



## STREAMLINING GST COMPLIANCE: SOLUTIONS FOR TECHNICAL ISSUES AND PREVENTIVE MEASURES

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### ABSTRACT :

This article explores the role of GST firms in navigating the complexities of Goods and Services Tax (GST) compliance and mitigating technical glitches on the GST portal. It highlights the challenges faced by businesses due to technical issues and provides practical solutions to prevent and address these problems. Technical glitches are unexpected malfunctions or errors that disrupt the normal operation of digital systems, software, or hardware. These issues can arise from various causes, including software bugs, hardware failures, network disruptions, or compatibility problems. This article explores the nature and common sources of technical glitches, their impact on users and organizations, and the importance of robust troubleshooting and prevention strategies.

### Introduction

The Goods and Services Tax (GST) is one of the most significant tax reforms in India's economic history. Launched on July 1, 2017, GST aimed to overhaul the complex and fragmented system of indirect taxation that existed in the country for decades. Prior to GST, businesses and consumers had to deal with a variety of taxes imposed at both the central and state levels, such as excise duty, service tax, VAT, sales tax, octroi, and entry tax, among others. These multiple layers of taxation often led to inefficiencies, cascading tax effects, lack of transparency, and compliance challenges. GST was introduced as a comprehensive, multi-stage, destination-based tax that is levied on every value addition in the supply chain. It unified the Indian market by replacing multiple indirect taxes with a single tax structure, thus simplifying the taxation process for businesses and making tax administration more transparent and efficient. One of the key features of GST is its input tax credit mechanism, which ensures that tax is levied only on the final consumer, thereby eliminating the tax-on-tax effect and reducing the overall tax burden.

GST is administered through a robust IT platform known as the Goods and Services Tax Network (GSTN), which enables online registration, return filing, tax payment, and refund processing, promoting a digital shift in India's taxation system.

#### 1.1 Role of GST Firms

- **Expert Guidance:** Provide expert guidance on GST laws, regulations, and compliance requirements.
- **Technical Support:** Offer technical support to resolve GST portal issues and ensure smooth compliance.
- **Risk Management:** Help businesses manage risks associated with GST compliance, including identifying and mitigating potential errors.
- **Compliance Management:** Assist businesses in managing GST compliance, including filing returns, tracking deadlines, and ensuring accurate ITC claims.

The Goods and Services Tax (GST) is one of the most significant tax reforms in independent India's history. Introduced on July 1, 2017, GST replaced a complex web of indirect taxes imposed by the central and state governments with a unified and comprehensive tax. It is levied on the supply of goods and services at each stage of the supply chain, with credit for tax paid at previous stages available as a set-off. The goal is to create a single national market, reduce tax evasion, increase compliance, and make India more competitive globally.

**Simplification of the Tax Structure :** Prior to GST, India had multiple indirect taxes like VAT, CST, excise duty, service tax, octroi, and entry tax, among others. This created confusion and increased compliance burdens. GST merged these into a single tax, streamlining the tax system and reducing the cascading effect of taxes (tax-on-tax). This simplification is one of GST's key roles in reforming India's indirect tax regime.

**Promotion of Ease of Doing Business :** GST has significantly improved the ease of doing business in India. With a centralized registration process, unified return filing, and automated tax systems, businesses, especially startups and MSMEs, find it easier to operate across states. This has encouraged entrepreneurship, increased formalization of the economy, and led to better transparency in business transactions.

**Creation of a Unified National Market :** Before GST, different states had different tax rates and rules, leading to inefficiencies and market fragmentation. With the implementation of GST, the entire country became a single market, allowing for free movement of goods and services across state borders. This has reduced logistics costs, improved supply chain efficiency, and encouraged inter-state trade.

**Boost to Government Revenue and Compliance :** GST is designed with features like e-invoicing, return matching, and e-way bills, which have helped curb tax evasion and increase transparency. These mechanisms ensure that businesses pay the correct amount of tax and claim only legitimate input tax credit. As a result, government revenues have improved, and the tax base has widened, with more entities registering under GST.

**Encouragement of the Digital Economy :** The entire GST ecosystem operates through a technology-driven portal, the GSTN (Goods and Services Tax Network). Filing of returns, generation of invoices, tax payments, and refunds are all done digitally. This has helped move India closer to a digitally empowered economy, reducing corruption, manual errors, and bureaucratic hurdles.

