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“A NEW ROLE of GST in INDIAN FISCAL POLICY”

(A Overview with Case Study)

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ABSTRACT:-

The Goods and Services Tax (GST) is a big reform policy in indian taxation make one country-one tax. It is another part that expected to provide the much needed stimulant for economic growth in India by transforming the existing base of indirect taxation towards the free flow of goods and services. GST or Goods and Services Tax is considered to be a game changer in Indian Economy. Tax policy, expenditure policy, investment or disinvestment methods and debt or surplus management is that the core basis of the fiscal policy. Fiscal policy is a major element of government policy to Raise Revenue through Taxation. That means It is directly affects the monetary resources power within the hands of the general public. In economics and political science, fiscal policy is the use of government revenue collection (like taxes) & expenditure to influence the economy. Once the government changes the amount of taxation & government disbursement. The fiscal policy will be accustomed stabilize the economy over the course of the fluctuation. Now the economy of India is doing well performance in many sectors to increase their economic growth as well as social & political issues balancing in country level. Any one can compare with other major economic power countries at this point, but some time a country faces slowdown situations of economic point. More countries like China, South Korea and others, these countries maintained their growth rates on the same position of development.

Keywords:- Fiscal policy, Taxation, GST, monetary policy, Revenue, Investment.

1. INTRODUCTION:-

(A).FISCAL POLICY IN INDIA:-

Fiscal policy means tax collection and its use for public expenditure by the government for development or growth of the economy. It makes by two way by fiscal policy that refer to government actions affecting its receipts and expenditures, it ordinarily measured by government. if receipts is greater then expenditure called surplus, if not called deficit.

Some changes created by government for undesirable variations in the form of private consumptions and investment by compensatory variations in public expenditure & taxes.

Influences of monetary policy and trends of economic also maintain by fiscal policy.

If government find more additional expenditures, firstly needs to borrow from domestic or foreign sources, it can be use of its foreign exchange reserves by draw or can be print an equivalent amount of money. This tends to influence other economic variables.

Some Objectives of Fiscal Policy:-

Indian fiscal policy always maintain mainly two objects like how improve the growth performance economy and how to ensure public welfare justice. some other objects also feeds by the fiscal policy given below:-

1. the price level stabilization.
2. the growth rate of the economy stabilization.
3. full employment achieving and maintain..
4. the balance of payment make continue equal
5. by fiscal policy the government can promote the economic development underdeveloped countries.

Fiscal outlook:-(like Domestic challenges):-

In the fiscal policy where we use of cash in the market but some cash is not fully returned and some additional gains come in under the PMGKY, its like a windfall. so that windfall make a wealth not a income gain which create in market uncertainty. in further government strength can go to downward. and balance sheet can show unbalance because of less government consumption. lots of fiscal domestic challenges country make to create a number of programs which should be like permanent basis. In this regard government should be follow the reconstruction of public sector companies and make the balance sheet as possible as positive response. after apply of GST in the market government has to focus to simplify rates of taxes to lower side. in india through fiscal policy, the govt. of country controls expenditures and makes programs to collect more revenue than expences. many times expences become more than receipts. It's a main challenges for the govt. of a country to make balance.

(B) GST IN INDIA:

In india, after a long time the government of india created a single tax of sums of many indirect taxes which is implemented on 1st july, 2017. GST is the biggest policy of indirect tax reformation of Indian economy. GST is the bunch of more taxes like- state VATs, Central Excise Law, Service Tax Law, Entry Tax, Luxury Taxes, Octroi etc. prior, so many taxes which were charged on goods such as entry tax, Excise, VAR, octroi. Similarly, service tax, entertainment tax, luxury tax were charged on services. Now the GST will be only single tax, this will be make a theme like one nation –one tax.

GST is a comprehensive tax charged on sale, manufacture, and consumption of goods and services. GST is a tax on additional value on each stage which makes the benefits to the customers and giving relief to the taxpayers from the burden of taxes i.e. tax on tax. This new formation of taxation part replaces almost all of the indirect taxes which are contributing to a important improvement towards a comprehensive indirect tax reform in India in fiscal policy in financial management. In my study on fiscal policy with GST, it is depend on the past literature relating to make a critical review on the above topic to suggest in many areas of future research for filling up the research gaps.

