



AN ANALYTICAL STUDY OF GOODS AND SERVICE TAX SLABS IN INDIA AND COUNTRIES ENTIRE GLOBE

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ABSTRACT-----

For the growth of economy of India, collection of tax duty is the prime source. In 1954, France is the prime nation who enforced Goods and service Tax with four tax rate slabs. Currently, in the whole globe one hundred and sixty countries that have enforced GST Tax. Goods and Service Tax is an individual tax mechanism which minimize the comprehensive impact. The report of World Bank indicates that (GST) Goods and Service Tax major slab in India is 28 percent means in 115 countries and it's second highest. Goods and Service Tax was enforced in India on 1st July, 2017. Comparison in between Canada and Brazil, in India the model of GST Tax is based on a double tax mechanism. This paper emphasizes the mechanism of Goods and Service Taxes, threshold limit, and GST tax slabs around the world. This study analyzes the mechanism of GST Tax slabs in India to the entire globe. This study is based on the subordinate sources obtain from research journal, articles Government websites, new papers and research papers, etc.-----

1. INTRODUCTION

Economy of world nations, there are several taxes which are predominantly categorized in two parts, that is direct and indirect taxes. Taxation is highest wellsprings of creation of income for the expansion of any financial sources in the globe. As stated the current rates of taxes for the development of International Centre, entire tax incomes elucidate in excess of eighty percent of entire management income with respect to fifty percent of the sovereign nation in the globe and higher than half percent in all over the nations. But effective running of all financial sources, Management replaces its guidelines and design tax mechanism regularly. From the 1st global War in 1919, Taxation entered rising adequately thereafter Tax mechanism has gone through considerable reforms through the last twenty two ago in the globe. Entire Goods and Service Tax is the outcome of these reforms in the tax mechanism. Numerous developing countries are starting to introduce recent direct and indirect tax rate structure. The previous twelve months, India executes historical financial transformation by interpolating the Goods and Services, alternating various taxes at a nationwide and state. GST is a correlated sales tax, which was invented the 18th century by German economist. In 1954, first time good and service tax enforced in France. Now, there are one hundred and sixty sovereign nations in the globe that have enforced Taxes in the globe. The Value Added Taxes is taken as a replacement of Taxes in all of the countries. When the France enforced Goods and Service Tax in their nations, other nations enforced Tax like Singapore, China, New Zealand, Indonesia, etc. In India, Goods and Service Tax was enforced in 2017. Few nations have a double Goods and Service Taxes system as well as Canada, Brazil, and India. Hardly single tax rate is applicable in European Countries.



Its consumption or target based tax. Good and service tax exterminates the overflow charges impact is dual tax. The rate of Tax price of Goods and Service Taxes all around the globe ranges between 0-28 percent. Currently tax structure completely not eliminates the comprehensive tax rate impact outcomes into the raise of ultimate rates of Tax. All time ignores the issue of tax on tax. The important cause in back of enforcing Goods and Service Tax merged to indirect taxes into one alone tax and innovating proficiency in taxations department.

2.OBJECTIVES

1. To recognize regarding goods and service tax rate in universal aspect.
2. To discover the mechanism of Goods and Service tax rates around the globe and threshold limit.
3. To Analyses indirect Tax rates in India and another country the entire globe.

3. REVIEW OF LITERATURE

Agogo-Mawuli (2014) analyzed, “GST-An Evaluation”. In this research, he searched the result of Goods and Service Taxes on the economy of Papua New Guinea (PNG). The author recommended that short revenue nations need a small priced- Goods and Service Taxes. The author noticed that various emergent nations have a more Goods and Service Taxes price as related to economically developing nations. This research interpreted that Goods and Service Taxes is not well for economically developing nations like Papua New Guinea and Goods and Service Taxes not granted any global development. The tax rates should be less, if short revenue nations need to enforce it.

Chabot Jean-Huguesetal. (2013),“The Estimation of Indirect Taxes” analyzed the history of Canadian evolution of Tax rates in Canada. Author investigates those European nations expanding the quality price of indirect taxes regarding the dignity. This paper observed that few European nations as well as Portugal, Italy, Norway, Poland, France; Greece expand theirs bring down tax rates.

Gupta Saurabhetal. (2017), analyzed “GST: A Global Comprehensive research” and related to India’s Indirect Tax with another nations on the prime of mechanism, design, model, sources of tax collection and investigations. Author assumed that the tax would be crucial changes in the structure of GST tax mechanism in India by incorporate of single tax mechanism of State taxes and central. This research interpreted that GST reduce the impact of dual tax mechanism and contribute to trouble free enforcement and management. These studies noticed that twenty five percent tax rates higher in Sweden and Denmark.

