

# Consumer's Attitudes towards Goods and Service Tax (GST) in Bhagalpur District

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## ARTICLE DETAILS

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## ABSTRACT

*GST(Goods and Service Tax) is a multi-stage, comprehensive, destination based consumption tax which levied on supply of goods and service. It creates unified National mitigation of ill effect of cascading elimination of double taxation, boost to make in India, it will help to boost GDP growth rate of India in the long time, Buoyancy of the Government revenue, elimination of inflation, to boost growth rate. So, GST is a crucial Tax reforms since Indian independence. It helps to create one, nation one tax, one Market across India. This paper is based on primary data in Bhagalpur district. This study put an effort to check the level of attitude among consumers and issue feed by them in the implementation of GST. From analysis of data it is concluded that most of the respondents are satisfied with The GST.*

## 1. Introduction

GST(goods and service tax) is a crucial tax reforms since Indian independence. In global perspective, France was the first country who implemented GST in the year 1954. More than 165 countries across the world have adopted and implemented GST(goods and service tax). The idea of GST was muted in 2004 by Vijay Kelkar task force in India. Hence, the journey of GST in India from its origin in 2004 up to its enactment and implementation in 1<sup>st</sup> July 2017 has gone through many ups and down. GST has been implemented in India w.e.f 1<sup>st</sup> July 2017 except Jammu and Kashmir on 8<sup>th</sup> July 2017. Goods and service tax means that a tax supply of goods or services or both except supply of liquid and petroleum. It is a comprehensive tax system in which subsumed all indirect taxes or levied not only supply of goods but also on supply of services.

### Types of GST(Goods and Service):-

- 1. CGST(Central Goods and Service Tax):-** It is levied by central government on any transaction of goods and services tax within a state.
- 2. SGST(State Goods and Service tax):-** SGST is levied by State government on Transaction of goods and services within one state or every interstate.
- 3. IGST(Integrated Goods and Service tax):-** It is levied by the central government on all inter-state supplies. IGST is the sum total of CGST and SGST.
- 4. UTGST/UGST(Union territory Goods and Service tax):-** In case of union territories, which has not their own legislature such as Puduchery, Anandman Nikobar, Lakshdweep etc. Is levied in place of SGST.

There are four tax slabs 05%, 12%, 18%, 28% in current GST model in India. In GST model, Major indirect taxes have been subsumed. It would replaced the following indirect taxes:-

**Central Taxes:-** Central excise duty, service tax, additional duties of excise, additional duties of customs, central surcharges etc.

**State Taxes:-** State VAT, central sales tax, luxury duties, entry tax, purchase tax, entertainment tax, tax on advertisement, tax on lotteries, betting tax, gambling tax, state surcharges etc.

Some taxes which are not subsumed into the GST. They are property tax, stamp tax, electricity duty, excise duty on petroleum, basic custom duty, duties on alcohol etc.

## 2. Review of literature

### Monika Sehrawat, Upasana Dhanda(December 2015):

GST is a crucial tax reforms in India which has been long pending. It is a comprehensive tax system that will subsumed all indirect taxes of states and central governments and unified economy into a seamless national market. It play a vital role in growth in India. Implementation of GST had play an important role in the growth of Indian economy.

**Dr. P. Mahendra(January 2017):** In India the Indian government recently enhanced GST. This paper sick to explain the positive and Negative impact of GST on manufacturing Industry in India. GST effect on share markets positively and FMCG, Automobile, Cement, Electrical, multi flex, rail and Logistic department could in future.

**Sankar R(August 2017):** GST that is Goods and Service tax is the latest kind of Indirect tax reforms in which is to be force from 1<sup>st</sup> July 2017. The main purpose of GST is to bring about the single tax system for all sectors in India. It is a crucial tax reforms since independence of India. So, it must be better handled with outmost care and analyzing best before implementing it.

## 3. Research Methodology

This research paper is based on primary data which is collected from Bhagalpur district. A qualitative data is valuable here due to the varying experience and opinion of the consumers regarding to the impact of GST on the people. total of 120people were approached for this study, out of which 50 response were considered for the study from Bhagalpur district. Table and pie chart(utilizing Microsoft Excel) are used to analysis of data.

