



Public perception towards goods and services tax – A case study in Hyderabad district of Telangana state

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Abstract

Public perception is an important driver for successful implementation any government policies and procedures. Goods and services tax is drastic change in indirect tax system in India which shows direct impact on the public consumption particularly in newly emerged States in the country. Therefore, present study emphasized on the assessment perception of various stakeholders such as public, traders, tax consultants and officials on the GST implementation and its effect on the different aspects. The sample size consists of 800 including all stakeholders. The used Five-point Likert Scale in collecting information and used ANOVA test to find out significance in variations among public perception. The study revealed that majority of stakeholders expressed positive opinion towards GST system in India. The study observed insignificant variations in public perception towards SGT in Telangana.

Keywords: Goods and services tax, public perception, trader's perception, Telangana Stage

Introduction

In Social Science discipline, perception is explained in a variety of ways. In simple ways, perception is act of being aware one's environment through physical sensation which denotes an individual's ability to understand. In specific words, the social perception is a complex phenomenon that varies from the environment of the perceiver and the perceived. As the study focussed on the analysis of the exceptional difference of the stake holders such as customers, consultants, traders and officials of GST, apart from analysing the impact of GST on Telangana State, a few statements relating to GST implementation in India are identified from the review of literature and the validity of the statements tested and verified by undertaking a pilot study, an attempt has been made to examine the select stake holders perceptions towards GST implementation through the structured questionnaire, wherein all the select statements are appropriately included and the results of the same are presented in brief hereunder.

Review of Literature

Amar Ranjan Dey (2024) ^[1] conducted a descriptive research work on the public perception on GST in Nagaland State among 376 members as sample size and selected through stratified sampling technique. The study observed static prices of goods is the same all over the country during post GST period and goods are quickly transferred than earlier. The GST reduces the paperwork, and a taxpayer can file their return quickly. Besides, the study also found that the new tax regime would increase transparency in the Indian indirect tax system, increasing India's revenue. The GST regime reduced corruption and loopholes in the indirect taxation system due to online filing system.

Kanika Gupta (2023) ^[2] analysed the awareness level and perception of 391 retailers from beverage and food retail sector and healthcare retail sectors in Delhi, Gurugram, Noida, and Faridabad. The sample respondents are selected through multi stage sampling and snow ball techniques. The study found that determinants of GST in Retail sector are

namely Cash flow, facilitating Input tax credit, and eliminating cascading effects and curb tax evasion. The study also revealed that GST is beneficial to the government, increase in transparency, reduce corruption, reliable and convenient, and faceless access.

Sarkhot, Uzma Ayub (2023) ^[3] revealed that, majority of public are well aware on GST tax rates, GST provisions, and applicable goods and services. They believed that GST avoids cascading effect, brings uniformity in tax rates and simplify tax system. The study also observed that 48.6% believed that burden of tax has not reduced while 45.7% stated that the burden of tax has reduced. Besides, 83 percentage were aware of the taxes that were merged with GST. Further, 94 percentage of the respondents believed that during post GST period quantity of goods and services purchased by customers declined significantly.

Lakshmikantam Sala (2022) ^[4] investigated the perceptions of 1200 retailers and customers towards the GST in the city of Vijayawada, Andhra Pradesh. The study measured the awareness levels of selected respondents on the aspects such as GST rates and coverage, its impact on national revenue and customers, in curbing tax evasion. The study revealed that significant variations in awareness levels and opinions among respondents, which calls for continuous education and communication efforts.

Ameen, N. O. (2020) ^[5] examined the customer awareness on the GST system in restaurants in Chennai City. The sample size included 124 customers. The study adopted chi-square test and found that age wise significant level variation in of level awareness and satisfaction on GST application in restaurants in Chennai. The study also observed that GST rates on restaurants are very cost burden and demands for reduction.

Research Framework

1. Need of The Study

Introduction of Good and Service Tax in India is considered as one of the drastic reforms in Indirect Tax system. However, initially it is very complicated and challenging in

implementation to achieve the one country and one market objective. It faced opposition from the various stakeholders such as public, retailers, State governments, and traders etc. However, with far discussion with all of them, GST implemented since 2017 July 1st. Since ever till now public and other stakeholders’ perception on GST is not much focused by the researchers in general and particularly in Telangana State. Therefore, present study focused to fulfill this gap.

2. Research Objectives

- To study the public perception of on the different aspects of the GST in Telangana
- To study the Traders perception of on the different aspects of the GST in Telangana
- To study the Tax consultant’s perception of on the different aspects of the GST in Telangana
- To study the Officials of on the different aspects of the GST in Telangana

3. Hypothesis Examined: Present study is formulated and analyzed the following hypothesis with appropriate statistical techniques.

H1: There is insignificant perception difference among the Stake Holders towards Cascading Effect on indirect tax system.

H2: There is insignificant perception difference among the Stake Holders towards Tax Burdon reduction.

H3: There is insignificant perception difference among the Stake Holders towards GST as Unified Tax System,

H4: There is insignificant perception difference among the Stake Holders towards drop in prices of Products and Services Price,

H5: There is insignificant perception difference among the Stake Holders towards growth in Revenue of State and Central Government

4. Research Methodology

Present study is an explorative study focused on the assessment of public perception towards GST in Telangana State. The study used primary data collected from the five-point Likert Scale with well-structured questionnaire. In the study hypothesis is examined with ANOVA test. The sample size of respondents consists of customers (350), Tax consultant (150), Traders (150) and officials (150) and total are 800 respondents. The study has in Ranga Reddy district of Telangana State. The sample size is selected through purposive sampling technique. The selected variables are cascading effect, anti-profiteering, economic development, prices of the products and services etc.

