

TAXPAYERS PERCEPTION TOWARDS TAXPAYMENT WITH REFERENCE TO GST

Dr. S. KALPANA M.Com., MBA, M.Phil. PGDCA. DCM, Ph.D.,
PSG COLLEGE OF ARTS & SCIENCE, COIMBATORE - 641014.

DHARANISH B S,

III B.Com Retail Marketing PSG COLLEGE OF ARTS & SCIENCE, COIMBATORE -
641014.

JAY SRI PRAVINYA R

III B.Com Retail Marketing PSG COLLEGE OF ARTS & SCIENCE, COIMBATORE -
641014.

KAMALA KRISHNAN E

III B.Com Retail Marketing PSG COLLEGE OF ARTS & SCIENCE, COIMBATORE -
641014.

Abstract

Taxation is a fundamental aspect of modern economies, serving as a key instrument for generating revenue to fund public services and infrastructure development. In India, the Goods and Services Tax (GST) was implemented on July 1, 2017, with the aim of simplifying the tax system, eliminating cascading taxes, and promoting ease of doing business. GST, a single indirect tax, subsumes several central and state taxes, including VAT, excise duty, and service tax, thereby streamlining the entire taxation process. The introduction of GST marked a significant shift in India's tax landscape. However, despite its potential advantages, the implementation of GST has faced challenges, including confusion, compliance burden, and adaptation issues, particularly among small and medium-sized businesses. The success of GST depends not only on its design and administration but also on the willingness and perception of taxpayers to comply with the new tax structure. Taxpayers' perception towards the tax system plays a crucial role in ensuring high levels of voluntary compliance and reducing tax evasion. Positive perceptions of the tax system are often linked to better compliance, while negative perceptions can lead to resistance, lower compliance rates, and an increase in evasion. Understanding taxpayers' perceptions towards GST, including their satisfaction with the system and their concerns, is therefore critical for assessing the success of the GST regime.

Keywords: Perception Towards Tax payment from the Taxpayers with reference to GST

INTRODUCTION

Taxation is a fundamental aspect of modern economies, serving as a key instrument for generating revenue to fund public services and infrastructure development. In India, the Goods and Services Tax (GST) was implemented on July 1, 2017, with the aim of simplifying the tax system, eliminating cascading taxes, and promoting ease of doing business. GST, a single indirect tax, subsumes several central and state taxes, including VAT, excise duty, and service tax, thereby streamlining the entire taxation process. The introduction of GST marked a significant shift in India's tax landscape. However, despite its potential advantages, the implementation of GST has faced challenges, including confusion, compliance burden, and adaptation issues, particularly among small and medium-sized businesses. The success of GST depends not only on its design and administration but also on the willingness and perception of taxpayers to comply with the new tax structure. Taxpayers' perception towards the tax system plays a crucial role in ensuring high levels of voluntary compliance and reducing tax evasion. Positive perceptions of the tax system are often linked to better compliance, while negative perceptions can lead to resistance, lower compliance rates, and an increase in evasion. Understanding taxpayers' perceptions towards GST, including their satisfaction with the system and their concerns, is therefore critical for assessing the success of the GST regime.

REVIEW OF LITERATURE

Dr. Kannapoorani, syed rafiq ahmed, Goods and Services Tax in India GST practitioners perceptions towards input tax credit system (2023) The Income Tax Department and GST Department are under the Ministry of Finance, responsible for collecting income tax and GST from taxpayers. Individuals earning beyond the basic exemption limit in a financial year must file an Income Tax Return (ITR), which is processed by the Income Tax Department. Assessments can be self-assessment, summary, regular, or best judgment. Goods and service tax is an indirect tax applied to the sale of goods, collected by businesses and paid to the government. Different rates apply depending on the nature of the sale, whether within or outside the state. Some taxes, such as Central Excise Duty, Additional Duties of Excise, Special Additional Duty of Customs (SAD), and service tax, are replaced by goods and service tax. The assessment year is crucial in ensuring proper tax collection and ensuring no tax escape.

