

Goods And Services Taxes Impact On Import And Export.

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Abstract:-Goods and service taxes is a tax which is levied on all sorts of indirect taxes. This is made to reduce all kinds of indirect which are affecting the exports and imports of the country. India the seventh largest economy which is also known as the fastest growing economy of the world is progressing well to come over China. The main factor that helps the economy to perform well and have good economic condition is its trade activity which an economy practices to be the best. So it is very important to have a better international trade and best domestic trade in an economy.

The paper gives a clear description about the “Goods and Services Taxes Impact on Import and Export”.

Keywords:GST,IGST,Export and Import, Trade and Economy.

I. Introduction:-

The stream of any services is noted as an Import and export. The receiver of the service is India and its market and provider of the service is from outside and outside market. This service is not dependent on any person or individual. Export and import service can happen by many different aspects. The payment factor of the export and import will not be dependent on any individual it will be done on the respective comfortable mode opted by the payer.

After the implementation of GST in Indian economy there is a drastic improvement in the level of the trade. The export has become comfortable as there is reduction of taxes imposed at all the levels of exports and import has also become easy and been affordable.

Objectives:

- To study how GST made its impact on import.
- To study how GST made its impact on export.

Treatment of import and export of goods and service under GST:-

Stream of buying and selling of goods and services in case of import and export has been reflected as inter-state and cross country trade.

IGST- The “Integrated Goods and Service Tax” is a tax which is levied on to the supply of goods or service which is done in a boundary of the inter-state trade.Hence the Integrated Goods and Service Tax (IGST) an Act is valid to practice the trade activities in all imports and exports.

Impact of GST on import:

According to the model of the GST Law, GST consist of **CVD** and **SAD** which means the **Countervailing Duty** and the **Additional Duty**, which are the main factor of the import activities and the basic customs will be carried out as before as it is an important factor in construction of the import bills.

The implications to import are:-

- The imports in India are considered as the inter-state supply and are attracting the Integrated Goods and Service Tax to perform better import.
- The import of service is provided by the person who is residing outside India. And the payment of liability is done by the receiver.
- CVD was charged on the principle value but after IGST implemented it is charged on the transaction value.
- Tax paid during the import will be remained as a credit under import and sale model and refund of SAD will be done.

Impact of GST on export:-

- GST considers export as “ZERO RATED SUPPLIERS”.
- In case of GST payment made at the point of supply towards the export from India then the trader has an option of exporting the goods and services without paying ISGT under the bonds or letters, or make a payment of IGST and can later claim for refund of the amount.
- Both in the above two cases the exporter must provide a complete details of the GST invoice and the shipping bills.

II. Findings And Suggestions:

FINDINGS:

- There is a positive improvement in the trade within the domestic space and in the outskirts of the nation.
- GST had reduced the tax burden on the importers and has given a wide opportunity to promote the best exports.
- The delaying of trade transaction due to payment of several taxes has reduced and timely delivery of goods and services is possible due to the implication of GST.
- GST had made the individual grow more efficient and feel comfortable.

SUGGESTIONS:

- GST must concentrate more on the export factor as India is a developing nation.
- As Trade is also one of the major components of finance, it should work better toward this to reduce inflation and corruption.
- Excise duties levied on the individuals should not be a burden to them it should be affordable.

III. Conclusion:

From the above information it is clear that there are several reasons to tell that implementation of GST have many positive impacts on the import and export of goods and services. The GST tax system has reduce the burden of the individuals and made single tax system which helps in better international imports and best domestic exports. Greater transparencies in the tax system have risen due to GST. Solitary rate of goods and service tax have helped the traders in domestic trade because the goods can be sold at any part of the country at a same rate.

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