Abstract - The present study aims to find out the consumer opinion about the goods service tax in Cuddalore district. Research design is purely and simply the framework or plan for a study that frames the scope towards to enrich the analyses and interpretation of information on the basis of concepts and theoretical sketch. It also emphasis the picture in eyebrow way on Indian economy thorough new lamp the light on innovative discussion and effects of Goods Service Tax (GST). A samples of 100 respondents selected randomly were studied. Primary data were collected by using a structured interview scheduled. All the respondents were asked the same questions in the same fashion and they were informed the purpose of study. Correlation and regression analysis were applied to test the hypotheses. The summary and observations are the result and outcome of the interpretations made during the study of analysis.

Key words: Goods Service Tax, Consumer Opinion and Demographic variables

I. INTRODUCTION

The framework for levy of indirect taxes under the Constitutional provisions in India vide Article 246, Seventh Schedule empowers both the Central Government and the State Governments to levy and collect applicable taxable-event based indirect taxes on transactions of goods and/or services. The taxable event varies from the point of manufacture or sale or provision of services or imports/exports. The existing indirect tax laws are origin-based tax, structured to levy and collect at the point of happening of the prescribed taxable event. Goods and Services Tax (GST) in India as we are all aware and envisage to be the greatest indirect tax reform in the country post-independence. GST with its embedded element of simplicity in levy and collection of taxes as opposed to multiple/multipoint levy and collection of indirect tax, would remove the tax distortions besides reducing the cost of goods and services in the hands of the final consumer.

Unlike many others, I firmly believe that implementation of GST in India shall boost economic growth and overall development of industries in India. This will be an engine for generation of employment in India as simplicity and transparency under the proposed GST law would definitely promote and motivate investors to Make in India, the prime mission set by our Honorable Prime Minister, Shri Narendra Modi. Let us all raise to the need of the economy and the Nation at large in smooth implementation of GST in India and to make India the 'destination-country for investment'.

India has a federal form of government and hence a federal finance system. The essence of federal form of government is that the Centre and the State Governments should be independent of each provided with sources of raising adequate revenues to discharge the functions entrusted to it. For the successful operation of the federal form of government, financial independence and adequacy form the backbone. The federal character of public finance in India has its origin as far as the seventies of the last century. Although at that time the country had a unitary form of government, some division of functions and financial powers between the Center and the state was found administratively desirable. Ever since then the arrangements have been revised and improved from time to time. Fiscal federalism entails the division of responsibilities in respect of taxation and public expenditure among the different layers of the government, namely the Center, the states and the local bodies. Fiscal federalism helps governmental organization to realize cost efficiency by economies of scale in providing public services, which correspond most closely to the preference of the people. From the point of view of economy, it creates a unified common market, which promotes greater economic activity. Backed by the constitutional powers enshrined to levy duty/tax on transaction concurrently but independently, there has been instability and uncertainty in related indirect tax laws, which therefore calls for a REFORM in the levy and collection of indirect taxes, especially as regards taxation of goods and/or services.

India is all set to usher in a game-changing tax reform—the goods and services tax (GST). Apart from creating a unified market across India, GST will help make India's manufacturing competitive by cutting high logistics and warehousing costs. The regulatory reforms proposed in the GST presents a golden opportunity to revisit, rationalize and re-engineer transportation and logistics networks, given the
India has a federal form of government and hence a federal finance system. The essence of federal form of government is that the Centre and the State Governments should be independent of each other provided with sources of raising adequate revenues to discharge the functions entrusted to it. For the successful operation of the federal form of government, financial independence and adequacy form the backbone. The federal character of public finance in India has its origin as far as the seventies of the last century. Although at that time the country had a unitary form of government, some division of functions and financial powers between the Center and the state was found administratively desirable. Ever since then the arrangements have been revised and improved from time to time. Fiscal federalism entails the division of responsibilities in respect of taxation and public expenditure among the different layers of the government, namely the Center, the states and the local bodies. Fiscal federalism helps governmental organization to realize cost efficiency by economies of scale in providing public services, which correspond most closely to the preference of the people. From the point of view of economy, it creates a unified common market, which promotes greater economic activity. Backed by the constitutional powers enshrined to levy duty/tax on transaction concurrently but independently, there has been instability and uncertainty in related indirect tax laws, which therefore calls for a REFORM in the levy and collection of indirect taxes, especially as regards taxation of goods and/or services.