Beginning of GST in india:-

In 2000, about the GST seeds sown by the A.B Vajpayee Government to give a streamline model of GST to apply in india ,make a powerfull committee for implementation. After some time, in the year 2003, came the Kelkar committee on implementation of the FRBM Act, suggested a comprehensive Goods and Service Tax which on VAT principle. However, at the national level, the proposal of introducing Goods and Services Tax was first. In the budget speech the Finance Minister had announced the target date for implementation of GST to be 1st April, 2010 by p.chitambaram, and said to reforme to design the roadmap on GSTby making a committee of state finance ministers. This committee suggested and submitted its report to the Government in April 2008 and released a First Discussion Paper on GST in India in 2009. on targeted date i.e.1st april 2010 for implementation of the GST bill could not made because of the changed the government. Further when Modi government came in 2014, the process started of implementation of GST bill and lastly it implemented on 1st July, 2017.

Impact of GST on the Indian Economy:-

This time from 1st july, 2017 we have been facing some problems in the market of process of GST. its right to that GST is a big element to create one nation – one tax symbol.but in this new tax era some lower businessman who has no idea to fill the GST form in this current system, so that they have been facing to run their business.mostly they want to change in GST form filling system, till now some tax payers also have been making less GST tax in their business and made some frod type income.in fiscal policy ,GST is the biggest collection part but when it will be come in simple way to do easy format.government finally made it on given target date in tax reform. In this regard Indian economy was waiting for a long time and lastly we achour target. All barriers have been broken all the inter-state trade resime in which market carring approx.1.3 billion. Nowadays comming better news in market of collection of GST is continue increasing.

Future Looks Like about GST in India :-

After some time its benefits will be see in the market in india, so country would be wait for these benefits to all sides.when the process of GST bill going to ready on its platform to make easy way ,it will become helpful to increase our economy.but government has to change its high rate to low rate. After then can make minimum tax slab to the customers in india. Now the rats are in 5 slabs like –(0,5,12,18 & 28)%. It should be 1 or 2 slabs in lower rate. near about rs.1 (one) lac crore per month the GST tax revenue coming in last each month.in Novembe,2019 the GST tax collected approx. rs. 1.03 lac crore.it is a sign of one tax-one nation.further also it will be a huge amount of collection of GST.

Benefits of GST to the Indian Economy:-

1. Firstly a big benefit of GST bill the sunrise of many indirect taxes such as VAT, CST, Service tax, CAD, SAD, and Excise.
2. Made one nation –one tax, easy to apply in our businesses with less tax.
3. Removal of problems like cascading effect of taxes i.e. tax on tax.
4. Customers feel good and take to buy their needs in the market because of lower manufacturing cost.
5. Lower the burden of same products cost now compare to earlier high cost.
6. In the market demand and supply has been day to day increasing of goods.
7. increasing supply will lastly increase to rise in the production of goods.
8. in this process a huge black money will Control from the markets. Due to payment mode is a mandatory in cheques.

A Brighter Economy from GST:-

The beginning of GST (Goods and Services Tax) will be a very economic tax era. By sunrise a number of Central and State taxes into a single tax, GST is expected to significantly ease double taxation and make taxation overall easy for the industries. For the end customer, the most beneficial will be in terms of reduction in the overall tax burden on goods and services. Introduction of GST will also make Indian products competitive in the domestic and international markets. Last but not least, the GST, because of its transparent character, will be easier to administer. Once implemented, the proposed taxation system holds great promise in terms of sustaining growth for the Indian economy.

(C) ECONOMIC GROWTH IN INDIA:-

The Indian economy is expected to be one of the top three biggest economy in the world. in this concern its fastest growing economy and will be make a balanced powerful in the world after a decades. When we make compare with East Asian countries like Indonesia, Singapur economic growth speed is very fast. In this concern our economy has to make a continue speed of growth and make a sustainable plate form to the people of the country. Now days the GDP growth rate is going to downward day to day, it's a very dangerous for the Indian govt. Indian economy GDP can run & reach on US\$ 6 trillion in coming FY 2027. In coming years the India's revenue van touch near about rs.30 trillion. But for this achievement India will has to perform in many sectors like reforms, infrastructure, energy capacity, focusing on renewable sources, more collection of GST, favorable demographics, purchasing power of economy and in others reforms.

