

A Study of Perception and Awareness Level on GST Among Retail Business Owners in Aurangabad District

Research Scholer:

Shahebaz Naquibuddin Mohammed

Research Guide:

Prof. Dr. Sanjay Namdev Aswale

Summary

The GST integrates prior taxing and policies under a single guise. GST makes it easier for businesses to operate smoothly and to grow across the nation. However, the GST Council and the Central Government need to address a few taxpayer grievances right soon. GST won't be the success, unless the following requirements are carefully followed. Since almost everything we need on a daily basis is bought from one of these companies, retailers are also crucial to economic growth. This study focused on retailers' knowledge and perceptions of the GST and its rules. It is based on primary data collected from 120 retailers of Aurangabad district in Maharashtra.

Introduction

GST is also referred to as value added tax in some nations. 160 nations copied France's 1954 GST innovation after it. India's biggest tax reform, GST, went into effect in 2017. The primary objective was to end taxation on taxation, which flows from manufacturing to consumption. GST is anticipated to have a wide range of effects on the nation's complex tax system, improve the tax to GDP ratio, and reduce inflation.

The Goods and Services Tax (GST) was implemented in India in a historic step that represented a huge indirect tax reform for the nation. In order to ensure fiscal sovereignty, harmonisation, and transparency at all levels, there would be only one law, known as GST, with a single CGST rate and a single SGST rate applied to all states. To reduce complexity, lighten the tax burden, and guarantee tax payment compliance, the government implemented a new tax system. Retailers, wholesalers, logistics companies, and the FMCG industry are just a few of the sectors that have been significantly impacted by GST. Significant obstacles have been created in the commercial operations of merchants, particularly retail dealers, as a result of its adoption. GST will affect traders the most out of all industries, which will lead to decreased prices for the commodities these dealers supply. One-tenth of India's economic growth comes from the retail sector.

Review Of Literature

GST implementation, models, methods, issues, and obstacles were critically assessed by Kapoor Kapil in 2017. This article examines the stages of GST development in India. This paper lists GST benefits such as simplification, transparency, cascading effects, reduction in the burden of tax revenue collection, economic growth, and no tax for exporters, along with GST exclusions such as petrol, alcohol, and diesel. The report also examines difficulties. The paper suggested that economic growth will arise from the proper implementation of the GST. The public's awareness, knowledge, and understanding of the GST in India were investigated by Kaur, H. (2018). They found that consumers received less information and advertising about the GST, indicating that the majority of them lack information about the tax, which results in a negative perception of the tax. The author also recommended the government to take action to broaden public education initiatives in order to implement GST successfully.

Statement of Problem

The idea of the GST is to consolidate all indirect taxes in the nation into a single levy. Retailers were heavily exposed to the GST's benefits and drawbacks. The researcher examines retailers' levels of knowledge and perception of the GST system in this study.

Objectives of The Study

- ✓ To assess the extent of GST awareness among retailers.
- ✓ To analyze the perception towards GST system among retailers.
- ✓ To offer a workable remedy based on the findings.

Research Methodology

Through primary and secondary sources, data was collected. By sending out questionnaires, primary data is gathered. Secondary data is gathered through books, websites, and other sources. Data analysis techniques included mean score, percentage analysis, and Likert's five-point scale. 120 stores in the Aurangabad district make up the study's sample size.

Analysis And Interpretation

Table 1

Demographic Profile of Respondents

CATEGORY	SUBGROUPS	COUNT	%TAGE
GENDER	MALE	84	70%
	FEMALE	36	30%
AGE	UPTO 35	45	37.5%
	35 TO 45	25	20.83%
	ABOVE 45	50	41.67%
LOCATION OF BUSINESS	RURAL AREA	60	50%
	URBAN AREA	60	50%
TYPE OF BUSINESS	CLOTH STORE	43	35.83%
	PROVISION STORE	27	22.5%
	MEDICAL STORE	30	25%
	OTHER	20	16.67%
AGE OF BUSINESS	BELOW 10 YEAR	10	8.33%
	10 TO 15 YEARS	40	33.33%
	ABOVE 15 YEAR	70	58.34%
SOURCES OF AWARENESS ABOUT GST	TAX PROFESSIONAL	65	54.16%
	SOCIAL MEDIA	25	20.83%
	NEWSPAPER	10	8.33%
	BOOKS	5	4.16%
	FRIENDS AND RELATIVES	15	12.5%

The demographic profile of the respondents chosen from the study region is shown in Table 1.

Compared to female retailers, men (70%) make up the majority of respondents.41.67 percent of responders were older than 45.

35.83% of respondents own cloth businesses. 58.34 percent of retailers have been in operation for more than fifteen years. Both rural and urban areas are home to 50% of respondents' businesses.

The data reveals that the majority of retailers have little knowledge about GST and how it is implemented. 54.16% percent of respondents said they were aware of the GST and how it was provided through tax professionals.

