

# A Study on Awareness about GST amongst Traders, under Trade Union at Chokli (Kannur District)

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**Abstract:** Goods and Service Tax (GST) is an indirect tax levied in India on the sale of goods and services. The tax came into effect from July 1, 2017 through the implementation of 101 Amendment of the Constitution of India by the Modi government. The tax replaced existing multiple cascading taxes levied by the central and state governments. Goods and Services Tax, which subsumes a large number of Central and State taxes in to a single tax, is meant to mitigate the cascading effect of taxes, provides seamless credit and makes way for common market. Since the trade unionism in Kerala forms a part of national and international labour movements, an effort to study its origin, development and characteristics features would begin with a reference to those national and international developments, which induced the workers of Kerala to form associations for collective bargaining. The main objective of the present study is to analyse the awareness level about GST amongst traders, under trade union at chokli" (kannur district).

**Key Words:** GST, International Labour, Trade Union, , awareness level, Unionism.

## 1. INTRODUCTION:

Goods and Service Tax (GST) is an indirect tax levied in India on the sale of goods and services. Goods and services are divided into five tax slabs for collection of tax - 0%, 5%, 12%, 18% and 28%. The tax came into effect from July 1, 2017 through the implementation of One Hundred and First Amendment of the Constitution of India by the Modi government. The tax replaced existing multiple cascading taxes levied by the central and state governments. GST is a multi-tier tax where ultimate burden of tax falls on the consumer of goods/services. It is called as value added tax because at very stage, tax is being paid on the value –addition. It is very important to study the awareness level of traders about the new tax concept GST. The researcher took traders under trade union at Chockli as sample of the study.

## 2. Methodology and Data base:

### Population

Trade union members in Kannur district

### Sample

The researcher has selected traders under trade union at chockli, where there are large number of members.

### Statistical tools

The researcher used percentage analysis for analysing data

## Theoretical Frame Work

The earlier system of indirect taxation had multiplicity of taxes levied by the Centre and States. This had led to complex and conflicting principles in indirect tax structure, adding to the multiple compliances and administrative costs. There was no uniformity in tax rates and structure across States. There was cascading of taxes due to 'tax-on-tax'. There were too many restrictions on seamless credit available, i.e., credit excise duty and service tax paid at the stage of manufacture is not available to the traders while paying the state level sales tax or VAT, and vice-versa. Further, no credit to state taxes paid in one state can be availed in other States. GST is a multi-tier tax where ultimate burden of tax falls on the consumer of goods/services. It is called as value added tax because at very stage, tax is being paid on the value –addition. Under the GST scheme, a person who was liable to pay tax is entitled to pay tax, is entitled to get input tax credit (ITC) on the tax paid on its inputs, which is being paid to the government.

## Taxes Subsumed

The single GST replaced several former taxes and levies which included: central excise duty, services tax, additional customs duty, surcharges, state-level value added tax and Octroi. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied

with Central GST (CGST) by the Central Government and State GST (SGST) by the State governments. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax/destination-based tax, therefore, taxes are paid to the state where the goods or services are consumed not the state in which they were produced. IGST complicates tax collection for State

**Trade Unionism in Kerala**

Travancore Coir Factory Workers Union (TCFWU) was the first trade Union in Kerala. The union registered under the Travancore Trade Union Act 1937 had represented 90 percent of the total coir workers in Aleppey. In 1938, the TCFWU launched a strike, for a special allowance, which was the first general strike in Kerala. The 26 daylong strikes finally succeed to achieve a special allowance of 6.25 per cent of basic wages. In addition to this economic achievement, the strike prompted the Travancore government to pass the Trade Union Dispute Act in 1938. Accordingly, the government appointed a Board of Investigation to conduct a detailed enquiry in to the trade disputes. As a result, the government constituted negotiating machinery known as Industrial Relations Committee to deal with problems connected with labour and management. Governments by disabling them from collecting the tax owed to them directly from the Central Government. Under the previous system, a state would only have to deal with a single government in order to collect tax revenue.

**3. Data Analysis and Interpretation:**

**Table 1  
GST REGISTRATION**

SL NO	RESPONSE	NO RESPONSE	OF	PERCENTAGE (%)
1	Yes	39		78
2	No	11		22
TOTAL		50		100

From the above table shows that 78% of respondents are says Yes to the registered with GST, 22% of respondents are says No to the registered with GST.

**Table 2  
GST WILL BURDEN THE PEOPLE/CONSUMER**

SL NO	RESPONSE	NO RESPONSE	OF	PERCENTAGE (%)
1	Yes	29		58%
2	No	21		42%
TOTAL		50		100%

From the above table shows that 58% of respondents Yes says to the will burden the people/consumer,42% of respondents No says are will burden the people/consumer.