Tax policies play an significant parameter on the economy through their impact on both efficiency and equity. A good tax system should keep in view issues of income distribution and, at the same time, also endeavour to generate tax revenues to support government expenditure on public services and infrastructure development. Cascading tax revenues have differential impacts on firms in the economy with relatively high burden on those not getting full offsets. Analysis of the tax levy can be extended to international competitiveness of the adversely affected sectors of production in the economy. Such domestic and international factors lead to inefficient allocation of productive resources in the economy. This results in loss of income and welfare of the affected economy. Even though the country has moved on the path of tax reforms since mid 1980s yet there are various issues which need to be restructured so as to boost productivity and international competitiveness of the Indian exporters. The proposed reform on moving to a ‘goods and services tax’ would impart the national economy, international trade, firms and consumers. In its process, it has inherent inefficiencies with taxes based on the crossing of administrative boundaries or border checkpoints.

There will be no distinction between goods and services for the purpose of tax with a common legislation applicable to both. Since, the proposed GST would be broad-based with low variance across the States in India, there shall arise benefits of horizontal equity. Further that, it should be an inclusive growth across all the state in India. Presently tax is collected by the state where it is originated where as GST is a destination based consumption tax, hence more revenue will flow to the state where consumption is more and therefore such revenue can be utilised for developing infrastructure so that there will be multiple growth of industry & service across all the state.

**Objectives of the Study**

The study has the following objectives:
- To analyse the opinion about the goods service tax (GST) in Cuddalore district.
- To find out the influence of certain demographic factors and impact of GST.

**Universe**

The research studied the only consumers. The research had decided to collect data from Cuddalore district, in Tamil Nadu. Many people were living and facing of impact of GST in and around district.

**II. METHODOLOGY**

Research design is purely and simply the framework or plan for a study that guides the collection and analysis of the data. The research design indicates the methods of research i.e. the method of gathering information and the method of sampling. Primary data were collected by conducting direct structured interview using questionnaire. All the respondents were asked the same questions in the same fashion and they were informed the purpose of study. The data were collected by using questionnaire as an instrument. The data required for the study was collected through a questionnaire.

**Selection the Sample**

Among the researcher selected only 100 samples by using simple random sampling method was adopted. The researcher had selected the samples with the help of primary survey on the consumers to identify total number of consumers in Cuddalore district. Among the 100 samples using simple random sampling method was adopted in the study.

**Tools of Data Collection**

The sampling used in this study was random sampling and the sample size was 100 consumers. These subjects were
selected randomly and the investigator personally collected the required information from every respondent. The completed questionnaires were collected personally by the researcher and the responses were scored strictly according to the scoring methods of the respective scales and the results were tabulated, discussed and analyzed.

The data processing

After scoring the entire questionnaire data were computerized besides certain manual analysis of data. In the beginning the code sheet was prepared according to the requirement. The data were analyzed statistically using appropriate correlation and regression analysis for supporting the results obtained from the data.

III. ANALYSIS AND DISCUSSIONS

TABLE 1: CORRELATION BETWEEN THE IMPACT OF GST AND DEMOGRAPHIC VARIABLES

<table>
<thead>
<tr>
<th>Demographic variables</th>
<th>Impact of GST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>0.320*</td>
</tr>
<tr>
<td>Sex</td>
<td>0.135*</td>
</tr>
<tr>
<td>Marital status</td>
<td>-0.329*</td>
</tr>
<tr>
<td>Income</td>
<td>-0.240**</td>
</tr>
<tr>
<td>Family type</td>
<td>0.230*</td>
</tr>
</tbody>
</table>

Source : Field Survey

* Significant at 0.01 level ** Significant at 0.05 level

Impact of GST is positively and significantly related to age (0.320), sex (0.135), marital status (0.329), income (0.240) and family type (0.230). So there is a positive relationship between impact of GST and demographic variables.

