Impact of Goods and Service Tax (GST) on Select Services in India

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ABSTRACT

The biggest tax reform in Indian history – GST – was implemented on the midnight of 30th June 2017. The biggest benefit of GST will be on removal of a significant uncertainty that has been on the horizon for Indian businesses in terms of indirect tax regime for several years. GST over the medium-to long-term will lead to higher revenues to centre and states while also increasing the size of the economy and having positive impact on gross domestic product.

From a services standpoint, the service tax rate currently applicable is 15% (inclusive of cesses). Under the GST regime, this rate may go up to 18%. For a business customer, GST would be (generally) creditable and hence would not result in increase in cost. However, for an end customer, there prima facie appears to be an increase in indirect tax costs. In this context, it is worthwhile to note that there are several non-creditable taxes such as VAT/ CST on procurements made to render the output services. Under GST, although the output taxes would increase from the current rate of 15% to an effective rate of 18%, it is expected that all non-creditable taxes forming part of the procurement costs today should become creditable and this is expected to marginally offset the increased rate of taxes on the output side, specifically for those service sectors that are capital goods/ inputs intensive.

The present study is an attempt to study the overall impact of GST on goods and services, it is now pertinent to briefly examine the key sectors and the manner in which GST might impact them

Keyword head: GST, GSTN, Indirect Tax, VAT, Make in India

INTRODUCTION

In India, we have a well-structured and simplified taxation system, wherein an authoritative segregation has been done among the Central Government, the State Governments as well as the Local Bodies. The Department of Revenue under the Government of India's Ministry of Finance is exclusively responsible for the computation of tax. This department levy taxes on individuals or organizations for income, customs duties, service tax and central excise. However, the taxes on agricultural income are levied by the respective State Governments. Local bodies are authorised to compute and levy taxes on properties and other utility services like drainage, water supply and many others. There has been tremendous reformation in past 15 years in Indian taxation system. Apart from the rationalization of the rates of tax, simplification of the different laws of taxation has even been done during this period. However, the process of tax rationalization is still in progress in the Republic of India (Lourdunathan F and Xavier P, 2017).
The recent introduction of Goods and Services Tax (GST) has been a very substantial step in the field of indirect tax reforms in India. This single tax is an amalgamation of mostly all the Central and State taxes existing before July 2017. It will improve cascading effect of taxation for a greater good and in the interest of a common national market. From the consumer point of view, the biggest merit would be in terms of a reduction in the overall tax burden on goods, which is currently estimated to be around 25%-30%. With the introduction of GST Indian products would be more competitive in the domestic and international markets. Studies show that this would have a boosting impact on economic growth because of its transparent and self-policing character, it would be easier to administer as well.

LITERATURE REVIEW

Ahmed and Poddar (2009) in their paper titled, “Goods and Service Tax Reforms and Inter-governmental Consideration in India” observed that GST introduction will provide simpler and transparent tax system which will in turn increase the output and productivity of Indian economy. But the benefits of GST are critically dependent on rational design of GST.

R Kavita Rao and Pinaki Chakraborty (2010) in their paper attempted to estimate the base for the proposed GST on conservative assumptions to arrive at a more realistic estimate of the revenue neutral rates across the various states.

Dr. R. Vasanthagopal (2011) studied, “GST in India: A Big Leap in the Indirect Taxation System” and concluded that switching to seamless GST from current complicated indirect tax system in India will be a positive step in booming Indian economy. Success of GST will lead to its acceptance by more than 130 countries in world and a new preferred form of indirect tax system in Asia also.

Agrawal (2011) observes in his paper that, GST is expected to bring many benefits to the Indian economy. All these benefits are based upon the assumption that overall taxation structure is less bureaucratic and cumbersome than the present.

Agogo Mawuli (May 2014) in the paper titled, “Goods and Service Tax-An Appraisal” found out some negative impacts of GST as not good for low-income countries and does not provide broad based growth to poor countries. But if these countries still want to implement GST then the rate of such a single tax should be less than 10% for growth.

Nitin Kumar (2014) in his paper titled, “Goods and Service Tax- A Way Forward” concluded that implementation of GST in India help in removing economic bend that has occurred due to the current indirect tax system. This new single tax is expected to encourage unbiased tax structure which is indifferent to geographical locations.

