

EVOLUTION OF THE INDIRECT TAX SYSTEMS AND IMPORTANCE OF THE GOODS AND SERVICES TAX (GST) IN INDIA

K.KIRAN KUMAR

PH.D. SCHOLAR IN SCHOOL OF ECONOMICS,
UNIVERSITY OF HYDERABAD.

ABSTRACT

In the Indian parliament, every budget period since 2007-08 onwards serious discussion has been taking place on the Goods and Services Tax (GST) to take into the indirect tax systems. The introduction of GST would be a very important step in the field of indirect tax reforms in India. In India introduction of Value Added Tax (VAT) is considered to be a significant development over the pre-existing Central excise duty at the national level and the sales tax system at the State level, then the Goods and Services Tax (GST) will be an additional significant breakthrough – the next logical step - towards a comprehensive indirect tax reform in the country. By integrating a large number of Central and State taxes into a single tax, it would moderate cascading or double taxation in a major way and pave the way for a common national market. From the consumer point of view, the major advantage would be in terms of a reduction in the overall tax burden on goods, which is currently estimated at 25%-30%. The introduction of GST would also make Indian products competitive in the domestic and international markets. Present study mainly discusses the different types of indirect taxes and how they work in implementation and importance of the GST.

KEYWORDS: GST, Indirect tax, VAT.

REFERENCES:

- Deepa. S Vaidya, K. Kanagasabapathy. (2013). “Reform of Indirect Taxes Hurdles before the GST” *Economic & Political Weekly*, VOL XLVIII NOS 26 & 27.
- Jaiparkash. (2014). “Indirect Tax Reforms in India and A Way Ahead For GST”, *International Journal of Computing and Corporate Research* Volume 4.
- M Govinda Rao. (2011). “Goods and Services Tax: A Gorilla, Chimpanzee or a Genus like ‘Primates’?”, *Economic & Political Weekly*, Vol. 46, Issue No. 07, 12.
- R Kavita Rao (2010). “Goods and Services Tax: The 13th Finance Commission and the Way Forward”, *Economic & Political Weekly*, vol xlv no 48.
- Rustagi, T. R. (1998). *Indirect Tax Reforms in the Indian Economy*. Vikalpa, 23, 47-60.
- The Empowered Committee of State Finance Ministers (2009). “First Discussion Paper on Goods and Services Tax in India.