

Recent Changes in GST for Simplification of GST Compliance in India: An Overview

Dr. Shinde Bhausaheb Nanasaheb, Dr. Dhotre Avinash Changdeo

Assistant Professor, Deogiri College (Autonomous), Chhatrapati Sambhaji Nagar, Maharashtra, India

ABSTRACT

Goods and Services Tax (GST) is the big reforms in Indian indirect tax structure. GST is a unified tax system that replaced multiple indirect taxes levied by both the Central and State Governments. To simplify the process of GST many changes were made in the GST Compliance since its inception. This study is based on secondary data which collected from various sources such as books, articles, research papers, magazines websites etc. The present study is an attempt to study the present scenario of GST in India, to explore the facts regarding changes in the provisions of GST for simplification of GST compliance and highlights the major changes in GST.

KEYWORDS: Goods and Services, Tax, Compliance, VAT, CGST, SGST

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INTRODUCTION

GST is known as the Goods and Services Tax. It is an indirect tax which has replaced many indirect taxes in India such as the excise duty, VAT, services tax, etc. In India the Goods and Service Tax Act was passed in the Parliament on 29th March 2017 and came into effect on 1st July, 2017.

In other words, Goods and Service Tax (GST) is levied on the supply of goods and services. Goods and Services Tax Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. GST is a single domestic indirect tax law for the entire country.

GST is a unified tax system that replaced multiple indirect taxes levied by both the Central and State Governments. Under GST, both the Central and State Governments share the authority to levy and collect taxes on goods and services.

Review of Literatures:

Following are the some reviews of literatures related with Goods and Services Tax taken by the researcher:

Krishna Samaddar (2018)¹, in his research paper he explained the history and concept of GST. He mentioned the positive and negative impact of GST implementation. He highlights the impact of GST implementation on various Sectors such as Pharma, FMCG, Real Estate, Telecommunication, Agriculture, service, textiles etc. He mentioned the various Challenges in implementation of GST in India and concludes that the GST increase collection of tax and it is boosting the country's economical development.

Kumar A. and Nayak R. (2017)², in their research they highlights the difference between indirect tax system and Goods and Services Tax. According to their study present GST system has removed many hurdles while filing the taxation; it is easier than earlier tax system.

Kumar P. and Sarkar S. (2016)³, the researchers in their research paper described the history of GST at National and International level. In their research study they highlights on benefits of GST to customers, industries, exporters and economy.

Dr. Manisha Shinde (2019)⁴, in her research paper she highlight tax structure in India and its impact on different areas of the Indian economy.

Maruthi M. V. (2020)⁵, In his research paper he highlights the background of the taxation system in India, its benefits to the various sectors of the Indian economy, comparison of Indian GST system with other countries and challenges about implementation of GST.

Mukesh K. Sharma, Suniti Saini (2019)⁶, in their research study they attempts to study the awareness of impact of GST. According to his analysis indicates that businessman are aware about GST and respondent opined that it's a fair tax system but it requires more clarity, simplification in procedure because they to depend on CA's during the online submission of GST.

Neeta Deepaware and Dr. Shivangi Dwivedi (2022)⁷, in his research paper entitled GST in India: It's impact on Indian economy, he pointed out the favorable and unfavorable impact of GST, he highlights the impact of GST on different sectors of economy. In conclusion he mentioned that to measure the impact of GST, we need to wait and government needs to communicate more and more about the system.

Dr. N. Thyagaraju (2020)⁸, in his research paper He described the historical scenario of Indian taxation and its tax structure. Researcher focused on evolution of GST, Challenges, revenue etc. He explained the impact of GST implementation on various sectors of the country's economy.

According to review of various literature it is clear that most of the studies conducted on the framework of GST, It's usefulness and impact on various sectors,

its implementation etc. There is research scope in the area of time to time changes made by the Government and GST council for simplification of GST Procedure.

Research Gap: Many authors conducted research study on GST and its implementation covering different issues such as awareness about the GST, impact of GST on various sectors, Comparative study of GST in India and other countries etc. There is further scope for study in the area of recent changes in GST for simplification of GST compliance in India.

Research Questions:

1. What is the present Scenario of GST in India?
2. Whether Government and GST Council made any changes in provisions of GST for simplification of GST compliance?
3. What are the recent changes?

Objectives of the study:

This study is based on the following broad objectives:

1. To study the present scenario of GST in India.
2. To explore the facts regarding changes in the provisions of GST for simplification of GST compliance.
3. To highlight the major changes in GST.

Research Methodology:

Data Collection:

Meta data were used in this research regarding GST in India. Data were collected from secondary sources such as books, articles published in newspaper, journals, magazines, websites etc. Research papers published in national and International journals and the various websites.

GST in India:

Table 1 Year Wise History of GST in India at Glance

Sr. No.	Year	Year wise history of GST in India
1.	2000	An Empowered Committee consisting of State Finance Ministers is set up
2.	2006	The then Finance Minister, P Chidambaram, announced the implementation of GST on April 1, 2010.
3.	2009	The Empowered Committee of State Finance Ministers submitted the first discussion paper on GST in India.
4.	2010	President Pranab Mukherjee announced the delay in introducing GST, proposing to introduce it in April 2011
5.	2011	The Constitution (115th Amendment) Bill focused on the introduction of GST in India was introduced in the Lok Sabha. The Lok Sabha then refers the Bill to the Standing Committee on Finance for a detailed examination.
6.	2013	The Standing Committee on Finance submits the report on the Constitution (115th Amendment) Bill.
7.	2014	The Lok Sabha dissolution leads to the lapse of the Bill. The Constitution (122nd Amendment) Bill introduced in the Lok Sabha focused on introducing GST.

