

### SHORT TERM AND LONG TERM EFFECT OF GST

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#### Abstract

Goods and Services Tax popularly known as GST is an Indirect tax. Goods and Services Tax (GST) is most ambitious and biggest tax reform plan, which aims to stitch together a common market by dismantling fiscal barriers between states. It is a single national uniform tax levied across India on all goods and services. In GST, all the indirect taxes will be subsumed under a single regime. This research paper highlights international scenario, the Short Term and Long Term Effect of GST in the Indian Tax System.

**Keywords:** GST in India, models of GST, Direct tax, Indirect tax

#### Introduction

Goods and Services Tax is a comprehensive, multi-stage, destination-based tax that will be levied on every value addition. Goods and Service Tax (GST) implemented in India to bring in the 'one nation one tax' system, but its effect on various industries will be slightly different. The first level of differentiation will come in depending on whether the industry deals with manufacturing, distributing and retailing or is providing a service.

The **Goods and Services Tax (GST)** is a value-added tax levied on most goods and services sold for domestic consumption. The GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services. GST is most ambitious and biggest tax reform plan, which aims to stitch together a common market by dismantling fiscal barriers between states. It is a single national uniform tax levied across India on all goods and services. In GST, all the indirect taxes will be subsumed under a single regime. The GST taxation laws will put an

end to multiple taxes which are levied on different products, starting from the source of manufacturing to reaching the end consumer. GST works on the fundamental Principle of "One Country One Tax".

#### Brief Timeline of GST

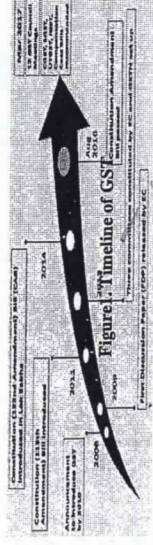


Figure number 1 explain journey of GST right from its announcement to its approval in Lok Sabha and Rajya Sabha and its final implementation.

#### Objective of Study

The study has following objectives:

1. To cognize the concept of GST
2. To understand the model of GST
3. To overview international Scenario of GST.
4. To Study Positive and Negative Impact of GST
5. To Study Short Term and Long Term Effect of GST

#### Existing Indirect Tax Structure in India

A.	1. Central Excise duty
Central Taxes	2. Additional duties of excise
	3. Excise duty levied under Medicinal and Toiletries Preparation Act
	4. Additional duties of customs (CYD & SAD)
	5. Service Tax
	6. Surcharges & Cesses