Pinki, Supriya Kamma and Richa Verma (July 2014) in the paper, “Goods and Service Tax- Panacea For Indirect Tax System in India” concluded that the new NDA government in India is positive towards implementation of GST. This tax will be beneficial for central government, state government and as well as for consumers in the long run if the implementation is backed by strong IT infrastructure.

In the view of above literature it can be said the existing research in the area of GST talk about how GST would be a positive step in Indian economy, benefits to Indian economy with the introduction of GST and also how this transition in Indian indirect taxation system would lead to transparency and unbiased tax system etc. After analysing the literature available, the present study attempts to study the impact of GST specifically on the select services in India.

OBJECTIVES OF THE STUDY

1. To study the genesis of GST in India
2. To study the impact of GST on service sector with respect to select services.

RESEARCH METHODOLOGY

The present study is based on exploratory research technique which includes referring past literature from respective journals, annual reports, newspapers and magazines covering wide collection of
academic literature on Goods and Services Tax. In order to fulfil the stated objectives of the study, the research design needs to be descriptive in nature. The available secondary data through online and print media has been extensively used for the study.

GENERAL OVERVIEW OF GST
GST (Goods & Services Tax) is a multi-stage consumption tax on goods and services. It is also known as VAT or the value added tax in many countries. This tax is levied on both goods and services across the supply chain/Value Chain. It is levied at every stage of supply/Value Addition. The GST on Inputs (known as ITC - Input Tax Credit) is generally available as credit for set-off against GST on the output supply.

Goods and Services Tax (GST) in India is going to be the maiden REFORM (and not an amendment) in the existing indirect taxation structure. GST is a long pending and much awaited tax reform which India is hoped to iron out the wrinkles in the existing indirect taxation system. This comprehensive tax policy is expected to be one of the most significant contributors to the India growth story. Talking about the international scenario, GST has continued to spread across the world. International trade in goods and services have expanded rapidly in an increasingly globalized economy. GST in India is the POWER to EMPOWER SUSTAINABLE GROWTH to accomplish the MAKE-IN INDIA Mission.

1.1 GST MODEL IN INDIA
GST Would comprise of dual administration, the administration of the state as well as the Center. The dual GST model would comprise of three types of taxation - Central Goods and Services Tax (CGST) and State Goods and Services Tax (SGST) for intra state transactions and IGST (Integrated GST) for Imports and intrastate transactions.

1.2 MULTI-TIERED SYSTEM
As we all know, India aims to implement GST from 1 July 2017. GST Council has decided on the tax rates for 1,211 items of goods and services, of which 7% will be exempted, 14% will fall in the 5% slab, 17% in the 12% slab, 43% in the 18% slab and 19% in 28% slab. According Mr Arun Jaitley, Finance Minister of India there is no increase in overall tax in any of the items, while there is a reduction of tax on many of the items and also on several commodities the tax rate has been brought down (Source: http://www.livemint.com).

1.3 GOODS AND SERVICES TAX NETWORK (GSTN)
Goods and Services Tax Network (GSTN) has been set up by the Government as a private company under Section 25 of the Companies Act, 1956. GSTN would facilitate taxpayers by providing three front end services namely registration, payment and return. Besides providing these services to the taxpayers, GSTN would be developing back-end IT modules for 27 States who have opted for the same. The movement of existing taxpayers under the VAT or other taxes has already started from November, 2016. The Revenue department of both Centre and States are pursuing the presently registered taxpayers to complete the necessary formalities on the IT system operated by GSTN for successful migration. Almost 75 percent of existing registrants have already switched to the GST systems. GSTN has selected 34 IT, ITeS and financial technology companies, to be called as GST Suvidha Providers (GSPs). These providers are assigned the task to develop applications to be used by taxpayers for interacting with the GSTN.

1.4 TRANSITION TO GST
In India, businesses having a turnover of more than Rs 20 Lakhs have to get registered mandatorily under GST. The decision lies in the hands of small businesses who have the option to go for composition scheme or get voluntarily registered. According to the GST Model Law, all the invoices need to be uploaded online. The process of deduction, payment, and refund of indirect taxes under
GST would take place electronically. To avail the full benefit every business should be computerized so that there is ease of compliance under GST.

1.5 IMPACT OF GST ON BUSINESS
Earlier taxation system was based on the origin but now with the introduction of the GST the taxation system would be destination based. This implies an impact on a range of aspects of a business like the cash flow, supply chain, sourcing (as it is destination based) and many others as shown in the table below. All of this calls for effective planning in advance, which would provide a good opportunity to the organizations for assessing as well as realigning their business models.