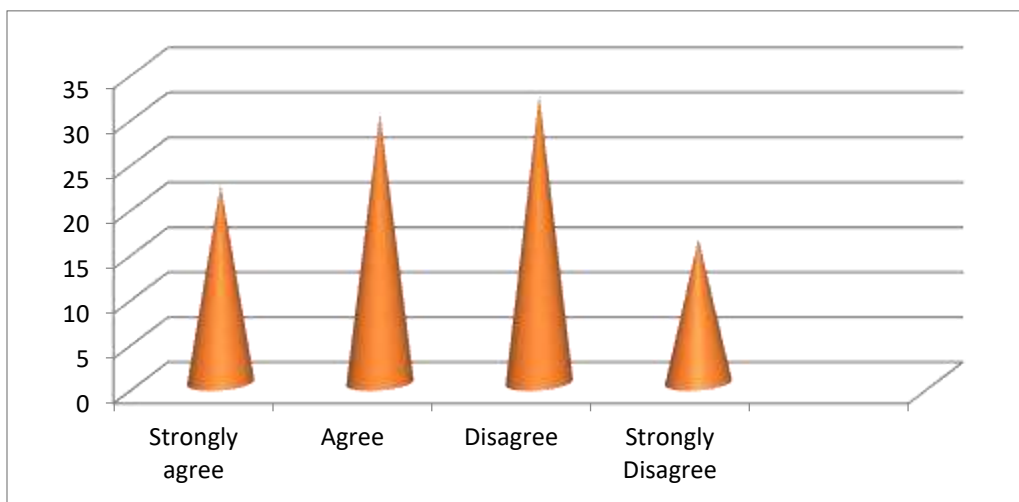
**Table 3  
GST WILL CAUSE HIGHER PRICE FOR GOODS & SERVICES**

SL NO	RESPOND	NO RESPONSE	OF	PERCENTAGE (%)
1	Yes	26		52%
2	No	24		48%
TOTAL		50		100%

From the above table shows that 52% of respondents are GST will cause higher price goods &services, 48%of respondents are GST will cause higher price goods & service.

**Table 4**  
**UNION SUPPORT ON GST SYSTEM**

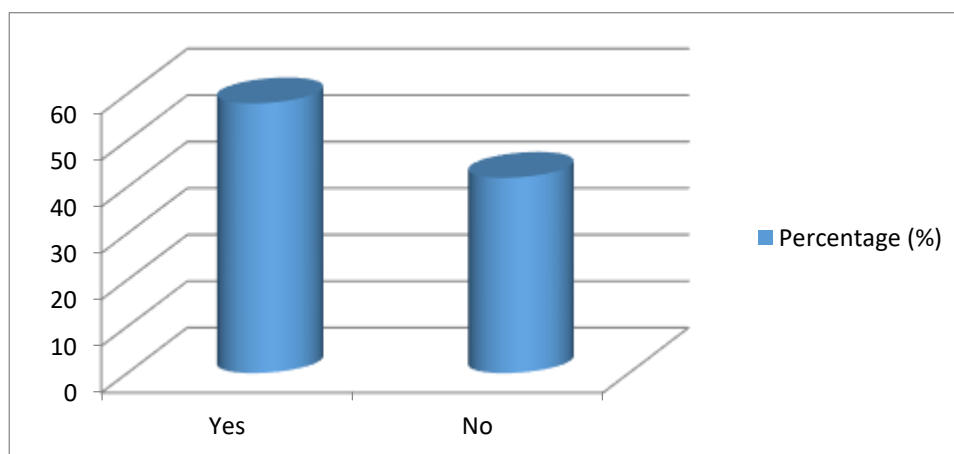
SL NO	RESPOND	NO OF RESPONSE	PERCENTAGE (%)
1	Strongly agree	11	22
2	Agree	15	30
3	Disagree	16	32
4	Strongly Disagree	8	16
	Total	50	100



From the above table shows that 22% of respondents are unionsupport to Strongly agree in GST systems, 30%of respondents are union support to Agree in GST system. 32% of respondents are union support to Disagree in GST system, Strongly Disagree16% of respondents are union support to GST system