TABLE 2: CORRELATION BETWEEN THE AWARENESS ABOUT GST AND DEMOGRAPHIC VARIABLES

<table>
<thead>
<tr>
<th>Demographic variables</th>
<th>Awareness about GST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>0.212**</td>
</tr>
<tr>
<td>Sex</td>
<td>0.142*</td>
</tr>
<tr>
<td>Marital status</td>
<td>0.117*</td>
</tr>
<tr>
<td>Income</td>
<td>0.122*</td>
</tr>
<tr>
<td>Family type</td>
<td>0.080</td>
</tr>
</tbody>
</table>

Source : Field Survey

* Significant at 0.01 level ** Significant at 0.05 level

Awareness about GST is positively and significantly related to age (0.212), sex (0.142), marital status (0.117) and income (0.122). So there is a positive relationship between Awareness about GST and demographic variables.

TABLE 3: CORRELATION BETWEEN THE ADVANTAGE OF GST AND DEMOGRAPHIC VARIABLES

<table>
<thead>
<tr>
<th>Demographic variables</th>
<th>Advantage of GST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>0.327*</td>
</tr>
<tr>
<td>Sex</td>
<td>0.139*</td>
</tr>
<tr>
<td>Marital status</td>
<td>0.019</td>
</tr>
<tr>
<td>Income</td>
<td>0.014</td>
</tr>
<tr>
<td>Family type</td>
<td>0.242*</td>
</tr>
</tbody>
</table>

Source : Field Survey

* Significant at 0.01 level ** Significant at 0.05 level

Advantage of GST is positively and significantly related to age (0.327), sex (0.139) and family type (0.242). So there is a positive relationship between Advantage of GST and demographic variables.

TABLE 4: STEPWISE REGRESSION ANALYSIS PREDICTING IMPACT OF GST

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Step/Source</th>
<th>Cumulative $R^2$</th>
<th>$\Delta R^2$</th>
<th>Step t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Age</td>
<td>0.042</td>
<td>0.039*</td>
<td>3.079</td>
<td>0.01</td>
</tr>
<tr>
<td>2.</td>
<td>Sex</td>
<td>0.053</td>
<td>0.050</td>
<td>2.625</td>
<td>0.01</td>
</tr>
<tr>
<td>3.</td>
<td>Marital status</td>
<td>0.070</td>
<td>0.062*</td>
<td>2.014</td>
<td>0.01</td>
</tr>
<tr>
<td>4.</td>
<td>Income</td>
<td>0.081</td>
<td>0.070*</td>
<td>2.405</td>
<td>0.01</td>
</tr>
<tr>
<td>5.</td>
<td>Family type</td>
<td>0.103</td>
<td>0.084*</td>
<td>2.342</td>
<td>0.01</td>
</tr>
</tbody>
</table>

Source : Field Survey

* P < 0.01

Constant value = 16.692

Five variables namely age, sex, marital status, income and family type have significantly contributed for predicting the impact of GST. The variable age predictive value of impact of GST seems to be 0.042, when paired with the variable sex it is 0.053, with marital status 0.070, with income 0.081 and with family type 0.103. The predictive value of these variables separately is 0.01.

TABLE 5: STEPWISE REGRESSION ANALYSIS PREDICTING ADVANTAGE OF GST

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Step/Source</th>
<th>Cumulative $R^2$</th>
<th>$\Delta R^2$</th>
<th>Step t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Marital status</td>
<td>0.027</td>
<td>0.018*</td>
<td>2.792</td>
<td>0.01</td>
</tr>
<tr>
<td>2.</td>
<td>Income</td>
<td>0.036</td>
<td>0.030</td>
<td>2.342</td>
<td>0.01</td>
</tr>
<tr>
<td>3.</td>
<td>Family type</td>
<td>0.042</td>
<td>0.024*</td>
<td>2.634</td>
<td>0.01</td>
</tr>
</tbody>
</table>

Source : Field Survey

* P < 0.01

Constant value = 21.614

Three variables namely marital status, income and family type have significantly contributed for predicting the advantage of GST. The variable marital status predictive value of advantage of GST seems to be 0.027, when paired with the variable income it is 0.036 and with family type 0.042. The predictive value of these variables separately is 0.01.