<table>
<thead>
<tr>
<th>Sourcing</th>
<th>Distribution</th>
<th>Pricing &amp; profitability</th>
<th>Cash flow</th>
<th>System changes &amp; transaction management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inter-State procurement could prove viable</td>
<td>Changes in tax system could warrant changes in both procurement and distribution arrangements</td>
<td>Tax savings resulting from the GST structure would require re-pricing of products</td>
<td>Removal of the concept of excise duty on manufacturing can result in improvement in cash flow and inventory costs as GST would now be paid at the time of sale/supply rather than at the time of removal of goods from the factory.</td>
<td>Potential changes to accounting and IT systems in areas of master data, supply chain transactions, system design</td>
</tr>
<tr>
<td>This may open opportunities to consolidate suppliers/vendors</td>
<td>Current arrangements for distribution of finished goods may no longer be optimal with the removal of the concept of excise duty on manufacturing</td>
<td>Margins or price mark-ups would also need to be re-examined</td>
<td></td>
<td>Existing open transactions and balances as on the cut-off date need to be migrated out to ensure smooth transition to GST</td>
</tr>
<tr>
<td>Additional duty/CVD and Special Additional duty components of customs duty to be replaced.</td>
<td>Current network structure and product flows may need review and possible alteration</td>
<td></td>
<td></td>
<td>Changes to supply chain reports (e.g., purchase register, sales register, services register), other tax reports and forms (e.g., invoices, purchase orders) need review</td>
</tr>
</tbody>
</table>

Table 1 Impact of GST on various aspects of business

Source: http://www.icmai.in/icmai/Taxation/upload/GST-In-India-vol1.pdf

1.6 GST MODELS – AT INTERNATIONAL LEVELS
Goods & Services Tax (GST) is being implemented by about 160 plus countries in the world. France is the first country to implement GST in 1960. There are various models of GST followed across the World. They are stated below with salient features associated therein:
Table 2 GST Models

<table>
<thead>
<tr>
<th>GST Model</th>
<th>Main Features</th>
<th>Applicable in Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>National GST</td>
<td>Tax levied by Centre with provisions for revenue sharing with Provinces/States</td>
<td>Australia, China</td>
</tr>
<tr>
<td>State GST</td>
<td>Tax levied by Provinces/States</td>
<td>USA</td>
</tr>
<tr>
<td>Non-concurrent Dual GST</td>
<td>GST on Goods levied by State &amp; on Services levied by Centre</td>
<td>USA</td>
</tr>
<tr>
<td>Concurrent Dual GST</td>
<td>Tax levied by Centre &amp; State on both Goods &amp; Services</td>
<td>Brazil, Canada &amp; India</td>
</tr>
<tr>
<td>Quebec Mode</td>
<td>Separate legislation for Federal/Provinces – Tax collection, Administration, Enforcements, etc. by Provinces</td>
<td></td>
</tr>
</tbody>
</table>

*Source: http://www.icmai.in/icmai/Taxation/upload/GST-In-India-vol1.pdf*

Table 3 A statistical analysis of countries implemented GST with rates of taxes

<table>
<thead>
<tr>
<th>Sr No</th>
<th>Region</th>
<th>No. of Countries</th>
<th>Tax Rate (Range)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ASEAN-(Thailand &amp; Philippines)</td>
<td>7</td>
<td>7-12%</td>
</tr>
<tr>
<td>2</td>
<td>Asia-(Iran &amp; Tajikstan)</td>
<td>19</td>
<td>5-20%</td>
</tr>
<tr>
<td>3</td>
<td>Europe-(Jersey &amp; Hungary)</td>
<td>53</td>
<td>5-27%</td>
</tr>
<tr>
<td>4</td>
<td>Oceania-(Niue &amp; New Zealand) 15%</td>
<td>7</td>
<td>5-15%</td>
</tr>
<tr>
<td>5</td>
<td>Africa-(Nigeria &amp; Gambia)</td>
<td>44</td>
<td>5-40%</td>
</tr>
<tr>
<td>6</td>
<td>South America-(Brazil &amp; Uruguay)</td>
<td>11</td>
<td>10-22%</td>
</tr>
<tr>
<td>7</td>
<td>Caribbean, Central &amp; North America (Canada &amp; Barbados)</td>
<td>19</td>
<td>5-17.5%</td>
</tr>
<tr>
<td></td>
<td>Total No. of Countries</td>
<td>160</td>
<td></td>
</tr>
</tbody>
</table>

