

INTRODUCTION OF GOODS AND SERVICE TAX

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Are you
Ready for
Learning
GST?

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INTRODUCTION

- ◉ **G - Goods**

- ◉ **S - Services**

- ◉ **T - Tax**

- ◉ Goods and Services Tax is a comprehensive tax levied on Manufactures, Sales & consumption of goods and services at a national Level.
- ◉ Goods and Services Tax would be levied at each stage of sale or purchase of goods or service based on Input tax Credit Method.
- ◉ GST is said to be the most revolutionary tax reform that is being taken undertake since independent it is going to replace all major indirect taxes applicable in our country.

MEANING

- **GST is a tax on goods and services**
- **It is similar to VAT**
- **It is a single indirect tax for the whole nation one which made India a unified common market.**
- **It is a single tax on the supply of GST right from the manufacturer to the consumer.**
- **The persons whose turnover in a financial year is more than Rs.20 Lakhs are need to be registered under GST. For registering under GST, PAN is compulsory. All the registered taxable persons will get a 15 digit PAN based GSTIN.**

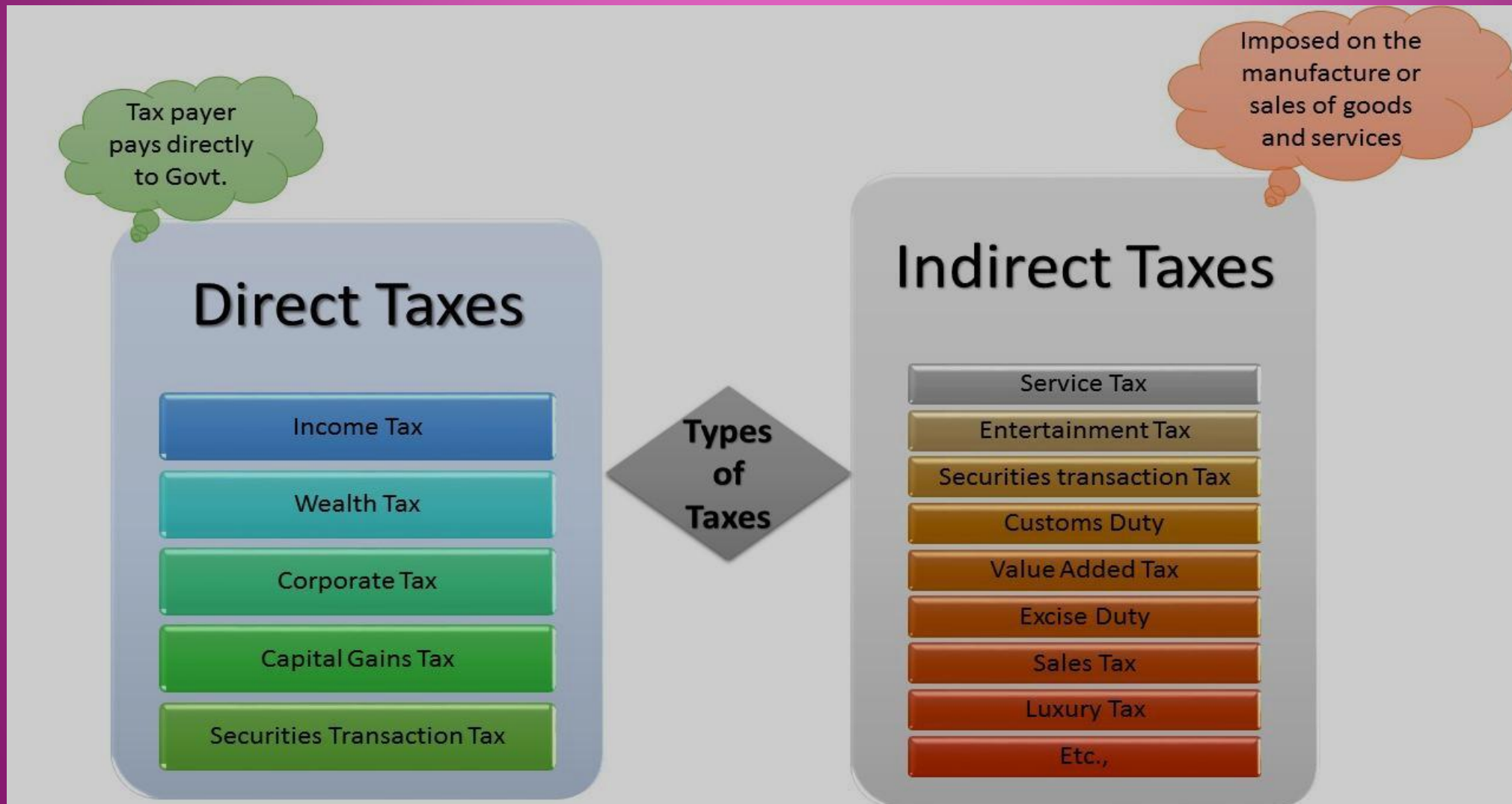
WHY DO WE NEED GST

- ◉ In Indian economy the service sector contribute over 55%
- ◉ Separate taxation of goods and services is neither viable nor desirable.
- ◉ value added in manufacturer and sale of goods requires inputs of both goods and services and vice versa which is often not separable
- ◉ It is Simple tax system and it replace the existing multiple tax structure of center and state.
- ◉ Transparency in tax system and uniform prices throughout the nation.

HISTORY

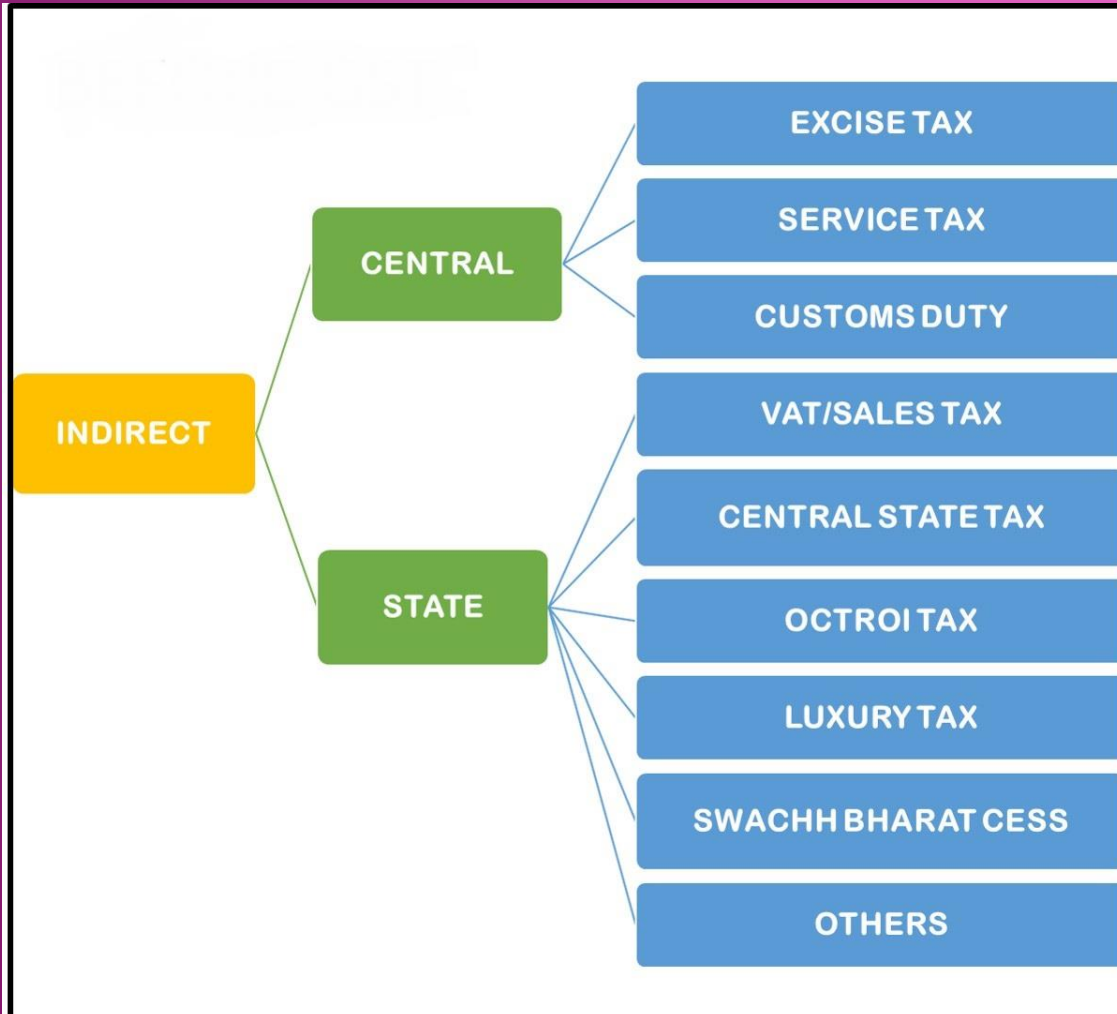
- ◉ In most countries in the world, a single VAT exist which covers both goods & Services.
- ◉ All Sectors are taxed with very few exemptions Canada and Brazil alone have a dual VAT.
- ◉ 159 Countries are following GST
- ◉ India also likely to adopt dual GST model
- ◉ Introduced by - Vajpayee Government in 2000
- ◉ Original Idea - union budget 2006-2007
- ◉ Applied - 1st April 2010
- ◉ Bill passed in Lok Sabha - 6th May 2015
- ◉ Bill passed in Rajya Sabha - 3rd August 2016
- ◉ Implemented by - 1st July 2017