## 4. Objective of the study

The main objectives of this research paper is that to evaluate impact of Goods and Service Tax and understanding consumers opinion towards Goods and Service tax in

Bhagalpur district. To have opinion on the implication of GST various exempted goods and services.

**5. Result and discussion of the study**

**Demographic profile of respondents:-**

**Table-01**

| Gender basis classification of respondents       |                    |                           |
|--|--------------------|---------------------------|
| Gender   | No. of Respondents | percentage of respondents |
| Male   | 37                 | 74%                       |
| Female   | 13                 | 26%                       |
| Total  | 50                 | 100%                      |
| Age wise classification of Respondents           |                    |                           |
| Age Group  | No. of Respondents | percentage of respondents |
| Up to 20 years                                   | 17                 | 34%                       |
| 20-40 years                                      | 26                 | 52%                       |
| 40-60 years                                      | 07                 | 14%                       |
| Above 60 years                                   | 0                  | 0%                        |
| Total  | 50                 | 100%                      |
| Category basis classification of data            |                    |                           |
| Categories                                       | No. of Respondents | percentage of respondents |
| Students/teachers                                | 21                 | 42%                       |
| Businessman or self business                     | 19                 | 38%                       |
| Government services                              | 07                 | 14%                       |
| other  | 3                  | 6%                        |
| Total  | 50                 | 100%                      |
| Classification of respondents on education basis |                    |                           |
| Education level                                  | No. of Respondents | percentage of respondents |
| Up to 10 <sup>th</sup>                           | 07                 | 14%                       |
| Up to Graduate                                   | 31                 | 62%                       |
| post graduate or above                           | 8                  | 16%                       |
| Other/diploma                                    | 4                  | 8%                        |
| Total  | 50                 | 100%                      |
| Classification of respondents on Income basis    |                    |                           |
| Income level                                     | No. of Respondents | percentage of respondents |
| Up to 5,000                                      | 9                  | 18%                       |
| 5,001 to 15,000                                  | 19                 | 38%                       |
| 15,01 to 25,000                                  | 17                 | 34%                       |
| Above 25,000                                     | 05                 | 10%                       |
| Total  | 50                 | 100%                      |

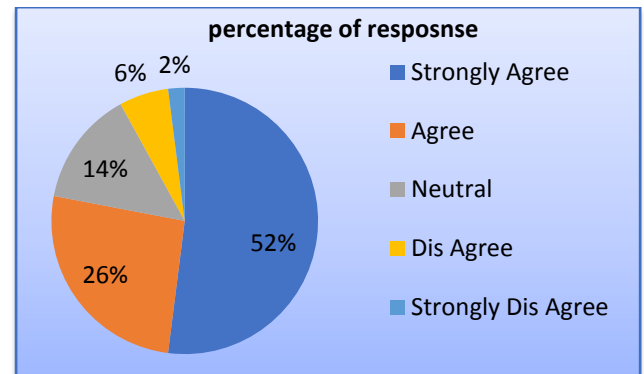
**Exhibit1: Classification of respondents on the basis of respondents regarding GST is a good Tax system. The following Description is given below:-**

Table:-02

| Sr. No. | Response          | No. of Response | Percentage of Response |
|---------|-------------------|-----------------|------------------------|
| 1       | Strongly Agree    | 26              | 52%                    |
| 2       | Agree             | 13              | 26%                    |
| 3       | Neutral           | 7               | 14%                    |
| 4       | Disagree          | 3               | 6%                     |
| 5       | Strongly Disagree | 1               | 2%                     |
|         | Total             | 50              | 100%                   |

(Source:primary data)

Chart-1



From above table and chart it is clear that most of the respondents are satisfied with the Statements that GST is a very good tax system in India. 52% of the respondents are strongly satisfied with Goods and Service tax in India. 26% respondents are agree and 14% are Neutral. Hence it is calculated that 78% respondents are satisfied with GST in India.

