



## **A Study of Retailers' Awareness of Goods and Services Tax (GST)**

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### **Abstract**

The present study was carried out to know the level of awareness of retailers about goods and services tax. Goods and Services Tax (GST) is a structure of indirect taxes formulated to increase the growth of the country. In other words, it is a simplification over Indian taxation system. Through this simplification, Indian government aims to increase the level of revenue, provide easy way to paying-tax and file return by the businessmen and to protect the tax evasion and tax avoidance. Besides this, in India, government had started reforms for indirect taxes with the replacement of sales taxes by value added tax (VAT) in 2005. However, in this old taxation system the people of country had to bear cascading effect of taxes- an item was taxed more than once. To get the solution of problems relating to taxation structure government of India implemented the GST on 1<sup>st</sup> April, 2017. GST was implemented at two stages, first was levied by Central government and called Central Goods and Services Tax (CGST) and second was levied by State govt. and called State Goods and Services Tax (SGST). Under this research work, primary data were collected through a structured questionnaire. Collected data were analysed with the help of percentage analysis.

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**Key words:** GST, Indirect Tax, Retailers, Tax System

### **Introduction**

Goods and Services Tax (GST) is a structure of indirect tax formulated to increase the growth of the country. In other words, it is a simplification over Indian taxation system. Through this simplification, Indian government aims to increase the level of revenue, provide easy way to paying-tax and file return by the businessmen and to protect the tax evasion and tax avoidance. Besides this, in India, government had started reforms for indirect taxes with the replacement of sales taxes by value added tax (VAT) in 2005. However, in this old taxation system the people of country had to bear cascading effect of taxes- an item was taxed more than once. To get the solution of problems relating to taxation structure government of India implemented the GST on 1<sup>st</sup> April, 2017. GST was implemented at two stages, first was levied by Central government and called Central Goods and Services Tax (CGST) and second was levied by State govt. and called State Goods and Services Tax (SGST).

Another aspect of this research work is 'retailers' who contribute in the distribution of goods and services at final stage (or to the customers) and at this level they collect GST from customers. Retailers in an economy have great importance because they play a very significant role in distribution process of goods and services and in collection of taxes levied on things. In this



manner, it is necessary that retailers should be aware of taxation system implemented by the government in a country.

### **Review of Literature**

To find out the gap and to give the direction to the research work, review of available literature was done. Literature reviewed of some valuable researches is given here:

In a study- GST in India: A Big Leap in the Indirect Taxation System, **Vasanthagopal (2011)** suggested that introduction of GST against current taxation system will be a good step in booming Indian economy.

**Sehrawat and Dandha (2015)** presented an overview of GST. Further, the researchers focused mainly on the advantages and challenges in the implementation of GST in India. The researchers concluded that in India it was demand of time to execution of GST

**Garg and Gupta (2017)** made a description of the historical scenario of Indian taxation system. Under this study, the researchers also highlighted the needs of changes in indirect taxation system. Through this study, the researchers concluded that goods and services tax will give more relief to the final consumers, industry, trade and agriculture sector.

**Lourdunathan and Xavier (2017)** conducted a research to study the advantages and challenges in implementation of goods and services tax (GST) in India. For the purpose of analysis, the researcher collected opinions from the manufacturers and traders. On the basis of results obtained, researchers concluded that GST will provide relief to producers and customers by providing wide and comprehensive coverage of input tax credit.

**Rani (2017)** made an attempt to understand the concept of goods and services tax through the study “*A Research Paper on Goods and Services Tax (GST) and its Impact on Indian Economy*”. The researcher studied the GST and its impact on Indian economy by collecting secondary data from various journals and other external sources. On the basis of discussion made in this study, the researcher concluded that GST is a good way to give relief to the consumers and producers by giving them input tax credit-off.

### **Objective of the Study**

The present research work was conducted to examine the retailers’ awareness about good and services tax.

### **Research Methodology**

After reviewing the available literature, the objective was set-forth in accordance to gap in literature. To carry out the research work, a statistical-cum-descriptive research design was applied.

### **Study Area:**

Area of the study determines the boundaries for the work. The present study was conducted in Haryana State (India).

### **Sample-size and Sampling Techniques**

For the purpose of response gathering a sample of 400 respondents was taken. Four districts of Haryana State, i.e., Rohtak, Jind, Sonapat and Bhiwani were selected randomly (by using lottery



sampling) and then 50 respondents were taken from every selected district. The selected 50 respondents of every district were classified (in a group of 25) into rural and urban retailers.

### Data

Under this research work, primary data were collected from 400 respondent retailers with help of structured questionnaire.

### Statistical Tool and Techniques

The collected responses were classified, tabulated and analysed with percentage analysis.

