

20. A Study the Importance of GST in Indian Economy

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Abstract

In India GST was first recommended by Kelkar Task Force on implementation of fiscal reforms and budget management Act 2004. After deep study on GST which is implemented from 1st July 2017. The intended objectives of GST 2017 are to replace a lot of other direct and indirect taxes like the VAT, Service Tax, Luxury tax etc. Even France was the first country to implement GST in the year 1954. Within 62 years of its advent, about 160 countries across the world have adopted GST because this tax has the capacity to rise revenue in the most transparent and neutral manner. I believe that GST is an excellent step forward and it will help in the growth of Indian economy.

Keywords: TAX System, Indian Economy, GST, Impact of GST, Disadvantage of GST

Introduction

The term of GST is defined in article 366 (12A) to mean "any tax on supply of goods and services or both except taxes on supply of the alcoholic liquor for human consumption." In term of section 2(52) of the GST Bill "goods", means every kind of movable property other than money and securities but includes actionable claims, growing crops, grass and other things attached to our forming part of land which are agreed to be severed before supply or under a contract of supply. In terms of section 2(102) of the CGST Bill "Services" means anything other than goods, money and securities but includes activity relating to the used of money or its conversation by cash or bay any other mode, from one from, currency or denomination, to other form, currency or denomination for which a separate consideration in charged.

Thus, all supply of goods or services or both would attract CGST (to be levied by centre) and SGST (to be levied by state) unless kept out of the purview of GST. GST is a destination based tax and levied at a single point at the time of consumption of goods and services by the