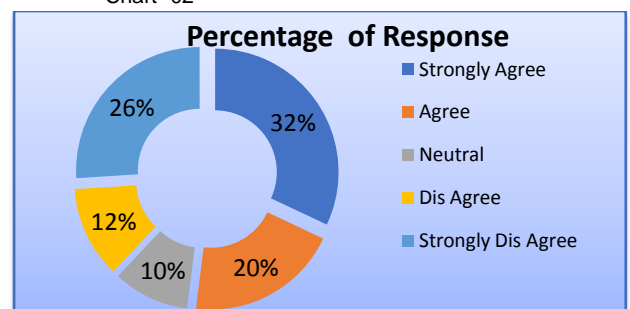
**Exhibit2: Classification of respondents on the basis of respondents regarding Satisfaction of current GST Slabs. The following Description is given below:-**

Table:-03

| Sr. No. | Response          | No. of Response | Percentage of Response |
|---------|-------------------|-----------------|------------------------|
| 1       | Strongly Agree    | 16              | 32%                    |
| 2       | Agree             | 10              | 20%                    |
| 3       | Neutral           | 5               | 10%                    |
| 4       | Disagree          | 6               | 12%                    |
| 5       | Strongly Disagree | 13              | 26%                    |
|         | Total             | 50              | 100%                   |

(Source: primary data)

Chart- 02



From above table and chart it is clear that most of the respondents are satisfied with the Statements that GST(Goods and Service tax) about current GST slabs. 32% of the respondents are strongly agree regarding Satisfaction of current GST Slabs and 20% of the respondents are agree with the Statements. 10% respondents are Neutral and 12% of the respondents are disagree with the statement and 26% of the respondents are strongly disagree with the current GST slabs. Therefore it is concluded that 52% respondents are satisfied with the current GST Slabs in India.

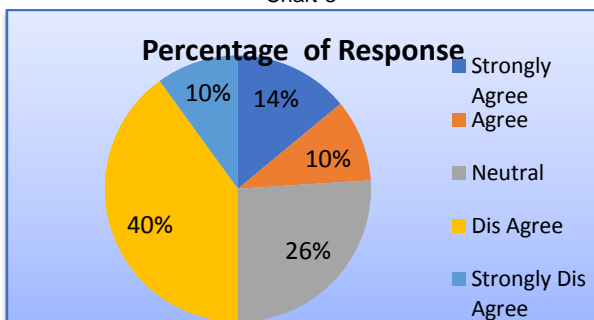
**Exhibit3: Classification of respondents on the basis of respondents regarding GST(Goods and Service tax) Confused the Customers. The following Description is given below:-**

Table:-04

| Sr. No. | Response          | No. of Response | Percentage of Response |
|---------|-------------------|-----------------|------------------------|
| 1       | Strongly Agree    | 7               | 14%                    |
| 2       | Agree             | 5               | 10%                    |
| 3       | Neutral           | 13              | 26%                    |
| 4       | Disagree          | 20              | 40%                    |
| 5       | Strongly Disagree | 5               | 10%                    |
|         | Total             | 50              | 100%                   |

(Source: primary data)

Chart-3



From above table and chart it is clear that most of the respondents are not satisfied with the Statements that GST(Goods and Service tax) Confused the Customers. 10% of the respondents are strongly disagree with the Statements and 40% of the respondents are disagree with the Statements that GST(Goods and Service tax) Confused the Customers in India. 26% respondents are Neutral and 24% of the respondents are agree with the statement. Therefore, it is concluded that 50% respondents are satisfied with the statements that GST is not Confused the customers in India.

**Exhibit4: Classification of respondents on the basis of respondents regarding GST(Goods and Service tax) will cause of inflation in India. The following Description is given below:-**

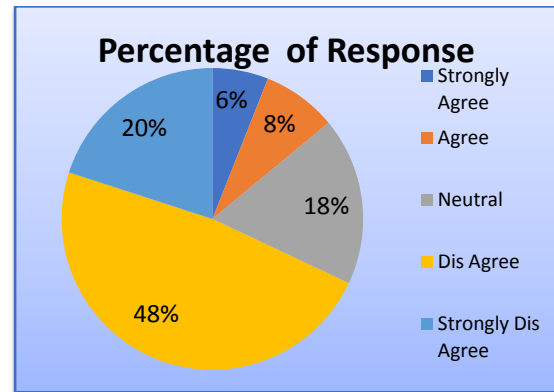
Table:-05

| Sr. No. | Response       | No. of Response | Percentage of Response |
|---------|----------------|-----------------|------------------------|
| 1       | Strongly Agree | 3               | 6%                     |
| 2       | Agree          | 4               | 8%                     |
| 3       | Neutral        | 9               | 18%                    |
| 4       | Disagree       | 24              | 48%                    |

|   |                   |    |      |
|---|-------------------|----|------|
| 5 | Strongly Disagree | 10 | 20%  |
|   | Total             | 50 | 100% |