John Breen et al. (2002) scrutinize, “The Effect of the commencement of the Goods and Service Taxes on Small Business in Australia” observed that after implementation of Goods and Service Taxes extra price and adherence are expand. This research interpreted that Goods and Service Taxes put an adverse effect on the SMSE business and also noticed that Goods and Service Taxes adherences price fluctuate in the middle of dollar 3335 to dollar 30145 per business. However most of the business released that with the enforcement of Goods and Service Taxes, document records of the business is upgraded.

Khuran -Akanshaet al. (2016) scrutinize, “GST mechanism in India - A productive improvement for indirect tax mechanism” analyzed the Goods and Service Tax in all over the globe like France, Australia, Canada, Singapore, New Zealand etc. The main perspective of this research is to investigate the outcomes, golden chance of indirect tax and its effect on the financial sources. This research interpreted that Indirect Taxes has optimistic effect on Small Enterprises and Food Industry, Infrastructure, fast moving Consumer Goods.

Pope Jeff (2001) scrutinize, “Evaluating and Reducing the Goods and Services Tax adherences price Load on micro enterprises” analyzed to reduce Goods and Service Taxes adherences price of micro enterprises in Australia. This research let out that in another nation the limit is more so micro enterprises do not enter in that dignity. In Australia the registration limits under Goods and Service Taxes is down so micro enterprises as well as small business having registered under Goods and Service Taxes. This research interpreted that the Goods and Service Taxes have bad effect on micro business and also recommended that Goods and Service Taxes wants attentive reflection of micro enterprises.

4. RESEARCH METHODOLOGY

The Study is depend on subordinate information collected from other Printed information from government and non-government institutions, websites, books, reports, conference papers, journals, and magazines. For the

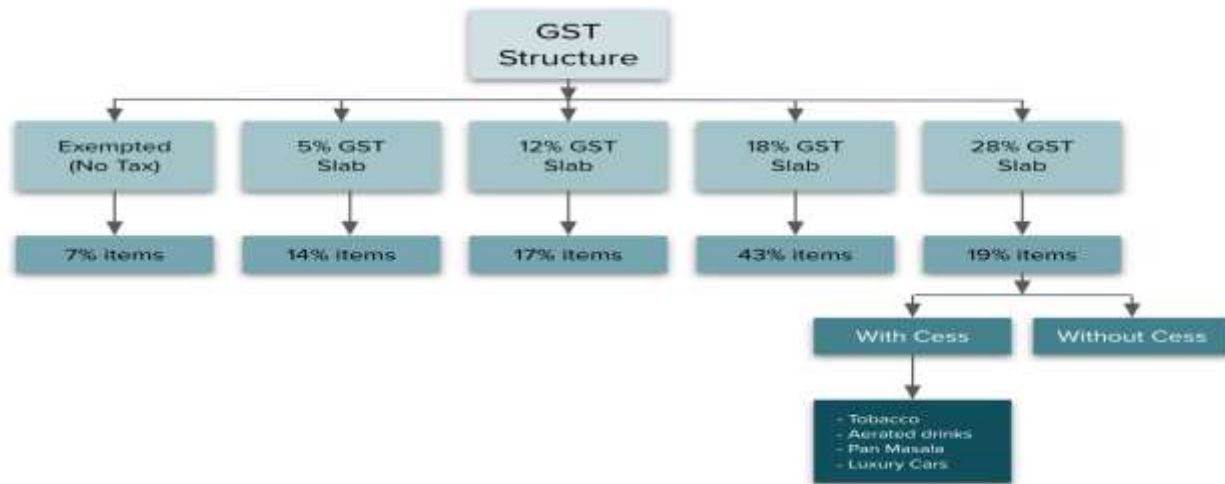


survey, France, Canada, New Zealand and Australia are collected from organization for Economic Co-operation and Development nations and Singapore & Malaysia are collected from ASEAN nations. This study compares Indian Tax with ASEAN nations Goods and Services Tax (OECD) Organization for Economic Co-operation and Development.

5. DATA ANALYSIS

Correlation of indirect GST Tax in India with other nations across the Globe Indirect Tax in India GST Tax applicable prior amendment of the Indian Constitution and enforced from 1st July- 2017. The design of GST tax in India all taxes merged into Goods and Service taxes like service tax, surcharge, entertainment tax, luxury tax, VAT etc.

