International Journal of Computational Research and Development (IJCRD)
Impact Factor: 5.015, ISSN (Online): 2456 - 3137
(www.dvpublication.com) Volume 2, Issue 2, 2017

GST ACCEPTANCE: A STUDY WITH PARTICULAR REFERENCE TO TIRUPATTUR MANUFACTURING SECTOR

L. Rupa
Head & Assistant Professor, PG Department of Commerce, Thiruvalluvar University Constituent College of Arts and Science, Tirupattur, Tamil Nadu

Cite This Article: L. Rupa, "GST Acceptance: A Study with Particular Reference to Tirupattur Manufacturing Sector", International Journal of Computational Research and Development, Volume 2, Issue 2, Page Number 254-256, 2017.

Abstract:
Introduction of GST will greatly improve the quality of the indirect tax system and, therefore, make it possible to have higher resources on a sustainable basis, which will make the fiscal situation more sustainable. This reform will solve many critical issues in the long run. According to a recent study on the impact of GST, India could gain as much as $15 billion annually once the GST is in place. The study is to know about the level of acceptance about GST among the manufacturing industries in Tirupattur. 150 sample respondents were taken based on convenient sample method. The study concluded that new GST system changing old indirect tax structure into unified Indirect Tax Structure for engineering products.

Key Words: GST, Manufacturing Industries, Tax.

Introduction:

The Constitution (One Hundred and Twenty-second Amendment) Bill, 2014, also known as the Goods and Services Tax Bill or GST Bill, suggests a national value-added tax that would go into effect in India on April 1, 2017. The Atal Bihari Vajpayee government established an empowered committee in 2000 to expedite the adoption of the GST model and to create the necessary backend infrastructure for its execution. Then-Finance Minister P. Chidambaram stated in his budget speech on February 28, 2006, that the GST would be implemented on April 1, 2010, and he established a new, empowered committee of state finance ministers to create the roadmap. The committee submitted its report to the government in April 2008 and released its First Discussion Paper on GST in India in 2009.The Constitution (122nd Amendment) Bill, 2014 was introduced in the Lok Sabha by Finance Minister Arun Jaitley on 19 December 2014, and passed by the House on 6 May 2015. In the Rajya Sabha, the bill was referred to a Select Committee on 14 May 2015. The Select Committee of the Rajya Sabha submitted its report on the bill on 22 July 2015. The bill was passed by the Rajya Sabha on 3 August 2016, and the amended bill was passed by the Lok Sabha on 8 August 2016.The bill, after ratification by the States, received assent from President Pranab Mukherjee on 8 September 2016, and was notified in The Gazette of India on the same date.

Manufacturing Industry in India:

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India's ranking among the world's 10 largest manufacturing countries has improved by three places to sixth position in 2015.The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25 per cent of Gross Domestic Product (GDP) by 2025, from 16 per cent currently.

Market Size:

India's manufacturing sector has the potential to touch US$ 1 trillion by 2025. There is potential for the sector to account for 25-30 per cent of the country's GDP and create up to 90 million domestic jobs by 2025. Business conditions in the Indian manufacturing sector continue to remain positive.

Statement of Problem:

Both the federal and state tax systems are still complicated, despite recent advancements in their administration and design. The existence of exemptions, multiple rates, and the illogical structure of the levies are, of course, the main policy-related causes of complexity. The CENVAT and the Service Tax exhibit the most obvious shortcomings. The fundamental issue with the service tax is that it is imposed on specific services, which leads to a great deal of discussion about what constitutes the base. All services should ideally be included in the tax base, with only a small number of exclusions (referred to as the "negative list").

Objective of the Study:

- To study the impact of GST towards manufacturing of engineering products in Tirupattur.
- To analyse the level of acceptance of the respondents towards GST based on the existing tax procedure in the industry.

Research Design:

A research design is the specification of methods and procedure for acquiring the information needed. Research design classified under three broad categories – explanatory, casual and descriptive. But the researcher was concerned mainly with descriptive research design. The study was conducted in order to find out the.

Sampling Design & Tools Applied:

Sampling Plan:

One of the main elements in the research design is sampling plan which is further divided into sampling unit, sampling size, sampling type.

Sampling Unit:

Sampling unit can be defined as the basic unit containing the manufacturers in Tirupattur.

Sampling Size:

In this research, the sample size amount to one hundred and fifty, which are surveyed from manufacturers in Tirupattur?

Sampling Type:

Convenience sampling was adapted in this research. It is a non-probability sampling and it is refers to selecting a sample based on convenience.

Data Collection:

The primary data the respondents which or collected with a questionnaire schedule was used with employees of the company. Secondary data were collected from the company profile, manuals, journals, magazines and newspapers etc. The Data Collected were analyzed using simple percentage analysis.

Limitations of the Study:

- The study is limited to three months and a deep study about the concept cannot be made.
- There is a chance of bias in collection of data.
- The sample size is limited to 150.