(Source: primary data)

Chart-4



From above table and chart it is clear that most of the respondents are not satisfied with the Statements that GST(Goods and Service tax) will cause of inflation in India. 20% of the respondents are strongly disagree with the Statements and 48% of the respondents are disagree with the Statements that GST(Goods and Service tax) will cause of inflation in India. 18% respondents are Neutral and 14% of the respondents are agree with the statement. Therefore, it is concluded that 68% respondents are not satisfied with the statements that GST(Goods and Service tax) will cause of inflation in India.

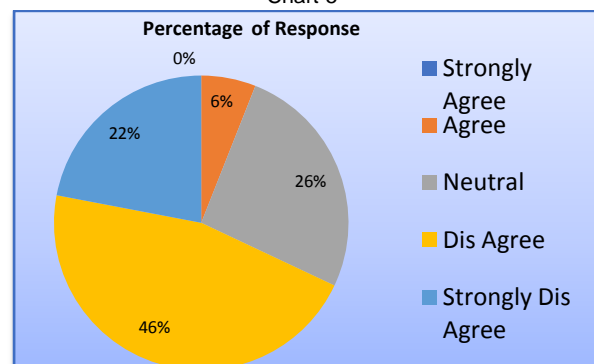
**Exhibit5: Classification of respondents on the basis of respondents regarding GST will increase in the cost of living. The following Description is given below:-**

Table:-06

| Sr. No. | Response          | No. of Response | Percentage of Response |
|---------|-------------------|-----------------|------------------------|
| 1       | Strongly Agree    | 0               | 0%                     |
| 2       | Agree             | 3               | 6%                     |
| 3       | Neutral           | 13              | 26%                    |
| 4       | Disagree          | 23              | 46%                    |
| 5       | Strongly Disagree | 11              | 22%                    |
|         | Total             | 50              | 100%                   |

(Source: primary data)

Chart-5



From above table and chart it is clear that most of the respondents are not satisfied with the Statements that GST(Goods and Service tax) will increase in the cost of living.

22% of the respondents are strongly disagree with the Statements and 46% of the respondents are disagree with the Statements that GST(Goods and Service tax) will increase in the cost of living. 26% respondents are Neutral and 6% of the respondents are agree with the statement. Therefore it is concluded that 68% respondents are satisfied with the statements that GST(Goods and Service tax) will not GST will increase in the cost of living.

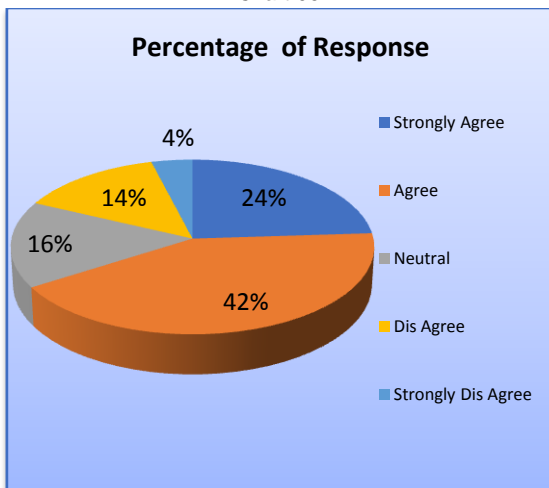
**Exhibit6: Classification of respondents on the basis of respondents regarding GST will helpful to boost GDP growth rate in the long period. The following description is given below:-**

Table:-07

| Sr. No. | Response          | No. of Response | Percentage of Response |
|---------|-------------------|-----------------|------------------------|
| 1       | Strongly Agree    | 12              | 24%                    |
| 2       | Agree             | 21              | 42%                    |
| 3       | Neutral           | 8               | 16%                    |
| 4       | Disagree          | 7               | 14%                    |
| 5       | Strongly Disagree | 2               | 04%                    |
|         | Total             | 50              | 100%                   |

(Source: primary data)

Chart-06



From above table and chart it is clear that most of the respondents are satisfied with the Statements that GST(Goods and Service tax) will helpful to boost GDP growth rate in the long period. 24% of the respondents are strongly agree with the Statements and 42% of the respondents are agree with the Statements that GST(Goods and Service tax) will helpful to boost GDP growth rate in the long period. 16% respondents are Neutral and 6% of the respondents are agree with the statement. Therefore, it is concluded that 66% respondents are satisfied with the statements that GST(Goods and Service tax) will helpful to boost GDP growth rate in the long period.

