

Goods and service tax is taking india by the storm**#S.PRAKASH AND ##J. MURALIDHARAN**

Abstract: France was the first country to implement GST to reduce tax- evasion. European countries have one rate of GST as they do not have poor families, unlike in India, where families cannot be burdened with the same tax as the rich. All credits will be online and some penalties are like criminal activity. So it is threatening for the small businessman who is now free from Taxes. GST will be levied only at the final destination of consumption based on VAT principle and not at various points (from manufacturing to retail outlets). .Presently, a tax is levied on when a finished product moves out from a factory, which is paid by the manufacturer, and it is again levied at the retail outlet when sold.

Key words: GST,Rate,Tax etc.

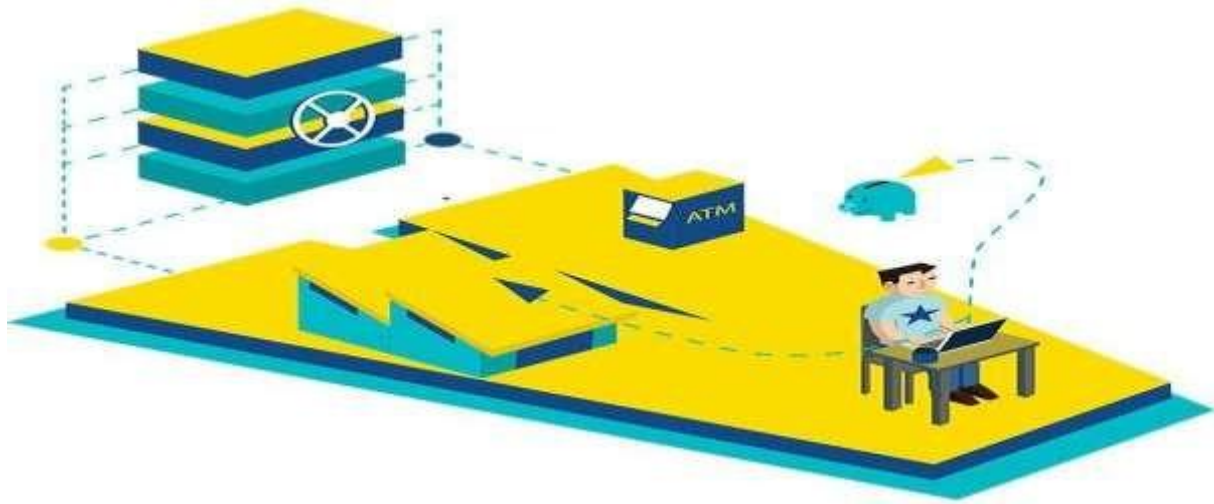
INTRODUCTION

All around the world, GST has the same concept. In some countries, VAT is the substitute for GST, but conceptually, it is a destination based tax on consumption of goods and services. That still needs to be resolved among the different governance in the world is the GST rate. Some are still struggling to rationalize an adopted rate structure. While there were strong differences at the time of introduction of GST due to political divisions in Canada, GST sustained despite the opposition. The Government of Canada has reduced the GST rate a couple of times since it was introduced.

However, some others countries which started with very low rates have been forced to increase the rates very soon after introduction to raise more resources. Earlier in the week, Revenue secretary Hasmukh Adhia said that the ultimate goal of the government should be to move to a single or dual-rate goods and services tax regime."Ideally like all other advanced countries, we should have got one GST which is levied by one government only, and not a dual GST and also a GST in which there is a uniform rate.

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GST in a good direction

In our country, where there are different strata of society to be looked after, it's not possible to have an ideal GST. We are in a good direction. We will prefer to have a single GST rate but after sometime. That should be the ultimate goal - instead of having too many complicated rates, at least one or two rates should be there," Adhia said during a panel discussion on Doordarshan News.

Jurisdiction	Standard rate*	Other rates**
Albania	20%	0%
Argentina	21%	27%, 10.5%, 0%
Armenia	20%	0%
Aruba	RT: 1.5% HT 1%–2%	NA
Australia	10%	0%
Austria	19%, 20%	13%, 10%
Azerbaijan	18%	0%
Bahamas	7.5%	0%
Bahrain	5%***	0%***
Barbados	17.5%	7.5%, 0%
Belarus	20%	25%, 10%, 0%
Belgium	21%	12%, 6%, 0%
Bolivia	Nominal: 13% Effective: 14.94%	0%
Bonaire, Sint Eustatius and Saba	Goods: 6%–8% Services: 4%–6%	30%, 25%, 22%, 18%, 10%, 7%, 5%, 0%
Botswana	12%	0%
Brazil	IPI: 0%–365% ICMS: 0%–35%	NA