Table 2

Awareness Level of GST Among Retailers

AWARENESS ABOUT	MEAN SCORE
GST REGISTRATION	3.5
INPUT TAX CREDIT	1.99
RETURN FILLING	5.2
COMPOSITION SCHEME	2.25
E WAY BILL	4.39
PENALTY	3.96
REFUND OF GST	2.15

The knowledge of GST's numerous provisions, including "GST registration, Input Tax Credit,Return filing procedure, Composition scheme, E way bill Penalty and Refund provisions," is shown in Table 2 for retailers.It can be seen from the table that "return filing procedure" and "e way bill" have the greatest mean scores, 5.2 and 4.39, respectively, while "input tax credit" and "Refund of GST" have the lowest mean scores, 1.99 and 2.15, respectively.

Table 3

Perception of Retailers on GST

Perception	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
GST provide comprehensive and wider coverage on input credit	38 (31.67%)	58 (48.33%)	10 (8.33%)	12 (10%)	2 (1.67%)
GST is difficult to understand	40 (33.33%)	75 (62.50%)	5 (4.17%)	0	0

GST eliminates cascading effect of taxes	85	25	10	0	0
	(70.83%)	(20.83%)	(8.33%)		
GST ensure uniformity of tax	42	25	23	18	12
	(35.00%)	(20.83%)	(19.17%)	(15.00%)	(10.00%)
GST ensure better compliance	40	12	48	7	13
	(33.33%)	(10.0%)	(40.0%)	(5.83%)	(10.83%)
GST reduces price of products		5	47	62	6
		(4.17%)	(39.17%)	(51.67%)	(5.83%)
GST resulted reduction in transaction cost	3	11	24	70	12
	(2.50%)	(9.17%)	(20.0%)	(58.33%)	(10.00%)

Table 3 displays how retailers feel about the GST and its rules.

Most retailers agree with the assertion that "GST provide comprehensive and wider coverage on input credit," according to research. 75 Respondent concur that GST is highly challenging to comprehend. The vast majority of retailers concur with the claim that the GST avoids the cascading effect of taxes. It has been discovered that the GST ensures tax homogeneity among opinion responders. Regarding the GST mechanism's compliance facility, they have an unbiased opinion. Retailers contest the claim that the GST lowers product prices and lowers transaction costs.

Findings

- Compared to female retailers, men (70%) make up the majority of respondents. 41.67% percent of responders were older than 50. 35.83% of responders own clothing businesses. 58.34 percent of retailers have been in operation for more than fifteen years. Both rural and urban areas are home to 50% of respondents' businesses. The data reveals that the majority of retailers have little knowledge about GST and how it is implemented. 54.16% percent of responders said they were aware of the GST through tax professionals.
- Regarding awareness, it was discovered that "return filing procedure and e way bill" had the highest mean scores, 5.2 and 4.39, respectively, while "input tax credit

and Refund mechanism" had the lowest, 1.99 and 2.15. It indicates that they are not well-informed on input tax credit and refund mechanisms.

- Most retailers agree with the assertion that "GST provide comprehensive and wider coverage on input credit," according to research. 62.5 percent concur that GST is highly challenging to comprehend.

The vast majority of retailers concur with the claim that the GST avoids the cascading effect of taxes. It has been discovered that the GST ensures tax homogeneity among opinion responders. Regarding the GST mechanism's compliance facility, they have an unbiased opinion. Retailers dispute the claim that the GST lowers product prices and lowers transaction costs.

Suggestions

- ❖ The government should make adequate GST preparations, such as establishing expert groups.
- ❖ Raise taxpayers' awareness of GST in a straightforward manner.
- ❖ Retailers should be taught digital literacy.
- ❖ Schools and universities ought to offer awareness campaigns.

Conclusion

The purpose of the study was to evaluate retailers' knowledge, perceptions, and actual difficulties with the implementation of the GST.

The findings show that the level of awareness has not increased to a sufficient level, which has caused merchants to have an unfavourable opinion of the GST. A significant factor that has led to real world difficulties has also been recognized as a lack of awareness. Through seminars, public education initiatives, and training, appropriate and pertinent information must be supplied to increase awareness and comprehension as well as to assist retailers in comprehending the main concepts of GST.

References

1. Kapil Kapoor, 2017 "GST New Tax Regime: Issues and Challenges", International journal of recent scientific research, vol. 8(4), pp. 16786- 16790.

2. Kaur, H , 2019 “Public Awareness, Knowledge and Understanding of GST in India, BULMIM Journal of Management and Research, 4(1), 6-10.
3. Vineet Chouhan(2017), Measuring awareness about implementation of GST; A survey of small business owners of Rajasthan, Pacific Business Review International Volume 9 Issue 8, Feb 2017
4. Mohamed Ali Roshidi Ahamad (2016)“ Awareness and perception of taxpayers towards goods and services tax (GST) implementation” International Journal of Academic Research in Business and Social Sciences, 75-93
5. <https://cleartax.in>
6. Varna Sabu. V (2022) “Awareness And Perception Level On Gst Among Retailers – A Study” IJFANS International Journal Of Food And Nutritional Sciences.