Why it failure to secure inclusive growth:—

Because of higher negative politics and poor job creation with higher inequality, the Indian economy facing more problems to build up its growth continue slowdown. many times has to face problems of high inflation, fiscal stress, balance of payment pressures, redistributive politics of India and many other harm fiscal policies. The Indian economy needs to make a positive monetary policy and create a faster pace of growth. Also create a structural reform to support a credit boom of economy. it has to make a lower tax slabs on capital incomes also

2. The Research Methodology: –

The my present study is based on the prior literature. The secondary source of data I collect from journals, research publications like conference proceedings, published and unpublished thesis and internet has been used to find the above given objectives

3. Objectives of the Study:-

To understand the concept of Goods and Service Tax and gain idea regarding its proposed implementation in India. To study the past literature related to GST and identify the research gaps in this field for enabling further research. To provide conclusive remarks on the state of affairs GST in India. To understand the concept of Goods and Service Tax and gain idea regarding its proposed implementation in India and Sarguja division of CG State. Some other objectives are below:-

- To study the past literature related to GST and identify the research gaps in this field for enabling further research.
- To provide conclusive remarks on GST in India.
- To understand the concept of Goods and Services Tax
- To examine the features of Goods and Services Tax.
- To analyze the impact of GST on various sectors.
- To provide information on Goods and Services Tax with respect to Export
- To know the benefit of Goods and Services Tax to the economy, business, industry and consumers.
- To assume and find that GST will be a major collection part of taxation from local areas also.
- To understand that the new role of GST in Indian states, customers behavior about this new system of tax reform.
- To make a study of new reform of indirect taxes in the term of GST, is being a easy way to taxation for businessmen in their business.

4. Limitations of the Study:-

It would be almost impossible to fully summarise all the research that has been conducted in the field of Goods and Service Tax. However, it is attempted to provide a summary of the major research that has taken place on the key issues which have emerged, and the means by which they can be handled.

5.SUGGESTIONS:-

- 1.from fiscal policy and aply of GST we can make Useful uses of economic resources in maximum productivity ,Reducing gaps in societies, can provide correct Distribution.
- 2.we can make to increase the rapid system in many areas like public and personal sector of the economic field.
- 3.in india we can reach to more uses of resources which will replicate the positive impact on Indian economy.
- 4.aplying of GST makes sure that India will be find similar system compare to other countries.
- 5.A new fiscal rule to impose legal limits on fiscal deficits
- 6.GST will be make to avoid lots problems of the bunch of indirect taxes in the market to make a common market and make one nation –one tax.
- 7.fiscal policy must be to increase its gains from global integration while ensuring a reduction in poverty and level of pricing.
- 8.fiscal policy acts to find Development with economic growth also,and effort to change in the country in social, organizations and management.
9. Countries always need to growth of their economic to increase lots employees and to find enough resources for population.

6. Review of literature:-

1.Tripathi (2011): The author has discussed about the VAT which already implemented in the market in India. Many disputes has been faced by the business man and shoapkeepers. In this concern Indian economy learnt some issues. now in fiscal policy, a new coming era of GST tax reform in Indian economy is may increase the revenue on goods & services

2.Gupta (2014):In the study of this author highlighted the GST implementation in India on goods & services will be lead of commercial benefits in fevour of cosumers of India and a huge amount collection of tax which were not touch by the VAT. It will be faburable to Indian economy growth.

3.Poonam,(2017): according her, in the study about GST it will be a major part of tax in India. The GST can reduce some problems of charging of tax on tax. It will be a important element for the govt. of India.

4.Vasanthagopa (2011): In this study the author finds the GST system in India a very positive step to collect the tax revenue to sumrise of many indirect taxes.

5.Girish Garage (2014): in his study, finds positive responses on the objectives of GST. Show the possible to reduce the challenges of economy. May GST make powerful to Indian economy.

6.Sachin Abda (2017): He highlighted in the concern of GST, a major moving point for the Indian economy to face the problems of collection of huge tax. This is because of less amount of tax collection after independence of India of the bunch of many indirect taxes.

7. CONCLUSION:-

In fiscal policy,we see that if public sector gain wealth can not say they make an income gain. The bunch of indirect taxes called GST is a big reformation in taxes portion by the government of india, will make a huge amount of collection of indirect taxes in coming days. To create permanent entitlements, government should be make form programs for strengthening the government's balance sheet rather than being used for government consumption. The Government of india is fully prepared to aply the Goods and Service Tax or the GST from the noted date i.e. 1st july, 2017. The point of sale at which , Centre and states made the collection of taxes which are charged on cost of the manufacturing. Customers are benefited when prices are going to downward. it is known that when price of goods go to lower side consumption increases, in future when make more consumption that mean higer production need, and it will be lead to growth of economic,so that country can be development. In my research paper I try to make study of prior literature regarding GST which indicates that taxation system can be implement in friendly environment and it will be help better uses of resources and fiscal policy can gain better result.

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