	ISS: 0%–5% PIS-PASEP: 0.65%, 1.65% COFINS: 3%, 7.6%	
Bulgaria	20%	9%, 0%
Canada	GST: 5% HST: 9.975%–15%	0%
Chile	19%	15%–50%
China	17%	13%, 11%, 6%, 5%, 3%
Colombia	19%	5%, 0%
Costa Rica	13%	10%, 5%, 0%
Croatia	25%	13%, 5%
Curaçao	6%	9%, 7%
Cyprus	19%	9%, 5%, 0%
Czech Republic	21%	15%, 10%, 0%
Denmark	25%	0%
Dominican Republic	18%	13%, 0%
Ecuador	14%, 12%	0%
Egypt	13%, 14%	5%, 0%
El Salvador	13%	0%
Estonia	20%	14%, 9%, 0%
European Union	NA	NA
Finland	24%	14%, 10%, 0%
France	20%	10%, 5.5%, 2.1%
Georgia	18%	0.54%
Germany	19%	7%
Ghana	15%	17.5%, 5%, 3%, 2.5%, 0%
Greece	24%	13%, 6%
Guatemala	12%	5%, 0%
Honduras	15%	18%
Hungary	27%	18%, 5%
Iceland	24%	11%, 0%
India	12.5%–15.5%	20%, 4%–5.5%, 1%, 0%
Indonesia	10%	0%
Ireland	23%	13.5%, 9%, 0%
Isle of Man	20%	5%, 0%
Israel	17%	0%

Italy	22%	10%, 5%, 4%
Japan	8%	NA
Jersey	5%	0%
Jordan	16%	8%, 4%, 0%
Kazakhstan	12%	0%
Kenya	16%	0%
Korea	10%	0%
Kosovo	18%	8%
Kuwait	5%***	0%***
Latvia	21%	12%, 0%
Lebanon	10%	0%
Lithuania	21%	9%, 5%, 0%
Luxembourg	17%	14%, 8%, 3%
Macedonia	18%	5%, 0%
Madagascar	20%	0%
Malaysia	6%	0%
Maldives	GST: 6% TGST: 12%	0%
Malta	18%	7%, 5%
Mauritius	15%	0%
Mexico	16%	0%
Moldova	20%	8%, 0%
Mongolia	10%	0%
Morocco	20%	14%, 10%, 7%
Myanmar	Goods and services: 5%	3%
Namibia	15%	0%
Netherlands	21%	6%, 0%
New Zealand	15%	0%
Nicaragua	15%	0%
Nigeria	5%	0%
Norway	25%	15%, 10%, 0%
Oman	5%***	0%***
Pakistan	Goods: 17% Services: 14%–16%	24%, 19.5%, 18.5%, 10%, 8%, 6%, 5%, 4%, 3%, 2%, 1%, 0%
Panama	7%	15%, 10%
Papua New Guinea	10%	0%

Paraguay	10%	5%
Peru	18%	0%
Philippines	12%	0%
Poland	23%	8%, 5%, 0%
Portugal	23%	13%, 6%
Puerto Rico	10.5%	4%, 1%
Qatar	5%***	0%***
Romania	19%	9%, 5%
Russian Federation	18%	10%, 0%
Rwanda	18%	0%
Saint Lucia	15%	9.5%, 0%
Saudi Arabia	5%***	0%***
Serbia	20%	10%, 0%
Seychelles	15%	0%
Singapore	7%	0%
Sint Maarten	5%	NA
Slovak Republic	20%	10%, 0%
Slovenia	22%	9.5%, 0%
South Africa	14%	0%
Spain	21%	10%, 4%
Suriname	Goods: 10% Services: 8%	25%, 0%
Sweden	25%	12%, 6%
Switzerland	8%	3.8%, 2.5%, 0%
Taiwan	VAT: 5% GBRT: 0.1%–25%	0%
Tanzania	18%	0%
Thailand	7%	0%
Trinidad and Tobago	12.5%	0%
Tunisia	18%	12%, 6%
Turkey	18%	8%, 1%
Uganda	18%	0%
Ukraine	20%	7%, 0%
United Arab Emirates	5%***	0%***
United Kingdom	20%	5%, 0%
United States	0%–7.5%	NA
Uruguay	22%	10%, 0%

Venezuela	12%	8%–20%, 0%
Vietnam	10%	5%, 0%
Zambia	16%	0%
Zimbabwe	15%	0%

* Rate shown here is most common standard rate; for regional variations, see each chapter.

** Rates for small businesses and special schemes explained in each chapter.

*** Final legislation has not yet been published as of 27 February 2017, so these are the expected, not confirmed, rates.

Conclusion

GST will play a significant role in transforming the current tax structure, and therefore, the economy. Originally, the tax structure was divided into direct tax and indirect tax. The liability of the indirect tax could be transferred to the buyer when a seller sells his product. But GST addresses this problem. GST has a system of Input Tax credit which will allow sellers to claim the tax they already paid while purchasing from the retailer, so the final liability on the end consumer is decreased.

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