



A Study on Customer Perceptive towards GST Rate in India

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ABSTRACT:

Taxation is the natural right of the state to impose and demand payment from individuals, properties, or rights in order to raise money for public uses. As a result of the state's sovereign right to levy taxes, they are imposed as proportional contributions from individuals to property and are used to fund the government and all other public necessities.

1. INTRODUCTION:

taxation as a means of funding the state. All governments demand that citizens pay taxes in cash. The government uses tax money to build roads and dams, operate schools and hospitals, feed the hungry and provide medical treatment, among hundreds of other things.

Government would not be able to function without taxes to pay for its operations. Therefore, taxes are the most significant source of money for the modern government, accounting for 90% or more of their income.

A. OBJECTIVES OF STUDY:

- To Analysis customers perception regarding Goods and Service Tax (GST).
- To Asses Customers view regarding important of GST in District CBE.
- To find out the perception and their views on new implemented taxation system.

B. STATEMENT OF PROBLEM:

Most of the stakeholders, including the officials, were unsure whether the goods and services were subject to GST or not; and this has created a high negative perception among taxpayers. The awareness among Indians about GST is relatively low due to a lack of knowledge or information regarding GST. Taxpayers, mainly business entities, are afraid of GST because of various factors like complex procedures on billing, price determination, return filing and infrastructure upgradation.

C. RESEARCH METHODOLOGY:

There are various which are used in analyzing data. The following tools are used for representing and analyzing data.

Tools:

- 1) Simple Percentage analysis.
- 2) Chi Square Test

I. Percentage Analysis:

Percentage methods refers to the specific kind which is used in making comparison between two or more series of data collected. Percentages are being based on descriptive relationship. It compares the relative items. Using percentage, the data are reduced in the form with base equal to 100% which facilitates relative comparison.

II. Chi Square Test:

A chi-squared test is a statistical hypothesis test used in the analysis of contingency tables when the sample sizes are large. In simpler terms, this is primarily used to examine whether two categorical variables are independent in influencing the test statistic.

2. REVIEW OF LITERATURE:

1. **Research by Mustapha and Palil (2011)** stated that the influence of compliance behavior towards individuals' awareness has been proven in various researches. From the findings of Razak and Adafula (2013); Santi (2012) they found that taxpayers' awareness is significantly associated with tax compliance and this is also supported by study Jatmiko(2006).
2. **(Saira et al, 2010)** , Based on the history of the implementation by the other countries around the world, most of the countries received a positive impact in terms of their revenue, despite the success of GST implementation the Malaysian citizens still feel uncertain with the GST, (Saira et al, 2010). The findings from the study showed that the majority of Malaysians not convinced with the GST system.
3. **According to Tan and Chin-Fat (2000)**, Malaysian understanding regarding GST was still low. Based on study conducted by Djawadi and Fahr (2013) pointed out that knowledge about tax is important to increase the thrust of authorities and also the citizens.
4. **Tulu (2007)**, indicate that other factors such as taxpayers' attitude or morale found to be the result of lack of awareness has found to have little impact on taxpayers' attitude towards taxation. A lot of individuals or taxpayers might want to comply in full with the tax systems, but are unable to do so because they are not aware of and lack of understanding their full obligations. Even they understand their obligations they may not know how to comply with it because of there is no two way communications between the authorities and taxpayers. Dup (2014) claimed that the ability of taxpayers to comply with the tax laws have a strong relationship with tax awareness.
5. **According to Tan and Chin-Fat (2000)**, Malaysian understanding regarding GST was still low. Based on study conducted by Djawadi and Fahr (2013) pointed out that knowledge about tax is important to increase the thrust of authorities and also the citizens.