PRESENT TAX STRUCTURE IN INDIA

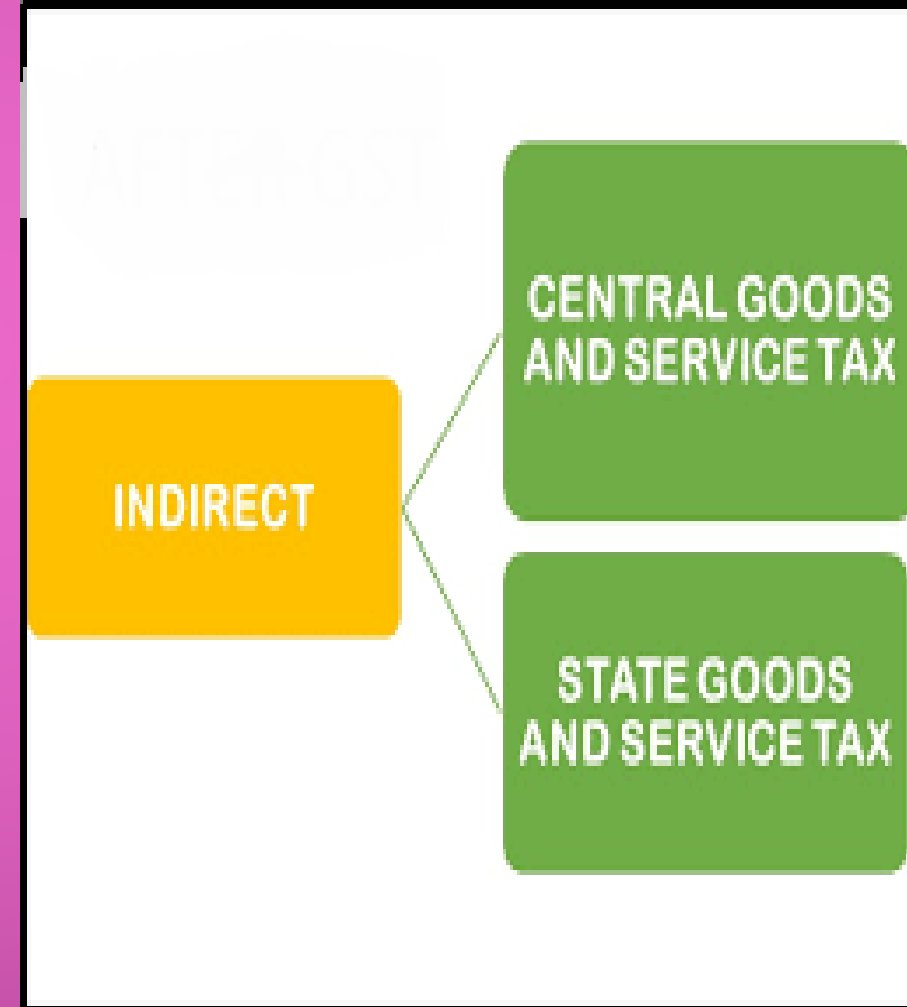


PRESENT TAX STRUCTURE IN INDIA