Critical analysis of assessment procedure Income tax and GST India, Gupta, Manish, Sudesh Rani (2023) The Income Tax Department and GST Department are under the Ministry of Finance, responsible for collecting income tax and GST from taxpayers. Individuals earning beyond the basic exemption limit in a financial year must file an Income Tax Return (ITR), which is processed by the Income Tax Department. Assessments can be self-assessment, summary, regular, or best judgment. Goods and service tax is an indirect tax applied to the sale of goods, collected by businesses and paid to the government. Different rates apply depending on the nature of the sale, whether within or outside the state. Some taxes, such as Central Excise Duty, Additional Duties of Excise, Special Additional Duty of Customs (SAD), and service tax, are replaced by goods and service tax. The assessment year is crucial in ensuring proper tax collection and ensuring no tax escapes.

Challenges and prospects of goods and service tax in India and its impacts on GPD, Shivastava, Archana, Maheshwari, Deepti & Jawhari sangeeta (2023) The Income Tax Department and GST Department are under the Ministry of Finance, responsible for collecting income tax and GST from taxpayers. Individuals earning beyond the basic exemption limit in a financial year must file an Income Tax Return (ITR), which is processed by the Income Tax Department. Assessments can be self-assessment, summary, regular, or best judgment. Goods and service tax is an indirect tax applied to the sale of goods, collected by businesses and paid to the government. Different rates apply depending on the nature of the sale, whether within or outside the state. Some taxes, such as Central Excise Duty, Additional Duties of Excise, Special Additional Duty of Customs (SAD), and service tax, are replaced by goods and service tax. The assessment year is crucial in ensuring proper tax collection and ensuring no tax escapes.

Goods and service tax the prospect in India, singh, Yogendra, Harque, M.N (2020) Taxes in India are classified as Direct and Indirect taxes. The central government receives revenue from income tax, excise, customs, and service tax, while state governments receive revenue from sales tax/value added tax, excise, etc. The Constitution of India grants exclusive powers to Parliament and state legislatures to make laws on matters listed in List I and II of the seventh schedule. Economic liberalization and reforms have significantly impacted the Indian economy. Service tax was introduced in 1994, but the number of services imposed has increased over time. The introduction of Value Added Tax (VAT) in states has been challenging due to the exclusive power of each state in levying and collecting state taxes. Despite initial difficulties, all states and Union Territories have implemented VAT, with tax revenue growth nearly doubling since the introduction of VAT. To address the multiplicity of taxes on goods and services, the central government proposes a new Goods and Services tax, which would subsume most indirect taxes imposed by the central and state governments.

Goods and service Tax GST impact on consumer price index and public perception in India an empirical analysis, Hansa, Sahu, Praveen(2023) This study examines the impact of Goods and Services Tax (GST) on the Consumer Price Index (CPI) and public perception in India. The study aims to evaluate the effect of GST on inflation, explore citizens' perceptions about the new indirect tax system, and identify determinants of tax compliance behavior. The study uses bibliometric analysis, econometric tools, factor analysis, and correlation to understand the global pandemic's impact on GST compliance behavior. The findings suggest that enforcement perceptions, fairness of the tax system, tax knowledge, and demographic characteristics are significant determinants of tax compliance behavior. The study recommends strategies for increasing tax compliance, including lowering rates, broadening tax bases, eliminating allowances, and improving penalty enforcement.

Objectives of the Study

The main objectives of this study are as follows:

To evaluate the level of awareness among taxpayer about tax law, policies and benefits.

To study the attitude and perception of tax payers regarding the compliance and payment.

To evaluate tax payer satisfaction with the utilization of tax revenue.

To identify challenges faced by the Taxpayers.

To highlight opportunities for improving tax policies, administration and public awareness campaigns.

RESEARCH METHODOLOGY

Research methodology is a systematic and scientific approach used to conduct research, involving a comprehensive framework that outlines the steps and procedures for collecting, analysing, and interpreting data to answer research questions or test hypotheses. It encompasses research design, data collection methods, sampling strategy, data analysis techniques, and validation and reliability measures. By employing a well-planned research methodology.