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IV. CONCLUSIONS

Government should ensure that a basic framework of GST law be common for all state. The definition such as goods, dealer, business, sale, turnover, service, supply etc. should be same for all states. This will facilitate consistent implementation of GST across country.

An ideal GST should subsume most of the indirect taxes. The proposed GST model does not subsume all taxes and commodities such as petroleum products, liquor, stamp duty, property tax, toll tax, passenger tax, various commodity cesses, motor vehicle tax, airport tax, electricity duty, royalty on mining, pollution cess, petroleum products including natural gas, etc. All the above taxes should be necessarily subsumed in the GST regime to avoid multiple tax levies. One of the foundations of an effective GST implementation is that, the GST should be simple and the tax structure should be transparent without any hidden levies or duty impact.

Currently, there is substantial confusion whether services such as rent, construction etc are services or not. Also, whether sale of immovable property attracts state VAT or no has been a matter of substantial litigation under works contracts category. Further, there is registration and stamp duties applicable on sale of immovable property. In this background, taxability of real estate transactions should be dearly spelt out and the availability of input credits should be clearly spelt out to avoid litigation. It is recommended that Export refund mechanism should be simple and fast which will intensify export. The current export refund mechanism is subject to lot of interpretational issues. Further, there are a plethora of export refund schemes. This has resulted in huge refund backlogs for tax authorities and blockage of funds.

It is recommended that Railways should include in the GST regime. It will help to track goods which transfer from one state to another as well as chances of tax evasion will decrease. Stamp Duty should also be subsumed under GST. Presently stamp duty taxed concurrently by the Centre and State. It's not clear is it going to subsumed or not. If subsumed under GST then big relief to real estate industry – to claim input tax. 13th Finance Commission, has suggested that activities like housing, construction and railways should be included in the proposed goods and services tax (GST) to increase the tax base and enhance collections, either immediately or during a subsequent phase. He added that construction sector is a significant contributor to the national economy and housing expenditure dominates the personal consumption expenditure, so the two sectors would increase the tax base. He said that the inclusion of the railway sector in the tax regime will provide a level playing field to road and air transportation sector. The inclusion will also ensure that all inter-State transportation of goods can be tracked through the proposed I.T. network and, in fact, the railways itself would benefit from the inclusion.

It is recommended that from the First year onward rate of Goods & Services should be same. This will be as per GST's main objective to make Indirect tax code simple and also this will help to avoid unnecessary complication whether it is Goods or Services Eg: Software, Works Contract. Multiplicity of rates in goods or services in GST may lead to complexity of interpretation as well as implementation.

It is recommended that Therese hold Limit should be same for Goods as well as services Service. As per the proposed scenario, for CGST govt will come up with different Therese hold limit for Goods & Service. If Govt want separate tax rate & three hold limit for goods & services then Govt have to come with exhaustive list for identifying goods & service. It is recommended that the rate structure (Exempted goods, Special rated goods, concessional rated goods, standard rated goods, specified rated services) should be common for SGST & CGST, common for both goods and services and common across all states. It is recommended that for units having multiple jurisdictional presences, the legislature may consider continuing the LTU/centralized registration concept for CGST (Eg: Tele-communication companies).

This study used a random sample of 100 consumers in Cuddalore District. The obtained data were statistically treated, interpreted, discussed and conclusions were drawn. So there is positive relationship between Awareness about GST, impact of GST, advantage of GST and demographic variables. Marital status, Income and Family type have significantly contributed for predicting the advantage of GST.

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