8.	2015	The Bill was passed by the Lok Sabha and referred to a Select Committee in the Rajya Sabha. The Select Committee submits the report. Chief Economic Advisor-led Committee submits a report on the possible GST rates.
9.	2016	The Bill is passed by both the Lok Sabha and the Rajya Sabha and is then notified as the Constitution (101st Amendment) Bill. The first state to ratify the Bill in Assam. President Pranab Mukherjee gives his assent to the Bill. The Union Cabinet approves the setting up of the GST Council, following which the first GST Council meeting is held in New Delhi.
10.	2017	The CGST Bill, IGST Bill, UTGST Bill, and GST (Compensation to States) Bill is introduced in the Lok Sabha. The Bills are passed by the Lok Sabha and the Rajya Sabha, after which the GST Acts are notified. The GST Council notifies GST rates and cess on goods and services. 1st July, the official rollout of GST.
11.	2018	Introduction of TDS provisions along with the filing of GSTR-7. Introduction of E-way bill system for inter-state movement of goods.
12.	2019	The reverse charge mechanism is made applicable. Restrictions on availment of ITC for Section 36(4).
13.	2020	Introduction of e-invoicing voluntarily. Quarterly return monthly payment scheme. June – Relief to taxpayers in view of COVID-19.
14.	2021	Introduction of GSTR-8 and GST on service supplied by restaurants through e-commerce operators. GST on services supplied by State Govt. to their undertakings or PSUs by way of guaranteeing loans taken by them.

(Source : Compiled from various websites)

The above Table No.1 describes the year wise progression of Goods and Services Tax in India. It is observed that as per the need of the time government and GST council made changes and up gradation in the GST.

Changes after GST introduction

GST is focused on the “supply” of goods and services as opposed to the older taxes that were also applicable to the manufacturing process. Since it is focused on supply, it is regarded as a destination-based tax.

- It has replaced a host of taxes, including-
 - Service tax
 - Central Excise Duty
 - Additional duties related to Excise
 - Special Additional Customs Duty
 - Additional duties related to Customs
 - Other cesses and surcharges
- GST has absorbed the following taxes-
 - Central Sales Tax
 - Value Added Tax (VAT)
 - Luxury Tax
 - Purchase Tax
 - Entertainment Tax (except taxes levied by local entities)
 - Taxes on lottery, gambling, advertisements
 - Entry Tax
- Since it follows the “one nation, one tax” ideology, the cascading effect of taxes is now mitigated.
- Fresh GST registrations are necessary for every state where the business has branches or intends to make outward supplies.
- The components of GST include-
 - CGST – Central GST
 - SGST – State GST
 - IGST – Integrated GST
- Section 9 (4) deals with the Reverse Charge Mechanism, which is unique to GST, where a person buying goods from an unregistered dealer will be liable to pay GST on a reverse charge basis.
- Section 9 (5) deals with the GST charged on the supply of services by restaurants through e-commerce operators.

8. Sections 51 and 52 of the GST Act came into effect to state the authority and procedure with regard to the TDS mechanism under GST.
9. E-way bill system was introduced to track the inter-state movement of goods and is mandatory where the value of the goods transported exceeds Rs.50,000.
10. The introduction of e-invoices is a significant step towards combating tax evasion.
11. GST is a digital tax since the returns, and their related details are filled through the web portal. The supporting documents are also submitted on the portal, thus enabling easy tracking of transactions.

Recent changes in GST Provisions:

Old Return-filing System	New Simplified Return System
Taxpayers considered small if turnover is up to Rs 1.5 crore in the preceding financial year, otherwise considered large taxpayers	Taxpayers considered small if turnover is up to Rs 5 crore in the preceding financial year, otherwise considered large taxpayers
Multiple return forms to be filed depending on the category of taxpayers, such as – GSTR-1, GSTR-4, GSTR-5, GSTR-6, GSTR-7, etc	A single simplified main return form GST RET-1 containing 2 annexures GST ANX-1 and GST ANX-2 to be filed by all categories of taxpayers
Revenue invoices can be uploaded only at the time of filing of returns of outward supplies	A mechanism for the continuous upload of revenue invoices on a real-time basis
Input tax credit could be claimed on a self-declaration basis	Input tax credit can be claimed based on invoices uploaded by the supplier
Missing invoices and amendments, if any, could only be made in the return of the following tax period	Missing invoices and amendments, if any, can be made by filing an Amendment Return
Taxpayers have to file GST returns until their registration has been cancelled, even if an application for cancellation of registration has been submitted	Registration will now be suspended, in cases where a taxpayer has applied for cancellation of registration, and returns will not need to be filed for this period

Conclusion:

After detailed discussion on recent changes in GST for simplification of GST compliance in India, it is concluded that the government of India and GST council made many changes in GST for simplification of GST process and compliances. It is noted that whatever changes had been made it makes GST procedure easy and simple and more users friendly.

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