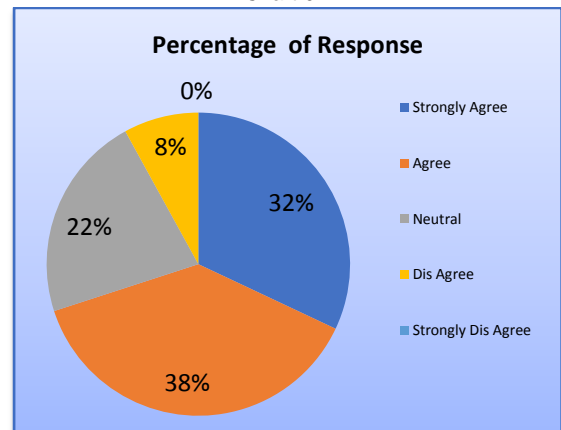
**Exhibit7: Classification of respondents on the basis of respondents regarding to the statement that Petroleum and its product should be sumsumed in Newly Implemented GST model. The following description is given below:-**

Table: -08

| Sr. No. | Response          | No. of Response | Percentage of Response |
|---------|-------------------|-----------------|------------------------|
| 1       | Strongly Agree    | 16              | 32%                    |
| 2       | Agree             | 19              | 38%                    |
| 3       | Neutral           | 11              | 22%                    |
| 4       | Disagree          | 4               | 8%                     |
| 5       | Strongly Disagree | 0               | 0%                     |
|         | Total             | 50              | 100%                   |

(Source: primary data)

Chart-07



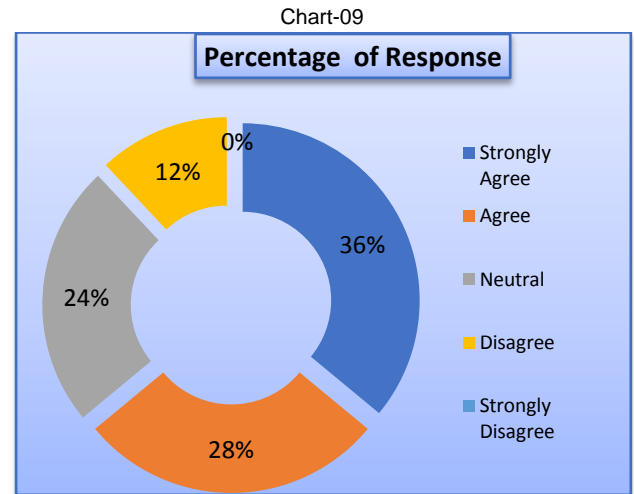
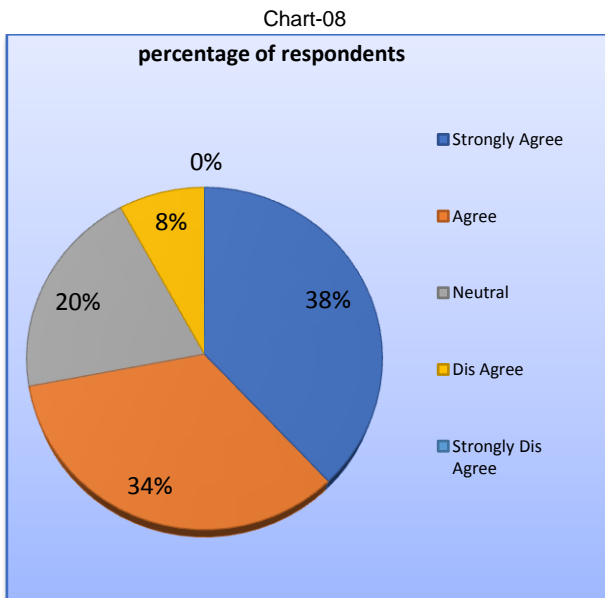
From above table and chart it is clear that most of the respondents are satisfied regarding to the statement that Petroleum and its product should be subsumed in GST model. 32% of the respondents are strongly agree with the Statements and 38% of the respondents are agree with the Statements that regarding to the statement that Petroleum and its product should be sumsumed in GST model. 22% respondents are Neutral and 8% of the respondents are disagree with the statement. Therefore it is concluded that 70% respondents are satisfied with regarding to the statement that Petroleum and its product should be sumsumed in GST model.