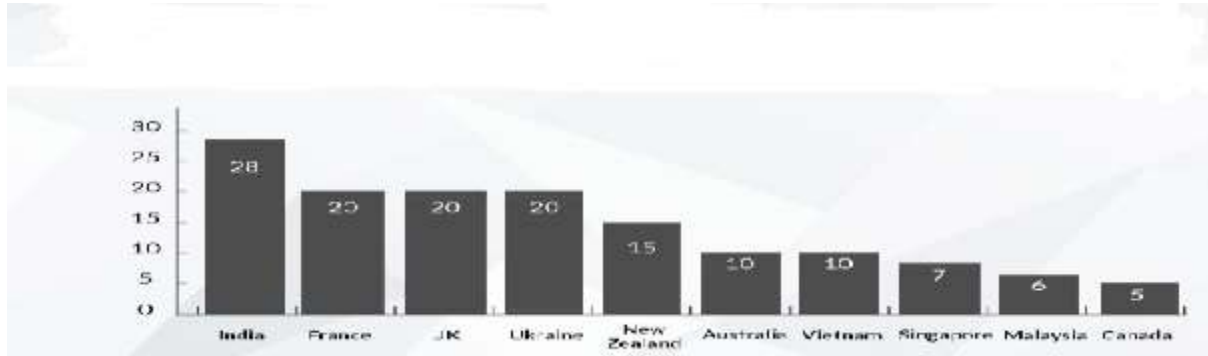
Figure 1: GST Slab Rates



The above diagram indicates the slab design of (GST) indirect Tax, which includes four slabs of tax rates. The indirect Tax rates of India has built up on the double mechanism which includes: State and central Goods and Services Tax law indicates different policies and principles, inspired by GST and Vat Tax legislation of International Goods and Services Tax in Australia, European nations and Malaysia etc., along with notification of the OECD. Few corrections had previous years involved cut down in economic issues and custom and excise tariff in post-world economy. Adjustment of excise charges to the parts of succeeding in Association of Southeast Asian Nations. In the beginning of 1994-95 Service charges introduced after in March 2011 the Constitution Bill in the Lok Sabha ‘Goods & Services Tax’ operationalize.

Goods and Services Tax in Other nations

In 1954 first time GST Tax enforce in France. When the France enforced of Goods and Services another various nations adopted Goods and Service Tax. China enforced (GST) Goods and service tax in 1994 and Russia enforced in 1991.



Indirect Tax all over the globe

The above diagram indicates the indirect Tax charges all over globe. In India has the twenty eight percent Goods and Service Taxes charges and Canada has the reasonable charges which are five percent in their respective indirect Tax rate.

The research studies of Tax slabs in India with The organization for Economic Co-operation and Development Nations. The relative studies of Indirect Tax in India are done with organizations of Economic Co-operation and Development nations like France, Canada, Australia and New Zealand. The analysis is doing on different countries Tax slabs and tax rates.

Chart 1: Indian Tax mechanism analysis with Goods and Service Tax in Economic Co-operation and Development Nations

Foundation	GST In India	GST In Canada	GST In Australia	GST In New Zealand	GST In France
Classification for Indirect Tax	Indirect Tax	United Indirect Tax & Modulate Sales Tax	Indirect Tax	Indirect Tax	Indirect Tax & Value Added Tax
Beginning in	1 st July-2017	1991	2000	1986	1954
Limits of tax	10 Lac- 20 Lac (North-Eastern States)	30,000 (Canadian \$)	75000-150000(NPO's) (Australian \$)	\$60,000	€ 35,000
Tax-Return	Returns of Goods and Service Tax	Goods and Service Tax - 34	Business Activity Statement (BAS)	Goods and Service Tax Form-101, Goods and Service Tax Form-103 Provisional Tax Return (PTR)	Value Added Tax Return
Input Tax Claim	Input Tax Claim	Input Tax Claim	Input Tax Claim	Input Tax Claim	VAT-Input
Tax Assessments	4	1	2	1	4



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Rate of GST	0%, 5%, 12%, 18%, 28%	0%, 5%	5.5%, 10%	0%, 15%	2.1%, 5.5%, 10%, 20%
Tax Free	Fruits, Butter Milk, Curd, Milk, etc.	health, education, rent-residence, Financial services, etc.	Exports, education, charity, some medicines, etc.	Goods and service sale out by NPO's, which is Donated financial services etc.	Health and welfare services, postal services etc.

Chart-1 indicates like India paid the largest Goods and Service Tax charges come about twenty eight percent as analyzed to 4 organizations for Economic Co-operation and Development nations. Imitation of Tax to enrolled supporting Indirect Tax in India is twenty Lakh, but in in France the limit, is twenty eight Lakh, in Australia approximately thirty eight Lakh, in New Zealand, approximately twenty nine Lakh and Canada only sixteen Lakh. The above Studies of Indirect Tax in India with ASEAN nations the comparative studies of Indian Goods and service ax is over with two Association of Southeast Asian Nations already involved Singapore and Malaysia. The analysis is taken over the fundamental of different sources like Rates of tax, input of credit tax, tax returns rates.