(Source: "Countries implementing VAT or GST")

*Source: http://www.icmai.in/icmai/Taxation/upload/GST-In-India-vol1.pdf*

**BENEFITS OF GST**

**2.1 MAKE IN INDIA**

1. GST will help to create a unified common national market for India, enhancing the foreign investments in the country. This will lead to contribute “Make in India “campaign;
2. Prevention of cascading of taxes as Input Tax Credit will be available across goods and services at every stage of supply;
3. Harmonization of laws, procedures and rates of tax;
4. It will encourage export and manufacturing activity, and will also help to generate more employment. Thus, resulting into increasing GDP with gainful employment and substantive economic growth;
5. Ultimately it will help in poverty eradication by generating more employment and more financial resources;
6. More efficient neutralization of taxes especially for exports thereby making Indian products more competitive in the international market and give boost to Indian Exports;
7. Overall investment climate in the country will get improved leading to the development in the states;
8. Uniform rates of GST in states and centre will reduce the incentive for evasion by eliminating rate arbitrage between neighbouring States and that between intra and inter-State sales;
9. Average tax burden on companies is likely to come down which is expected to reduce prices and lower prices mean more consumption, which in turn means more production thereby helping in the growth of the industries. This will create India as a “Manufacturing hub”.

**2.2 EASE OF DOING BUSINESS**

1. Simpler tax regime with fewer exemptions.
2. Reduction in compliance costs - No multiple record keeping for a variety of taxes so lesser investment of resources and manpower in maintaining records; this will improve environment of compliance as all returns to be filed online.
3. The best part of GST would be simplified and automated procedures for various processes such as registration, returns, refunds, tax payments, etc.
4. All interaction would be done through the common GSTN portal- so less public interface between the taxpayer and the tax administration.
5. Common procedures for registration of taxpayers, refund of taxes, uniform formats of tax return, common tax base, common system of classification of goods and services will lend greater certainty to taxation system.
6. The data is all electronic (computerized) which will help in matching of input tax credits all-across India in turn making the entire process transparent and accountable.

2.3 BENEFIT TO CONSUMERS
1. Due to seamless flow of input tax credit between the manufacturer, retailer and service supplier; final price of goods is expected to be lower.
2. It is expected that a relatively large segment of small retailers will be either exempted from tax or will have to pay very low tax rates under a compounding scheme. Hence purchases from such entities will cost less for the consumers;
3. Average tax burden on companies is likely to come down which is expected to reduce prices and lower prices means more consumption.

IMPACT OF GST ON SERVICE SECTOR IN INDIA
Service sector attracts lots of foreign investment along with the Gross domestic product, into the economy of India; as the sector is responsible for generating a heavy employment scenario. The service sector in India includes a list of numerous industries including trade, hotel and restaurants, transport, financing, insurance, real estate, and other services. The speculated areas are assumed to have changes after the GST implementation:

• **Government’s Revenue:** - As much of revenue which was earlier left in the region of Jammu Kashmir will get to be collected after the implication of GST as in the laws previously the central government was not enjoying any kind of revenue benefits from the state but after the GST, there are changes and extension by which the central government will have the rights over the service taxes of Jammu Kashmir also.

• **Costlier Services:**- In the present scenario of taxation, service tax is applicable at the rate of 15% on services provided, which includes 0.5% towards Swatch Bharat Cess and 0.5% for Krishi Kalyan Cess. With the introduction of GST services are expected to levy 18% to 26%.

• **Notices from Taxation Authorities:** - Under GST, both Central and State Govt. have right to collect the tax according to the preferences given in list I, II and III in the Constitution and because of that sometimes it becomes so complicated to find out to pay taxes to which department in regards to goods and services similar works contract, software etc. having conflicts between Central and State Government.

• **Registration of Place of Business:** - Currently there are centralized registration provisions under Service tax that indicate provider of services can render services from any site in India after getting registered once but in GST regime, centralized registration will not be accessible to the dealer he has to get registered with that particular State government where he has the provision for registering business site office as well from where he is expected to provide services.