**Exhibit8: Classification of respondents on the basis of respondents regarding to the statement that Alcohol and Liquir should be sumsumed in Newly Implemented GST model. The following description is given below:-**

Table:-09

| Sr. No. | Response          | No. of Response | Percentage of Response |
|---------|-------------------|-----------------|------------------------|
| 1       | Strongly Agree    | 19              | 38%                    |
| 2       | Agree             | 17              | 34%                    |
| 3       | Neutral           | 10              | 20%                    |
| 4       | Disagree          | 4               | 8%                     |
| 5       | Strongly Disagree | 0               | 0%                     |
|         | Total             | 50              | 100%                   |

(Source: primary data)



From above table and chart it is clear that most of the respondents are satisfied regarding to the statement that the Alcohol and Liquor should be subsumed in GST model. 38% of the respondents are strongly agree with the Statements and 34% of the respondents are agree with the Statements that regarding to the statement that Alcohol

and Liquor should be subsumed in GST model. 20% respondents are Neutral and 8% of the respondents are disagree with the statement. Therefore it is concluded that 72% respondents are satisfied with regarding to the statement that Alcohol and Liquor should be subsumed in GST model.

**Exhibit9: Classification of respondents on the basis of respondents regarding to the statement that GST is implementation in line with the P.M vision of Doubling Farmer's income by 2022. The following description is given below:-**

Table:-10

| Sr. No. | Response          | No. of Response | Percentage of Response |
|---------|-------------------|-----------------|------------------------|
| 1       | Strongly Agree    | 18              | 36%                    |
| 2       | Agree             | 14              | 28%                    |
| 3       | Neutral           | 12              | 24%                    |
| 4       | Disagree          | 6               | 12%                    |
| 5       | Strongly Disagree | 0               | 0%                     |
|         | Toal              | 50              | 100%                   |

(Source: primary data)

From above table and chart, it is clear that most of the respondents are satisfied regarding to the statement that GST is implementation in line with the P.M vision of Doubling Farmer's income by 2022. 36% of the respondents are strongly agree with the Statements and 28% of the respondents are agree with the Statements . 24% respondents are Neutral and 12% of the respondents are disagree with the statement. Therefore it is concluded that 64% respondents are satisfied with the statements regarding to the statement that GST is implementation in line with the P.M vision of Doubling Farmer's income by 2022.

**6. Findings**

After analysis and interpretation of data these are following findings are emerged:-

- Most are respondent are male.
- Majority of the respondents i.e 52 % came under age group 20-40.
- More than 80% respondent are related to Student/teacher and self business category.
- 78% of the respondents perception GST is a very good tax reforms in India. It is a turning point of Indian markets and economy.
- Most of the respondents perception is that GST is beneficial for Indian economy. It will boost Indian GDP growth rate in the long period.
- Most of the consumers opinion that alcohol and Liquor should be subsumed in Newly Implemented GST model.
- Most of the consumers opinion that petroleum and its product should be subsumed in Newly Implemented GST model.
- Most of the consumers opinion that GST is decrease in the cost of living.

**7. Conclusion & Suggestions**

The present study focused upon the new implemented GST is a game changer in the tax system of India. Finally, it is concluded that GST is a comprehensive, multi-stage destination based consumption tax on levied at every stage of value addition on a product. The study highlighted the overall overview of goods and service tax in Bhagalpur district in Bihar.

The government to put in more effort to ensure that consumers have a clear understanding and develop a positive attitude towards GST. From the above study, it is concluded that

consumers have a clear and positive understanding towards GST. So, it is a crucial indirect tax reforms which will help to boost Indian GDP growth in the long period.

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