Chart- 2: Comparison of Indian Goods and Service Tax models with different Tax Rates, Input credit, tax returns rates, in Association of Southeast Asian Nations

Foundation	India	Singapore	Malaysia
Classification for Indirect Tax	Indirect Taxes	Indirect Taxes	Indirect Taxes
Beginning in	1 st July-2017	1994	2015
Limits of tax	₹ 20 Lac to 10 Lac (States of North-Eastern)	One million dollar	MYR Five Lakhs
Tax Return	Return of Goods and Service Tax	Goods and Service Taxes Form-5	GSTR Form-03 and GSTR Form-04
Input Claim Tax	Input Tax Claim (ITC)	Input Tax claim (ITC)	Input Tax claim (ITC)
Rates of GST	0%, 5%, 12%, 18%, 28%	0 %, 7%	0%, 6%
Tax-free	Butter Milk , Curd, Milk, Fruits, etc.	Financial services, Transfer of business, private transactions , Third country sales etc.	Agricultural products, Essential items, , financial services, exports, cremation services etc.

The above Chart-2 indicates the comparison of Indian indirect Tax with 2 Association of Southeast Asian Nations. The Tax limit to enroll supporting Goods and Services Tax was five crore in Singapore and eighty seven Lakh in Malaysia. As per analysis to Malaysia and India, Singapore has the largest limit of tax.



6. RECOMMENDATIONS

Indirect Tax Comparison between India and Canada

The study of Goods and Service Tax in India and Canada noticed that the Goods and Service Tax is familiar in Canada as a united Goods and Service Tax & modulate Sales Tax, It's applicable to enforced first in Canada and later India. The tax limit to enroll under Goods and Services Tax in Canada is low, as compared to India. Goods and Services Tax is the refund which is paid by the people of Canada, but in India this return is also called as Goods and Services Tax Return(GSTR). Canada has paid yearly basis tax, but India has quarterly based slabs of tax.

Indirect Tax Analysis between India and Australia

Canada has the single slab of tax has been enforced first in Australia then India. In Australia Tax limit is larger as compare to India. On the contrary of Goods and Service Tax Return it's put up in India, in Australia, people put up Business Activity Statement. (BAS) Australia put up the two slab of tax but India put up four slabs of tax. The Tax in India is twenty Eight percent but in Australia is only ten percent. Here, as compare to Australia India bare maximum tax.

Goods and Service Taxes survey between India and New Zealand

The study of New Zealand indirect Tax, in India is lower. New -Zealand pay only one tax but India pays to four slabs of taxes. In India pays highest charges of Goods and Services Tax is twenty eight percent and this charges in New Zealand is fifteen percent. Tax rate limit to enroll supporting indirect Tax in France is major as per analysis to India. Value Added Tax return is paid by the people of France, but in India this return is called as Goods and Services Tax Return. India and France pays four slabs of tax but the highest charges of indirect Tax (GST) is twenty percent but in France which is down than India.

Indirect Tax analysis between Singapore and India

Singapore enforced indirect Tax (GST) since twenty three year ago earlier than India. Tax limit of Indirect Tax (GST) in India is cut down as per analysis to Singapore. Goods and Services Tax, Form-five put up in Singapore but in India, only Goods and Service Tax Return is put up. As compare to India, there is only one tax paid by New Zealand and Singapore. In Singapore Tax rate is seven percent and India's maximum rate of indirect Tax is twenty eight percent.

Indirect Tax Comparison between India and Malaysia

Indirect Tax in Malaysia would be enforced formerly than India. After Malaysia, India is the nation who enforced indirect Tax. GST tax limits in Malaysia is more as per India. In Malaysia people put up GSTR form-03 and GSTR form-04. Malaysia has only alone tax but in India has four slabs of tax. Indirect Tax rate in Malaysia has been six percent and India is twenty eight percent.

7. SUGGESTIONS

The above analysis recommended that Indian Government have to decrease the twenty eight percent tax slab which is more than other nations and also grow the current tax limit, if the limit grown then other business of India will not supporting the indirect Tax authority and they not applicable to file any tax return.

8. CONCLUSION

All Value added taxes comes in indirect taxes means Goods and Services Taxes it's collected on the volume of goods and services sold for domestic consumption. The indirect taxes Slab all the globe is a development of the Value Added Tax mechanism. The purpose in supporting of the enforcement of indirect taxes is to decrease the overflow impact of GST taxes. This research paper relates India's indirect Tax with four Organizations of Economic Co-operation and Development Nations and Two Association of Southeast Asian Nations and observed that all nations have the biggest Tax limit besides Canada. Singapore has the largest tax limit to enroll under indirect Tax. All nations enforced GST Tax before than India. The research paper also noticed that in Canada Goods and Services Tax is familiar as Integrated Goods and Services Tax and synchronized Sales Tax. In Australia, Business Activity Statement is known as Goods and Services Tax return. This research paper also noticed that Indian taxation system is verified in four different sessions, for affluent goods have biggest rates and for necessary goods have low rates. Only France and India approve four slab tax mechanism and other nations follow single and double slab tax mechanism.



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