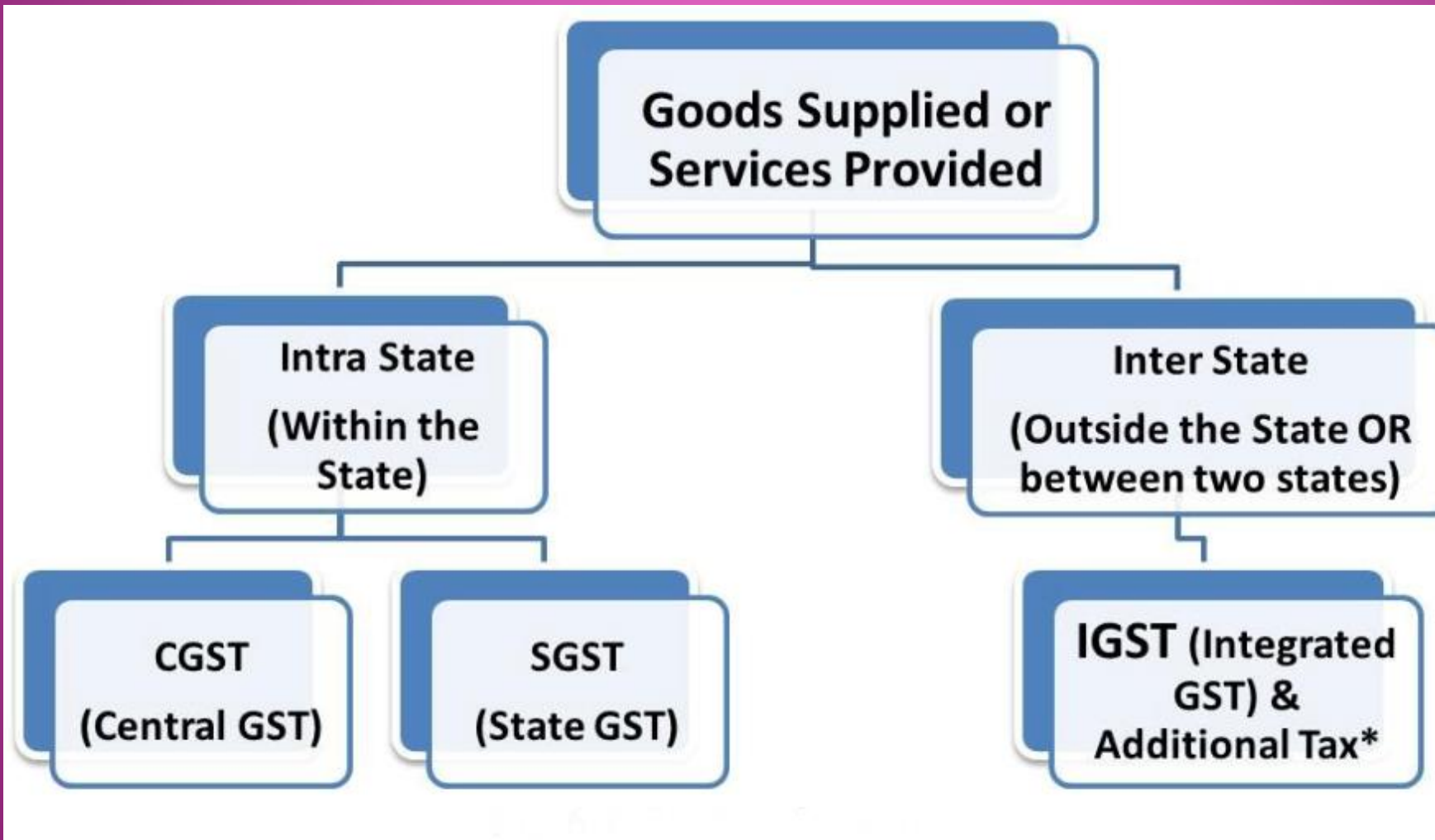
BEFORE GST



AFTER GST



PRESENT TAX STRUCTURE IN INDIA



Overview of GST