In view of the above stated changes that service sector would undergo with the introduction of GST, the present study also attempts to understand the implication of GST with respect to certain select services in India.
3.1 IMPLICATION OF GST ON SELECT SERVICE SECTOR IN INDIA

3.1.1 Banking Sector

Banking sector is one of the largest services sectors in India. The implementation of the Goods & Services Tax (GST) will likely prove to be a challenge for the sector mainly on two fronts - First, due to the higher GST rates compared to the current service tax rate and second, due to the vast geographical reach of most banks.

With the GST coming close on the heels of demonetization, the banking sector needs to ensure that they are ready for this new tax regime. Some of the major critical implications of GST on banking sector are discussed as below:

1. **Substantial Increase in Compliance:**
   GST is a parallel tax regime where the States and the Centre, tax the payer in one go. For the implementation, banks have to obtain State-wise registration in every State in which they have a branch. In case a bank has multiple branches in one State, only one registration is required for all the branches in that State. But in case of a multi-state presence, State-wise registration is mandatory. This will lead to a substantial increase in compliance level. Before GST most of the banks have obtained a centralized registration under service tax. So, currently, a bank may be filing only two returns on an annual basis as a service tax assesse, but with GST, the bank might be required to file as many as 61 returns per year for every State they are present in (five returns per month plus one annual return).

2. **Determining Place of Supply Could be Critical**
   For every transaction in GST, the bank will need to determine the place of consumption where GST will be paid. For any bank branch conducting several transactions, both within and outside States, the determination of the place for determination of tax is not very easy.
   The Model GST Law casts the responsibility of determining the tax liability in case of intra-state or inter-state on the assesse. Thus, banks assesse will have to decide whether the payment is CGST or SGST or IGST depending upon the type of transaction.

Moreover, inter-state supplies of goods or services (or both) between two branches of the same bank, located in two States, will also attract IGST. The charge of such GST available as credit to the receiving branch is a cumbersome task.

Services being intangible in nature, proxy rules/ provisions are prescribed in the GST framework to help the assesse determine the place of consumption. The place of consumption for banking services should be determined as per draft IGST Act, But still there is scope for wrong determination for a bank with multistate branches as there could be a dispute as to who the service recipient is.

Also in case of any dispute over the place of supply of services, the taxpayer may get entwined in legal disputes. Currently, the GST legislation provides that if an assesse wrongly pays, say CGST and SGST (on a belief that the transaction is intra-state), instead of IGST, then they will have to pay the correct taxes (i.e. IGST) again and claim a refund for wrongfully paid taxes.

Ideally, instead of putting the onus on the taxpayer to determine whether the transaction is intra-state or inter-state, the GST law should come up with simpler redressal mechanism.

3. **Paying GST at Applicable Rate**
   The services are expected to pay the rate of GST at 18%. This rate is higher by 3% from the current service tax rate of 15%. This may make banking services such as issue of cheque books and demand drafts more expensive, particularly for retail customers. Also these days banks also deal in commodities such as gold / silver where a concessional GST rate is expected to be applicable. Therefore banks need to be careful in paying GST with the appropriate applicable rate on different products.

3.1.2 Information Technology (IT) sector

1. **Tax Rate**
   The prevailing service tax rate on IT services is 15%. However, the recommended revenue neutral rate is at 15–15.5% and the standard rate is expected to be around 17–18%. Therefore, the cost of IT services will elevate, especially for end customers who do not usually claim the tax input credit.

Under current tax structure, the sale of packaged software is entitled to both VAT (approximately 5%) and service tax (15%). The VAT on sales is directed to the state government whereas the service tax
on service follows the central government. There are also cases where along with the VAT and service tax, excise duty is also applied due to lack of clarity from the government. However, it is expected that once the GST is implemented, the current average tax rate of around 25–35% shall come down to around 18–25%.

2. **Cascading Effect of Taxes**

The cascading effect of taxes will be effectively addressed under the GST regime. Traders, under GST, will be eligible to avail the credit of services such as in the case of AMC (Annual Maintenance Service) contracts. Currently, IT service providers can’t claim credits of quality including the assessment or deal charge spent on setting the IT infrastructure. Also, services charged by an IT service provider to a client who is a broker is an expense incurred for the IT service provider. Under GST, both the IT service providers and their clients will be eligible to claim full credit of GST. This is expected to eliminate the cascading effects of the present tax structure.

