



AWARENESS ABOUT GOODS AND SERVICES TAX (GST) OF SELECT MICRO ENTERPRISE MANAGERS IN ANANTAPURAMU DISTRICT

Dr. G. Rama Mohan Reddy

Academic Consultant, Dept. of Political Science and Public Administration, Sri Krishnadevaraya University, Anantapuramu-515003.

Abstract

Tax polices play an important role on the economy through their impact on both efficiency and equity. A good tax system should keep in view issues of income distribution and, at the same time, also endeavour to generate tax revenue to support government expenditure on public services and infrastructure development. The word tax is derived from the Latin word “taxare” meaning “to estimate”. A tax is not a voluntary payment or donation, but an enforced contribution, exacted pursuant to legislative authority “and is any contribution imposed by government. The First known system of taxation was in Ancient Egypt around 3000 BC-2800 BC in the first dynasty of the Old Kingdom. The Period of British rule in India witnessed some remarkable change in the whole taxation system of India. Although, it was highly in favour of the British government and its exchequer but it incorporated modern and scientific method of taxation tools and systems. In 1922, the country witnessed a paradigm shift in the overall Indian taxation system. Setting up of administrative system and taxation system was first done by the Britishers. Broadly, there are two types of Taxes viz. Direct and Indirect taxes. Taxes in India are levied by the Central Government and the State Government. Some minor taxes are also levied by the local authorities such a Municipality or Local Council. The authority to levy tax is derived from the Constitution of India which allocates the power to levy various taxes between Centre and State. In India, numbers of Micro and Small Enterprises have been playing a vital role in Indian economy. Hence, how they adopt new reform in taxation in Indian society. Hence, the present paper focus on the awareness about GST of Micro enterprise managers in Anantapuramu district of Andhra Pradesh.

Key words: *Micro Enterprises, Goods and Services Tax, Awareness, and Managers.*

Introduction

Taxes in India are levied by the Central Government and State Governments. Some minor taxes are also levied by the local authorities such as Municipality or Local Council. The authority to levy tax is derived from the Constitution of India which allocates the power to levy various taxes between Centre and State. Some of the important Central taxes, Ex: CENVAT, Customs Duty, Service Tax etc. Some of the important State taxes are, Ex: State Sales Tax, CST, Works Contract Act, VAT, Entry tax, other local levies etc. Originally, the taxes on the sale of goods were levied in terms of the respective Sales Tax/Trade Tax enactment and the ‘entry of goods’ was subject to tax under the respective State Entry Tax enactment and this scenario prevailed till the reform process set in whereupon these levies were replaced by VAT. The levy of tax on provisioning of services was introduced for the first time in 1994 and has been subjected to persistent vigorous legal challenges. Thus it is evident that the transition to VAT did not remedy the issue of non-creditable duties and the consequent cascading effect requiring further reform in the area and consequently GST arose. Despite of existence of multiple taxes like Excise, Customs, Education Cess, Surcharge, VAT, Service Tax etc. GDP of India is much lower than GDP of countries like USA, China and Japan. India has miles to go to achieve this level. The reference of GST was first made in the Indian Budget in 2006-07 by the then Finance Minister Mr. P.



Chidambaram as a single centralized Indirect tax. The Bill was introduced on December 19, 2014 and passed on May 6, 2015 in the Lok Sabha and passed in Rajya Sabha on 3rd August 2016. The Government wants to implement GST Bill From 1st April 2017. Clause 366(12A) of the Constitution Bill defines GST as “goods and service tax” means any tax on supply of goods, or service or both except taxes on the supply of the alcoholic liquor for human consumption. So GST is a comprehensive tax levy on manufacture, sale and consumption of goods and services at a national level.