**Impact on Inflation and Prices :** GST has played a mixed role in controlling inflation. In the initial phase, prices of some goods and services changed due to rate revisions. However, by eliminating the cascading effect and enabling input tax credits, it has generally helped reduce the overall tax burden on many products, leading to lower prices for consumers in the long run.

**Uniform Tax Rates and Equity :** Under GST, similar goods and services are taxed at the same rates across the country, bringing about equity and fairness in the tax system. Earlier, the same product could have had different prices in different states due to varying tax rates. GST removes such disparities and makes pricing more consistent nationwide.

**Strengthening Federalism :** GST is administered by both the Centre and States through a dual model: CGST (Central GST), SGST (State GST), and IGST (Integrated GST for inter-state transactions). The GST Council, comprising representatives from the Centre and all states, makes decisions by consensus. This promotes cooperative federalism, where both levels of government work together on tax policy.

**Facilitation of Exports :** GST has a zero-rated tax structure for exports. Exporters can claim refunds on the tax paid on inputs, making Indian goods more competitive in global markets. This has encouraged exports and helped reduce the trade deficit. The tax credit system under GST ensures that no taxes are exported, which is a fundamental principle of international trade.

**Contribution to Economic Growth :** By improving tax collection, increasing compliance, facilitating trade, and promoting formalization, GST contributes to the overall growth of the Indian economy. It has helped streamline production and distribution, lowered costs, and enhanced transparency, all of which are essential for sustainable development.

## 1.2 Challenges of Technical Glitches

- **Portal Downtime and Login Failures:** Scheduled and unscheduled maintenance windows lead to system downtime, causing login issues and disrupting compliance.
- **Return Filing Errors:** Technical issues during GSTR-1 and GSTR-3B filing, such as errors while generating summaries or uploading invoices.
- **Incorrect Auto-Population:** Mismatches or missing data in auto-populated fields in GSTR-3B or GSTR-2B, leading to incorrect filings or overstated input tax credit (ITC).
- **Invoice Matching Errors:** Duplication or omission in ITC claims due to invoice matching mechanism errors, requiring manual reconciliation.
- **Payment Gateway Failures:** Payments debited from banks but not reflected in the GST portal, causing compliance and cash flow issues.

## 1.3. Solutions to Prevent Technical Glitches

- **Invest in GST Compliance Software:** Automate GST filings, track deadlines, and reduce exposure to system errors.
- **Prepare Returns Offline:** Use GST offline utilities to minimize time on the portal and prevent losses due to technical glitches.
- **Raise Tickets Promptly:** Log errors and ensure timely rectification using the grievance redressal system (Form PMT-07 for payments).
- **File Early:** Avoid last-day filing to steer clear of traffic spikes and potential outages.
- **Monitor Official Channels:** Follow GSTN and CBIC updates regularly for real-time announcements.

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## Purpose of GST

The Goods and Services Tax (GST) is a comprehensive, indirect tax levied on the supply of goods and services in India. The primary purpose of GST is to:

- **Simplify the Tax Structure:** GST replaces multiple taxes, such as VAT, service tax, and excise duty, simplifying the tax structure and reducing compliance burden.
- **Promote Economic Growth:** GST aims to promote economic growth by reducing taxes on goods and services, increasing competitiveness, and improving the business environment.
- **Increase Tax Base:** GST brings more businesses into the tax net, increasing the tax base and reducing tax evasion.

The Goods and Services Tax (GST) is one of the most significant tax reforms in the history of India, introduced on 1st July 2017. The primary purpose of GST is to bring a uniform and simplified indirect tax structure across the country, replacing a complex web of multiple taxes imposed by the Central and State Governments. It is designed as a destination-based, value-added tax on the supply of goods and services.

**Unification of the Indian Market :** One of the core purposes of GST is to integrate the fragmented tax system in India into a single unified national market.

**Elimination of the Cascading Effect of Taxes :** Before GST, there was a tax-on-tax system. For example, a manufacturer paid excise duty, and when he sold the goods, VAT was charged on the total price including excise duty. This cascading effect increased the cost of goods and services.