**Table5**  
**GST SYSTEM MORE BENEFICAL TO BOTH GOVERNMENT AND PEOPLE**

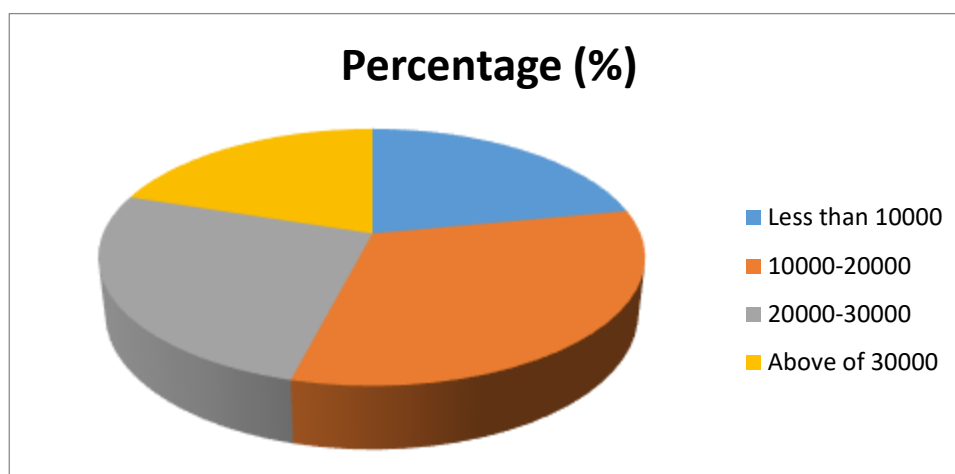
Sl.No	Respond	No of Response	Percentage (%)
1	Yes	29	58
2	No	21	42
	Total	50	100



From the above table shows that 58% of respondents are GST system is beneficial to both government and people, 42% of respondents are also GST more beneficial system to government and people.

**Table 6**  
**MONTHLY EXPENDITURE ON ALL GOODS AND SERVICES**

Sl.No	Response	No of Response	Percentage (%)
1	Less than 10000	11	22
2	10000-20000	16	32
3	20000-30000	13	26
4	Above of 30000	10	20
Total		50	100



**INTERPRETATIONS**

From the above table shows that 22% of respondents are monthly expenditure is less than 10000 on all goods and services, 32% of respondents are monthly expenditure is 10000-20000 on all goods and services, 26% of respondents are monthly expenditure is 20000 -30000 on all goods and services and 20% of respondents are monthly expenditure is above of 30000 on all goods and services.

**Table 7**  
**Influence of GST on Consumption Behaviour**

SL NO	RESPONSE	NO OF RESPONSE	PERCENTAGE (%)
1	Yes	25	50%
2	No	25	50%
TOTAL		50	100%

From the above table shows that 50% of respondents are Yes says to GST influence of consumption behaviour and 50% of respondents are No says to GST influence of consumption behaviour.

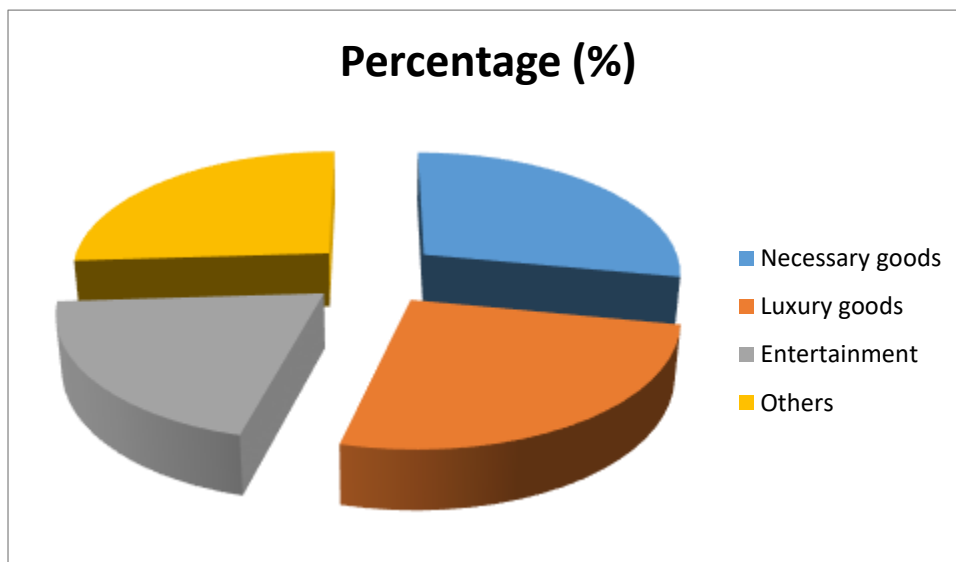
**Table 8**  
**AFFECT OF GST ON CONSUMPTION BEHAVIOUR**

SL NO	RESPONSE	NO OF RESPONSE	PERCENTAGE (%)
1	Consume goods more	28	56%
2	No	22	44%
TOTAL		50	100%

From the above table shows that 56% of respondents are consume goods more GST affect consumption behaviour 44% of respondents are says to the GST affect consumption behaviour.