3. DATA ANALYSIS AND INTERPRETATION:

CHI-SQUARE TEST:

PROFESSION	OPINION ON GST IN SOCIAL DEVELOPMENT				TOTAL
	STRONGLY AGREE	AGREE	NEUTRAL	STRONGLY DISAGREE	
STUDENT	9	10	5	3	27
EMPLOYEE	8	9	10	9	36
ENTREPRENEUR	12	5	7	7	31
UNEMPLOYED	0	1	0	5	6
TOTAL	29	25	22	24	100

CHI SQUARE VALUE (χ^2) = (Observed

value – Expected value)²/Expected value. Degree of freedom = (Row - 1)*(Column - 1)

= (4-1)*(4-1)

Degree of Freedom=9 Calculated Value of

χ^2 = 18.931 Table value = 16.919

Hypothesis:

HO: There is no significance relationship between dependent variable and independent variable level of significance 5%

H1: There is a significant relationship between dependent variable and independent variable level of significance 5%.

Interpretation:

In the above comparative analysis, the calculated value (18.931) is more than the table value 16.919 at 5% level of significance. Hence Null hypothesis is accepted.

Thus, there is significant relationship between the profession and the opinion on the implementation of GST in India.

4. FINDINGS, SUGGESTION AND CONCLUSION:

A. FINDINGS

I. FINDINGS FROM PERCENTAGE ANALYSIS:

1. Majority of the Respondents are Male
2. Majority of the Respondents are belong to 19-25 Age group

3. Majority of the Respondents are belong to Under Graduate.
4. Majority of the Respondents are belong to Employee.
5. Majority of the Respondents are belong to 50,000-1,00,000
6. Majority of the Respondents are Joint family.
7. Majority of the Respondents are belongs to Urban.
8. Majority of the Respondents are paying tax.
9. Majority of the Respondents are aware of various types of GST rate.
10. Majority of the Respondents are having the knowledge of paying taxes.
11. Majority of the Respondents are having knowledge on tax and exempted goods under GST.
12. Majority of the Respondents are aware of implementation of GST in India.
13. Majority of the Respondents are interested in learning more about GST.
14. Majority of the Respondents are Strongly agree that GST contribute additional revenue toeconomy.
15. Majority of the respondents strongly agree that a GST is helpful for the Socialdevelopment of the country.
16. Majority of the Respondents are Agree that a GST has increased various legal formalities.
17. Majority of the Respondents are Agree for the implementation of GST in India.
18. Majority of the Respondents are Agree that GST is a good tax reform for India.
19. Majority of the Respondents are Agree that GST is very difficult to understand.
20. Majority of the Respondents are agreed that GST has increased the burder for commanman.

B. FINDINGS FROM CHI-SQUARE TEST:

1. There is significant relationship between the profession and the opinion on the implementation of GST in India.

5. SUGGESTIONS:

- GST reduces only taxes for the industrial sectors not to the common man
- Because the price of the product were increased due to GST.
- Most of the people's income is comparatively less and they are able to afford product cause it includes both the CGST and SGST.
- The living cost is high where the common man feels the GST is the burden
- The Processes must be reduced so the business can operate efficiently in the best interest of the people and economy growth.
- Composition Scheme should also be provided to Small scale service providers. Rate should be rationalized and reduced to make India competitive and in interest of compliance and economy growth.

6. CONCLUSION:

The tax regimes and structures, in the economic framework, adopted by the government can be completely and effectively implemented when there is public awareness and positive perception towards them. This Customer is an attempt to analyze the people's perception and awareness of GST as it is implemented by government in a full-fledged mode so that effective measures could be taken for its implementation in a flawless manner. From the findings, it is clearly observed that the level of awareness is not significantly different based on gender, age, qualification, income and profession. Consumers in India have willingly accepted GST. The level of understanding among the consumers about GST is also good. Though the figures are good, the level of publicity should be more considering that 99% of the people want more awareness programs. The government should commit itself in this regard and take up the responsibility of providing information to the tax payers. The sensitivity of consumers towards embracing of GST is quite high as the score of acceptance is 27, approximately. It can be seen from the data obtained that India has been able to implement the major indirect tax reform, i.e., GST in a least disruptive manner, but the next step is to focus on expanding awareness in every nook and corner of this demographically vast and diverse country. In a nutshell, this study reveals that consumers are not resisting to this change in taxation system rather they are on a look for awareness drives, like training programs, demos, campaign at their offices and other knowledge-based initiatives on GST so that they can improve their amateur knowledge.

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