AREA OF STUDY

The Study is limited to Coimbatore City Only.

Located in the state of Tamil Nadu, India, Coimbatore serves as the level of awareness among taxpayer about tax law, policies and benefits. The attitude and perception of tax payers regarding the compliance and payment.

SOURCE OF DATA COLLECTION

Primary data

Primary data refers to original, first-hand information collected directly from the source, specifically for the purpose of the research study. This type of data is gathered through various methods, such as surveys, interviews, observations, experiments, and focus groups, allowing researchers to capture unique and unbiased information.

Secondary data

Secondary data refers to existing, pre-collected information from external sources, such as books, articles, websites, and academic journals, that is used for research purposes. The data has already been collected, analysed, and published by others, and is often readily available and easily accessible. Secondary data can provide valuable background information, context, and insights, and can be used to support or validate primary research findings, saving time, and providing a more comprehensive understanding of the topic.

LIMITATION IF THE STUDY

The study will focus on individual tax payers in Coimbatore

which may not fully represent the broader population of tax payers in India or globally

The sample size of 150 tax payers might also limit the ability to generalize findings to all taxpayers.

FINDINGS

Majority (72.7%) of the respondents are male.
Majority of the respondents belong to the particular age group of 18-25 years.
Majority of the people have bachelor degree (66%)
Majority (38.7%) of the respondents belong to the salaried employee
Majority of the respondents have their annual income is upto Rs.5,00,000.
Majority of the respondents of tax laws and policies are somewhat familiar
Majority (48%) of the people know the information through the social media.
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Majority (68%) of the government provide adequate information about tax policies are yes.
Majority of perceive importance of paying taxes are very important (44%)
Majority of paying taxes to national growth are yes (58.7%).
Majority of primary motivation for tax employees are legal obligation (42.7%).
Majority of government utilizes tax revenue are neutral (31.3%)
Majority of fairness of the current tax system are fair (56%).
Majority of receive more focus in terms of tax revenue allocation are health care (34%)

SUGGESTION

Many taxpayers have limited knowledge about GST regulations, leading to confusion and errors in tax filing. Simplifying tax rules and increasing awareness through government campaigns can help taxpayers better understand their responsibilities. Educational initiatives and workshops can bridge the knowledge gap, making GST compliance easier for individuals and businesses.

Taxpayers often face difficulties in filing GST returns due to complex procedures and technical glitches on the GST portal. Small business owners, in particular, struggle with the frequent updates in tax laws and compliance requirements. Providing user-friendly digital platforms and assistance through tax consultants can enhance compliance rates and reduce errors in filing

The perception of GST among taxpayers varies based on their business size and industry. While some appreciate the transparency and efficiency of the system, others find it cumbersome and costly to maintain compliance. High compliance costs and penalties or late filings create dissatisfaction among small taxpayers. Simplified procedures and lower penalties can improve overall taxpayer satisfaction.

Reducing the complexity of GST filing, offering better digital support, and lowering compliance costs can make the system more taxpayer-friendly. Faster processing of refunds and better grievance redressal mechanisms can enhance trust in the system. Policymakers can consider revising tax rates and slabs to ease the financial burden on businesses and consumers.

CONCLUSION

This study has provide valuable insights into tax payers perception towards tax payment with reference to GST. The findings highlight the benefits and limitation of tax payers. The study on taxpayers' perception towards tax payment, with reference to the Goods and Services Tax (GST), highlights key insights into public attitudes, challenges, and compliance behavior. Findings indicate that while many taxpayers acknowledge the benefits of GST, such as a simplified tax structure and reduced cascading effects, concerns remain regarding its complexity, compliance burden, and administrative efficiency. The research also suggests that factors such as awareness, trust in the taxation system, and ease of filing returns significantly influence taxpayers' willingness to comply. Enhancing tax literacy, streamlining the filing process, and ensuring transparency in tax administration can improve perceptions and foster better compliance.