**Simplification of the Tax Structure :** The earlier system had multiple indirect taxes such as Central Excise Duty, Service Tax, VAT, CST, Entertainment Tax, Entry Tax, Luxury Tax, and more, each with their own rules and compliance requirements. GST replaces these with a single tax (CGST + SGST/UTGST or IGST).

**Promoting Ease of Doing Business :** A unified tax regime under GST reduces the need for businesses to deal with multiple tax authorities, file multiple returns, and undergo numerous audits. It improves transparency and reduces litigation. This simplification encourages both domestic and foreign investment, contributing to India's goal of becoming a top destination for "Ease of Doing Business."

**Increasing Tax Compliance and Revenue :** GST is structured to bring more businesses into the formal economy. Since it operates on an invoice-matching and input credit system, suppliers and buyers are encouraged to issue proper tax invoices and file returns. This increases transparency and accountability, curbs tax evasion, and helps boost government revenues.

**Enhancing the Government's Digital Governance**

GST is technology-driven. The entire process, from registration to return filing, payment, and refund, is done through the GSTN portal (Goods and Services Tax Network). This promotes transparency, minimizes corruption, and enables real-time data collection for better economic planning.

**Uniform Tax Rates and Structure :** GST ensures that goods and services are taxed at uniform rates across the country, preventing price distortions.

**Encouraging Exports :** GST has made India's exports more competitive in global markets. Exporters are zero-rated under GST, meaning they can claim refunds of input taxes paid, making their products cheaper and more appealing internationally.

**Formalization of the Economy :** With the introduction of GST, many previously unregistered or informal sector businesses were brought into the formal tax net. This has led to better monitoring of the supply chain and helped in expanding the taxpayer base, thereby increasing the transparency and health of the economy

### ***Responsibilities under GST***

- **Registration:** Businesses with a turnover exceeding the threshold limit must register for GST and obtain a unique GSTIN.
- **Tax Collection and Payment:** Businesses must collect GST from customers and pay GST to the government on the supply of goods and services.
- **Return Filing:** Businesses must file GST returns regularly, disclosing details of outward supplies, inward supplies, and tax payments.
- **Input Tax Credit (ITC) Management:** Businesses can claim ITC on eligible inputs, input services, and capital goods, and ensure accurate ITC reconciliation.
- **Record-Keeping:** Businesses must maintain accurate records of GST transactions, including invoices, receipts, and payments.
- **Compliance:** Businesses must comply with GST laws and regulations, including filing returns, paying taxes, and maintaining records.

### **Observations from internship**

- **GST Return Filing:** I worked on filing GST returns, such as GSTR-1, GSTR-3B, and GSTR-9, and understood the importance of accurate and timely filing.
- **Input Tax Credit (ITC) Management:** I observed how businesses manage ITC, including claiming and utilizing input tax credits effectively.
- **Tax Computation and Payment:** I learned about calculating taxable values, paying GST, and ensuring compliance with GST regulations.
- **GST Audits and E-Way Bill Processes:** I have gained insights into GST audits, e-way bill generation, and compliance requirements.
- **Tally and GSTN Portal:** I worked with Tally and GSTN portal, gaining hands-on experience with GST compliance and filing.

### **Skills Gained**

- **Practical Knowledge:** I gained hands-on experience with GST compliance, filing, and management.
- **Analytical Skills:** I developed problem-solving and analytical abilities through GST compliance and troubleshooting.
- **Compliance Expertise:** I learned to ensure businesses' compliance with GST regulations, avoiding penalties and fines.

### **Conclusion**

The Goods and Services Tax (GST) has emerged as one of the most significant tax reforms in India's post-independence economic history. Its introduction aimed at bringing uniformity and simplification in the indirect taxation system, replacing a complex structure of multiple taxes levied by both the central and state governments. By subsuming various indirect taxes into a single tax regime, GST has reduced the cascading effect of taxes, ensured greater transparency, and contributed to the formalization of the economy. Moreover, the tax reform has improved tax compliance, expanded the taxpayer base, and facilitated smoother inter-state trade through the "One Nation, One Tax" approach.

A key feature of GST is its reliance on digital infrastructure through the GST Network (GSTN), which facilitates registration, return filing, payment of taxes, invoice uploading, and reconciliation. This digital model has not only enhanced transparency and accountability but has also made the entire tax process less cumbersome for businesses and individuals alike.

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