Annual Business turnover) may be exempted from it.

France was the first country to introduce this system in 1954. Nearly 140 countries are following this tax system. GST could be the next biggest tax reform in India. This reform could be a continuing process until it is fully evolved. We need to wait few more months for more details on Goods & Services Tax system.

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