**Table 9**  
**EFFECT OF GST ON EXPENDITURE**

Sl.No	Respond	No of Response	Percentage (%)
1	Necessary goods	14	28
2	Luxury goods	13	26
3	Entertainment	10	20
4	Others	13	26
	Total	50	100



From the above table shows that 28% of respondents are necessary goods of the expenditure will be affected by GST, 26% of respondents are luxury goods of the expenditure will be affected by GST, 20% of respondents are entertainment of expenditure will be affected by GST and respondents are others of the expenditure will be affected by GST.

**Table 9**  
**THE SUPPORT OF GST**

SL NO	RESPOND	NO RESPONSE	OF	PERCENTAGE (%)
1	Yes	34		68%
2	No	16		32%
TOTAL		50		100%

The above table revealed that, majority of the respondents are supported to GST implementation.

**Table 10**  
**THE TAX BENEFIT**

SL NO	RESPOND	NO RESPONSE	OF	PERCENTAGE (%)
1	Yes	27		54%
2	No	23		46%
TOTAL		50		100%

From the above table shows that 54% of respondents are to get the tax benefit, 46% of respondents are no says to the benefit tax.

**Table 11**

**THE SERVICES OF EXTERNAL CONSULTANTS FOR CURRENT SERVICES TAX**

SL NO	RESPONSE	NO OF RESPONSE	PERCENTAGE (%)
1	Yes	2	24%
2	No	14	28%
3	Not applicable	24	48%
TOTAL		50	100

From the above table shows that 24% of respondents are services of external consultants for current services tax, 28% of respondents are No says to the external services of current tax matter, 48% of respondents are Not applicable says to the services of external consultants for current services tax.

**Table 12**

**THE SOFTWARE SOLUTIONS OF CLIENT TO HANDLE THE PROPOSED GST**

SL NO	RESPOND	NO OF RESPONSE	PERCENTAGE (%)
1	Yes	21	42%
2	No	29	58%
TOTAL		50	100%

From the above table shows that 42% of respondents any software solutions for client to handle the proposed GST, 58% of respondents are software solution is the handle the proposed GST.

**4. MAJOR FINDINGS:**

- From the analysis it is found that most of the shops are registered with GST.
- In the study majority of the respondents opined that GST will burden to them
- It is found at the implementing GST will cause higher price of goods & services.
- It is found that most of the Union support GST system.
- It is found that GST system more beneficial to both government and people
- From the study it revealed that the GST influence on consumption behaviour.
- Majority of the respondents said that GST is mostly effected on the expenditure of necessary goods.
- It is found that most of the people are support to GST.
- The study revealed that the services of external consultants for current service tax matters is minimum
- It is found that GST is a fair tax.
- It is found that most of the traders Registered with GST.
- Majority of the respondents opined that there is no sufficient software equipped to handle the proposed GST.

**5. SUGGESTIONS:**

- Special software has to be developed for State goods and service tax and Integrated Goods Services Tax.
- The major concerns of manufactures under VAT system are “ parity on input tax and output tax rates” and “treatment of stock transfer”. There should be uniform taxation throughout the country and reduction in cascading effect of tax for successful implementation of GST system.
- PAN and TIN are essentials for any trade transaction when it cross a certain limit. A poor understanding of the tax structure and the difficulty in maintaining books are found to be the major reason for tax evasion. Simple tax structure and minimal paper work will reduce tax-evasion.
- With the implementation of GST, the government will surely be able to make the indirect tax regime more transparent and widen. Cost of collection of tax will be reduced due to merging of existing different indirect taxes.

- Trade unions should conduct frequent awareness programs for traders in order to make them aware about GST practices.

## 6. CONCLUSIONS:

The present study has made an attempt to study on awareness about GST amongst traders, under trade union at Chokli” (Kannur district) . The data were collected through questionnaire and analysed. The study concludes that, the awareness and perception towards GST amongst Traders, under Trade Union at Chokli is found effective. Goods and service tax is a unique and relevant topic for India as it alters existing trade practices and regulations. The new legislation can even be considered as a second generation tax reform in the field of indirect taxation. The much awaited and celebrated reform in the domain of taxation is all set to sail and now is the right time to think about the expectations, perceptions and general attitude of traders about GST. The study explores the awareness levels of traders about the goods and services Tax.

The study aims to be familiar with the perceptions towards existing tax system, awareness of GST among the traders of different categories and their turnovers with problems and challenges. It is reported that the lack of information coupled with the apathy towards reforms may paralyze the speedy implementation town where still not a single orientation programs have been planned executed till dated by competent authorities. It is very important to conduct various GST awareness programs for traders to make them more familiar with GST practices.

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