Review of literature

“Mr. Sridhar babu et al (2018) they conducted a research study and presented a paper on ‘Analysis of Impact of GST with reference to Perspective of Small business stakeholders ‘ stated that they conducted the survey with use of Regression Analysis and Co-relation analysis techniques. They found that 3.09% of people gave the positive opinion for implementation of GST selected the targeted segment chosen from industrial and service sector. But, they suggest that the gaps addressed by Government rapidly, it is useful for the economic development.

Vidit Mohan et al in their research paper on ‘Assessment of the Implication of GST (Goods and Service tax) Rollout on Indian MSMEs’ describes the aim of this is to understand and gain access to the way in which the owner attribute meaning to implementation of GST and their perception it. They conducted the survey of implication of GST for MSME’s owners with using of qualitative and quantitative techniques at Raipur. The both studies describes the industries faces several challenges during the GST implementation. The MSME’s looking for awareness and training by Govt for implementation of GST . If the Govt assist them it enhances the tax revenue.

Ms. Rani Jacod in her research paper ‘ The Impact of Goods and Services on the Micro Small and Medium Enterprises ‘ stated the MSME’s are the major constituent of our economy. She describes the positive and negative impact of implementation of GST and also Inter-State trade become cheaper. The Implementation of GST is complex at present but it gives the benefits in long run to the business and consumers. The unorganized MSME’s grown faster than the organized because of the tax benefits. She concluded that is impact of GST is periodically reviewed by Central and State Govt., it help for success of Tax regime.

Ms. R. Lavanya Kumari in her research paper ‘ Impact of Goods and Services (GST) Tax on Indian MSME’s ‘stated the MSME’s is major driver in Indian economy , it contribute almost 7% of the manufacturing ,31% in services to the GDP , 46% of overall exports. In this explained useful to the Automobiles, Textiles, E-Commerce etc. In this SME is providing the 50% of industrial output, 42% of Indian exports. The One Nation One Tax principle , it is predicted benefits of MSME’s in longrun. But, she describes the majority of MSME’s gamers are unregistered in order to avoid of paying taxes.

Shri. Ashimava Praharaj in his research paper ‘GST Benefits and drawbacks for Start-ups and small business in India’ stated the Implementation of GST is having some advantages and Disadvantages. It will affect the small business in short run, nit in long run . The main impact of start-ups and small business is if the revenue is greater than 10Lakhs per annum it consider under GST. But, Further rising of invoices it will be easier for business at a one rate approved for suppliers. But, In his finding GST is benefited to the Start-ups and small business in India and also expect form Govt for prologue and execute of GST in India , it leads to the economic growth.



Dr. Ankita Verma et al in his research paper ‘Impact of GST on the regulation of small business ‘ stated the implementation have the positive and negative impact, in this discussed problems faced and still how the business are managing after implement GST . In his research took the sample size 25 traders and collected the information through questionnaire. In this survey 80% of enterprises agree the GST implementation created with this ease of doing business is enhanced, relieving the burden of logistic overhead from small enterprises etc. But, it will take some time for people to get used the new tax regime.

Objectives

1. To study the tax system in India.
2. To Analyse the awareness of owner managers of micro enterprises about the GST.
3. To Analyse the Impact of GST on micro enterprises.

Methods of data collection

The present study is based on both primary and secondary data. The Primary data have been collected from the sample units through a structured interview schedule. The Secondary data also be collected from dailies, Journals, Books, published and Unpublished thesis /Dissertations, Official Govt reports/Websites and University Library.

Results and Discussions

Table 1, Awareness of GST imposition in place of VAT of select sample respondents

S.No	Responses	% of total
1	Yes, I have an Idea	88.00
2	I don't have	12.00
	Total	100

Sources: Field survey.

The Table describes that the every business leaders must be known to every changes in to the business world. Especially in relating to business activities, like Materials, Labours, Competitors, Technologies, and Government policies out of these some factors are controllable and some factors are uncontrollable. In this direction every business leader to maintain good relationship to the political party for forceful future changes. In this context, the business people to know the awareness about tax system which is implemented by government. It is equalize integrating and known that 88% of the sample respondents gave positive response on the awareness about the GST replacing of BVAT. And rests of the entrepreneurs are not aware of the GST.