3. **Business Process Change**

Under GST, which is a destination-based tax, tax is collected by the state where the goods or services will be consumed. Most IT companies are registered only with the Central Service Tax authorities and usually all billing and accounting tasks are carried out from a central location. Under the GST regime, service providers are required to obtain registration for all the states that they are catering to, i.e. all states that they have customers in. This is to be done so that the SGST (State Goods and Service Tax) component of IGST (Integrated Goods and Services Tax) is rendered for respective states. IT service providers will therefore have to segregate their services and bill their customers based on location of consumption.

3.1.3 **E-commerce Sphere**

For e-commerce traders, the GST is expected to increase administrative costs. Also, since e-tailers have hundreds of sellers on their platforms, it significantly increases compliance burden. Small sellers will face cash-flow issues and will claim for refunds on the tax paid on inputs, which e-commerce platform may not support. The tax collection at source (TCS) guideline under GST will increase the administration and documentation workload for e-commerce firms.

1. **Compliance**

The model GST law recognizes taxation which means IT companies providing services all over India will have to seek registration in as many as 37 jurisdictions that will include 29 states, seven union territories and the Centre.

With the introduction of GST many supply chain issues surrounding e-commerce will be resolved. The shipment and returns across the country will be done more efficiently and with lesser paperwork. The efficiency in the supply chain will also mean quicker deliveries. Companies will also be able to execute more efficient supply chain strategies, with warehousing based on strategy rather than tax requirements (like Octroi). More importantly, with a uniform tax structure across India, goods can be priced and margins calculated properly without worrying about where the product is finally shipping.

1) Finally a Tax Structure: E-Commerce currently faces a identity crisis of sorts (Tax Structure) of policy makers struggle to decide whether to classify it in retail or technology. A single tax will also be of immense use in the movement of goods across state borders. The ecommerce industry, hence, is understandably upbeat about GST.

2) Supply Chain Issues: GST will resolve many supply chain issues surroundings e-commerce and the increase in efficiency will lead to quicker deliveries. Shipment and returns across the country will be done more efficiently and with lesser paperwork. With the tax standardized there will be no more guessing game in terms of taxes when you cross state borders so companies will also be able to execute logistic strategies, with warehousing based on strategy rather than being depended on taxes.

3) Easy for new Entrants: People who found it difficult and expensive to enter who is at ease because of a simplified tax structure and clear norms regarding the same. Small Players of this market have a good chance to explore by expanding their businesses; setting warehouses and transportation system for better delivery of goods because of simplification in interstate goods
transfer by implementation of GST. GST would also help address challenges like the one faced by the Karnataka tax authorities where concerns about tax evasion by Amazon India were brought to the fore. Questions were raised about why Amazon and its sellers were paying no VAT for operating from the company’s warehousing facilities on the outskirts of Bangalore. The situation may have been different if clear laws had been formulated for the ecommerce industry. The standoff is more a result of difference in interpretation of the vague laws by Amazon and the state tax authorities.

"Since Amazon operates on the 'marketplace' model and only provides a platform for buyers and sellers to transact (not engaging in any selling directly), its reasoning was that it should not come under the purview of sales tax or VAT (the website gets a commission from sellers for facilitating sales) and that only service tax was applicable to them. On the other hand, its sellers, who were stocking their goods in Amazon’s warehousing facility, were designating it as 'an additional place of business' in contravention of the state’s VAT rules. The state tax authorities then ordered Amazon to discontinue selling some products from its Bangalore warehouse by cancelling the licenses of about 100 of its sellers. Consequently, the company had no choice but to cancel many orders for those particular products and bear losses. The rollout of GST is likely to simplify the logistics issue for ecommerce companies. Also, the practice of companies to minimise their tax liabilities by finding loopholes in existing sourcing, distribution and warehousing strategies will have to undergo a change.

CONCLUSION
The introduction of Goods and Services Tax (GST) in India will bring about a transformation in the current indirect taxation system in India. GST would replace as multi-incident levy and will also ensure seamless and uniform indirect tax regime besides lowering inflation and promoting growth in the long run. GST will subsume central indirect taxes like excise duty, countervailing duty and service tax, also state levies such as value added tax, octroi and entry tax, luxury tax etc. GST would be an effective tool to empower economic growth and an engine for generation of employment in India. The present article attempted to study the impact of GST on select services likes banking, IT and E-Commerce in India.

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