### Analysis and Explanation

**Table-1**  
**Retailers' Business Registered Under GST**

District	% of Business which have GSTIN					
	Rural		Urban		Total	
	Yes	No	Yes	No	Yes	No
<b>Rohtak</b>	32	68	84	16	58	42
<b>Bhiwani</b>	20	80	64	36	42	58
<b>Sonepat</b>	24	76	80	20	52	48
<b>Jind</b>	28	72	60	40	44	56

*Source: Calculated from primary data*

The results given in Table-1 indicated that 32% business of rural areas in Rohtak district were registered under GSTIN and 84% of businesses in urban areas were registered under GSTIN. In district Bhiwani, 20% were registered for GST no. in rural areas and 64% were registered for GSTIN in Urban area of Bhiwani. The results for district Sonapat showed that 24 of businesses in rural areas were registered under GSTIN and 80% of businesses in urban areas were registered under GSTIN. In district Jind, 28% were registered for GST no. in rural areas and 60% were registered for GSTIN in Urban area of Jind. The overall results showed that maximum business registered under GSTIN were of district Rohtak and least for Bhiwani.

**Table-2**  
**Retailers Have Accounting Software for Accounting of GST**

District	% of Retailers who have accounting software for accounting of GST					
	Rural		Urban		Total	
	Yes	No	Yes	No	Yes	No
<b>Rohtak</b>	12	88	48	52	30	70
<b>Bhiwani</b>	0	100	56	44	28	72



<b>Sonepat</b>	16	84	72	28	44	56
<b>Jind</b>	8	92	36	64	22	78

Source: Calculated from Primary data

It was observed from Table-2 that the highest percentage (44%) of retailers who have accounting software for treatment of GST was of district Sonepat, however, it was least for district Jind (22%). The individual analysis of various districts showed that there was no single retailer found with accounting software in rural areas of Bhiwani (0%) and the highest percentage was obtained for Sonepat (16%). The results of urban area also showed the highest percentage for Sonepat (72%) and lowest for Jind (36%).

**Table-3**  
**Retailers Who File Tax Return Themselves**

District	% of Retailers Who File Tax Return Themselves					
	Rural		Urban		Total	
	Yes	No	Yes	No	Yes	No
<b>Rohtak</b>	8	92	20	80	14	86
<b>Bhiwani</b>	0	100	28	72	14	86
<b>Sonepat</b>	12	88	32	68	22	78
<b>Jind</b>	4	96	20	80	12	88

Source: Calculated from Primary data

Table-3 showed that retailers in rural areas of Bhiwani (0%) did not file tax return themselves; however, the highest number or percentage (12%) was obtained in district Sonepat (12%). After Sonepat, Rohtak came in second position (8%) and then Jind (4%). The results of urban areas indicated that maximum retailers were found in district Sonepat (32%) and then Bhiwani (28%). The overall results given in Table-3 explained that maximum retailers who did not file return themselves were in district Jind (88%) and least in Sonepat (78%).

**Table-4**  
**Retailers' Responses Regarding Easiness of New Tax System (GST)**

District	% of Retailers' Responses Regarding Easiness of New Tax System (GST)					
	Rural		Urban		Total	
	Yes	No	Yes	No	Yes	No
<b>Rohtak</b>	32	68	56	44	44	56
<b>Bhiwani</b>	12	88	36	64	24	76
<b>Sonepat</b>	28	72	40	15	34	66
<b>Jind</b>	20	80	44	56	32	68

Source: Calculated from Primary data



Table-4 presented the results of responses regarding easiness of new taxation system in comparison to old tax system. The overall results showed that maximum retailers were agreed upon the statement in district Rohtak (44%) and least were in Bhiwani (24%). Individual results for districts also indicated that maximum agreed respondents were in both rural (32%) and urban (56%) areas of district Rohtak , however the lowest were in district Bhiwani (given in Table-4).

### **Main Findings of the Study**

The main findings of the study were as:

- Business in rural areas registered under GSTIN were very low in district Bhiwani (20% given in Table-1)
- Business in urban areas registered under GSTIN were very low in district Jind (60% given in Table-1)
- The minimum retailers with accounting software were found in rural area of district Bhiwani (0% given in Table-2)
- The minimum retailers with accounting software were found in urban area of district Jind (36% given in Table-2)
- The lowest percentage (12%) of retailers who think that GST is easier than old tax system was obtained in rural areas of Bhiwani (shown in Table-4)
- The lowest percentage (36%) of retailers who think that GST is easier than old tax system was obtained in urban areas of Bhiwani (shown in Table-4).

### **Conclusion**

After obtaining the findings of the study, the researcher reached on conclusion that in Haryana, the awareness of retailers selected under the sample was very low. The government of Haryana, Central government and taxation administration should run some more awareness programmes to increase the level of awareness of retailers about GST.

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