Table 2,who is source of information about GST

S.no	How GST known	% of total
1	Officials of Government	06.00
2	Same business persons	28.00
3	Through intermediates	28.00



4	Through friends	10.00
5	Through partners	28.00
	Total	100

Source: Field survey.

The Table 2 shows that the sources of the information of entrepreneurs about the GST in the study area. It is found that majority of the sample respondents are getting the information relating to the GST from their fellow business men, Advertisements and partners. The 10% of the sample respondents getting information from their friends/relatives and rest of the sample respondents are depends on government officials. It can be concluded that the majority of the industrial entrepreneurs are depends on advertisements, fellow business and partners for setting awareness about Govt policies like GST.

Table 3,Opinion of respondents Awareness relating to the slabs in the GST

S.no	Awareness of slabs	% of total
1	Yes, I know clearly	64.00
2	I don't know	36.00
	Total	100

Source: Field survey.

The Table 3 shows that the awareness about the slab rates of sample respondents in the study area. It is found that 64% of the sample respondents have aware of slab rates and rest of the 36% of the respondents have not aware about slab rates. It clearly concluded that there is no full aware about GST because of majority of the sample respondent's education level is below intermediate education.

Table 4, Level of satisfaction about the various slab rates under the GST

S.No	Opinion on slabs	% of total
1	Yes, highly satisfied	02.00
2	Yes, just satisfied	62.00
3	No comment	10.00
4	Yes, just satisfied	24.00
5	Yes, highly dissatisfied	02.00
	Total	100

Source: Field survey.

The Table 4 furnishes that the satisfaction level of entrepreneurs on implemented GST in Anantapuram District. It clearly found that 62 percent of the sample respondents are highly satisfied to satisfies, and rest of the entrepreneurs are not satisfied inn implementation of GST.



Table 5, Opinion of respondents on suitability of GST to micro units

S.No	Responses	% of total
1	Yes, obsolete	66.00
2	Not suitable	34.00
	Total	100

Source: Field survey.

The Table 5 reveals that the percentage of GST slab is not acceptable to MSME'S community. In this, Majority of respondent not acceptable the imposition of GST on MSME'S i.e.66%. But, 34% of respondent gives that the imposition of tax slabs on MSME's acceptable by micro enterprises. Because, of this the micro enterprises having the positive response of this.

Table 6, Opinion of the owner manager on decreasing their sales after implementing GST

S.No	Sale come down	% of total
1	Yes, I strongly agreed	58.00
2	No, somewhat	42.00
	Total	100

Source: Field survey.

The Table 6 furnishes that the sales come down of an micro enterprises because of the imposition of GST. The 58% of the respondents gave response impact of GST on their business is decreases. But, least of the respondents said that the sales not decrease of their business sales. So, it is concluded that the Implementation of GST impact on their business.

Table 7, Details of increasing the tax payer of micro unit owners after implementing GST

S.No	Opinion	% of total
1	Yes, increased	56.00
2	Not increased	44.00
	Total	100

Source: Field survey.

The Table 7 explains that the Tax is main revenue source for the government. Because of GST the tax payers of paying taxes to the government is increases. In this, 56% of the respondents gave the response GST enhance the tax payer. But, 44% gave the GST does not influence on taxpayers for pay of taxes. So, it is concluded that positive response relating to this in the respondents.

Conclusion

The new reforms have implemented by the central government like Goods and Services Tax (GST) for reducing the expenditure of common people in the society. The present paper concluded that the majority of the respondents have been running low educated people. So, they unable to understand the new rules and regulations in taxation system. Due to this reasons, they have low aware about new



reform in India. Hence, the present is humble attempt the awareness level of managers of micro enterprises in Anantapuramu district of Andhra Pradesh.

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