Analysis and Interpretation:

Type of organization

Type of Organization	Frequency	Percent
Sole trader	6	12
Partnership	30	60
Private limited	14	28
Total	50	100

The above table shows about the type of organization of the respondents were out of 50 respondents 12% are sole traders, 66% are running partnership firm and 22% are running a private limited company. It shows that most of the respondents are running a partnership firm in our survey.

Years of experience in the field

Years of Experience	Frequency	Percent
Less than 10 years	27	54
10-20 years	7	14
20-30 years	13	26
More than 30 years	3	6
Total	50	100

The above table shows about period of experience in the field were out of 50 respondents 54% are having experience less than 10 years, 14% are having experience from 10-20 years, 26% are having experience from 20-30 years and 6% are having experience more than 30 years. It shows that most of the respondents are having experience more than 30 years.

Level of acceptance towards GST resulting in higher prices for goods and services for engineering products

Particulars	Frequency	Percent
Strongly Agree	1	2
Agree	24	48
Neutral	16	32
Disagree	6	12
Strongly Disagree	3	6
Total	50	100

The above table shows about level of acceptance towards GST resulting in higher prices for goods and services for engineering products were out of 50 respondents 2% strongly agree, 48% agree, 32% are neutral, 12% disagree and 6% strongly disagree for GST resulting in higher prices for goods and services for engineering products. It shows that most of the respondents agree for GST resulting in higher prices for goods and services for engineering products.

Level of acceptance towards uniform e- registration process based on pan of entity with the industry

Particulars	Frequency	Percent
Strongly Agree	15	30

Agree	8	16
Neutral	14	28
Disagree	11	22
Strongly Disagree	2	4
Total	50	100

The above table shows about level of acceptance towards uniform E- Registration process based on PAN of entity with the industry were out of 50 respondents 30% strongly agree, 16% agree, 28% are neutral, 22% disagree and 4% strongly disagree for uniform E- Registration process based on PAN of entity with the industry. It shows that most of the respondents strongly agree for uniform E- Registration process based on PAN of entity with the industry.

Level of acceptance towards new GST system changing old indirect tax structure into unified indirect tax structure for engineering product

	Frequency	Percent
Strongly Agree	15	30
Agree	3	6
Neutral	16	32
Disagree	4	8
Strongly Disagree	12	24
Total	50	100

The above table shows about level of acceptance towards new GST system changing old indirect tax structure into unified Indirect Tax Structure for engineering products were out of 50 respondents 30% strongly agree, 6% agree, 32% are neutral, 8% disagree and 24% strongly disagree for new GST system changing old indirect tax structure into unified Indirect Tax Structure for engineering products. It shows that most of the respondents are neutral about new GST system changing old indirect tax structure into unified Indirect Tax Structure for engineering products.

Suggestions:

- Government to make an effort to provide or add subject about basic taxation as main subject at schools to educate students at an early age and also the teachers. This could improve their tax knowledge, tax morale, and could change their perception towards the tax.
- Social media, tax authorities should organize more talk programmers and collaborates with NGO'S to suburban residence especially to rural populations like the natives.
- Government should seek feedbacks from the citizen. Thus it is necessary for government to hear voices from all parties. As a result, public will be more willing to comply with GST law.

Conclusion:

The Constitution (One Hundred and Twenty-second Amendment) Bill, 2014, also known as the Goods and Services Tax Bill or GST Bill, suggests a national value-added tax that would go into effect in India on April 1, 2017.Therefore, the goal of this study is to determine the level of acceptance regarding GST. The findings indicated that most respondents had a very negative opinion of the effects of GST and that awareness was only moderate. This ultimately led to the majority of respondents opposing the GST's implementation.

References:

1. Poh Jin Goh (2017), consumers' perception towards the implementation of goods and services tax (gst) in malaysia: a review paper, Journal of Global Business and Social Entrepreneurship (GBSE) Vol. 1: no. 4 (2017) page 17–23.
2. K. Veerakumar, "A Study on People Impact on Demonetization", International Journal of Interdisciplinary Research in Arts and Humanities, Volume 2, Issue 1, Page Number 9-12, 2017.
3. Noormahayu Binti Mohd Nasir (2015), Public Awareness towards Goods and Services Tax (GST) in Kuala Lumpur, Malaysia, International Academic Research Journal of Social Science 1(2) 2015 Page 101-106.
4. Abubakari Abdul Razak, C. J. (2013). Journal of Accounting and Taxation Evaluating taxpayers' attitude and its influence on tax compliance decisions in Tamale, Ghana. Journal of Accounting and Taxation, 48-57.
5. Mohamad Ali Roshidi Ahmad (2016), Awareness and Perception of Taxpayers towards Goods and Services Tax (GST) Implementation, International Journal of Academic Research in Business and Social Sciences, Volume 6, Issue 11,PP 75-94.
6. Urif, H. B. (2016), Employees' Attitudes toward Goods and Services Tax (GST) in Open University Malaysia (OUM), Imperial Journal of Interdisciplinary Research, 2(9), 92- 99.
7. Zabri, S. M., Ahmad, K., & He, T. G. (2016), Understanding of Goods and Services Tax (GST) and Spending Behavior among Malaysian Consumers, International Business Information Management Association.