Data Analysis and Interpretation

Analysis of Demographic Profile of Sample: As the study is based on the perceptions of the Stakeholders of GST, such as Customers, Tax Consultants, traders and officials, an attempt is made to understand the demographic profile of the sample with a view to understand whether the perceptions differ based on the select demographic features of the respondents. The following table 2.1 presents the select demographic variables such as Gender, Age, Education, Type, and Customers’ occupation of the select stakeholders of GST in Greater Hyderabad of Telangana.

Table 1: Demographic Profile of Respondents

Attribute	Classification	Total (n = 800)	
		Frequency	%
i) Gender	Male	660	82.5
	Female	140	17.5
	Total	800	100.0
ii) Age	Below 25 Years	160	20.0
	25-35 Years	320	40.0
	35-45 Years	200	25.0
	Above 45Years	120	15.0
	Total	800	100.0
iii) Education	Below SSC	168	21.0
	Intermediate	225	28.1
	Graduate	232	29.0
	Above Graduate	175	21.9
	Total	300	100.0
iv) Type	Customer	350	43.75
	Tax Consultant	150	18.75
	Traders	150	18.75
	Officials	150	18.75
	Total	800	100.0
v) Customers’ Occupation	Govt. Employee	60	17.14
	Private Employee	132	37.71
	Unemployed	48	13.71
	Business	88	25.14
	House Wife	22	6.29
	Total	350	100.0

Source: Compiled from survey

On the basis of the above table-2.1, a brief note on the demographic nature of the respondents is presented here under:

- 1. Gender:** In the total participation of the study, out of 800 respondents, women are only 17.5 percentage i.e. 140 members majority from customers and 82.50 percentage is male respondents. The study observed that, there is no or few women in the categories of consultants, traders and officials. The majority of respondents are male and reflects their opinion exclusively.
- 2. Age:** The study found that, in total participants of 800, 20 percentage (160 members) is below 25 years group, 40 (320 members) percentage of respondents belongs to age group of 25-35 years, 25 percentage (200 members) of respondents belongs to age group of 35-45 years and 15 percentage of respondents belongs to age group of above 45 years. This indicates majority of respondents 75 percentage of respondents is above 25 years age group.
- 3. Education:** The study found that, in total participation of 800 respondents, 21 percentage (168 members) educations is below SSC, 28.1 percentage (225 members) of respondents completed intermediate education, 29 percentage (232 members) of respondents completed Graduation and 21.9 (175 members) percentage of respondents completed above graduation.
- 4. Type of Respondents:** The study analysed that, in total participation of the respondents of 800 members, 43.75 percentage of respondents is customers (350 members), 18.75 percentage (150 members) is traders, another 18.75 (150 members) percentage of respondents is consultants and 18.75 (150 members) percentage of respondents is officials.

5. Customers' Occupation: The study analysed that, in total respondents of the customers 350 members, 17.14 percentage (60 members) is government employees, 37.71 percentage (132) of customers are private

employees, 13.71 percentage (48 members) of customers are unemployed, 25.14 (88 members) is occupation is business and 6.29 percentage of customers occupation is house wife.

Table 2: Public Perception on Gst In Telangana State

Q. No	Statement	SA	A	N	DA	SA	Total
8.1	GST changed entire indirect tax system in India	192 (24)	320 (40)	128 (16)	64 (8)	96 (12)	800 (100)
8.2	GST minimizes the cascading effect	88 (11)	424 (53)	192 (64)	64 (8)	32 (4)	800 (100)
8.3	GST reduces the tax burden on customers, manufacturers, traders and staff	192 (24)	320 (40)	160 (20)	96 (12)	32 (4)	800 (100)
8.4	GST is highly transparent and accurate	128 (16)	192 (24)	160 (20)	220 (27.5)	100 (12.5)	800 (100)
8.5	GST made India as "one country, One market and One tax"	256 (32)	416 (52)	64 (8)	32 (4)	32 (4)	800 (100)
8.6	Anti-profiting clause is highly beneficial for customers	224 (28)	381 (47.6)	93 (11.6)	67 (8.4)	35 (4.4)	800 (100)
8.7	Prices of products and services significantly dropped after GST	147 (18.9)	200 (25)	190 (23.7)	128 (16)	135 (16.8)	800 (100)
8.8	GST will improve the revenue growth to the State and country	96 (12)	480 (60)	128 (16)	32 (4)	64 (8)	800 (100)
8.9	GST is tax rats are reasonable and bearable	192 (12)	288 (36)	192 (24)	160 (20)	64 (8)	800 (100)
8.10	GST reduced tax evasion and improved tax payment system efficiently	64 (8)	416 (52)	192 (24)	96 (12)	32 (4)	800 (100)
8.11	GST Law, rules, forms, procedures are simple and unambiguous.	96 (12)	256 (32)	128 (16)	192 (24)	128 (16)	800 (100)
8.12	The timely inclusion and exclusion goods and services from GST is very useful	160 (20)	448 (56)	64 (8)	96 (12)	32 (4)	800 (100)
8.13	In overall, GST significantly contributes for economic development of the country	192 (24)	480 (60)	72 (9)	58 (7)	0 (0)	800 (100)

SA: Strongly Agreed A: Agreed N: Neutral DA: Disagreed SA: Strongly Agreed

Source: Field Study

Discussion on Result

- The study found that, 24 percentage is strongly agreed and 40 percentage all categories of respondents agreed that GST replaced entire indirect system in India by inclusion of major Central and State taxes and reduced confusion among the public. In contrast, 12 percentage is strongly disagreed and eight percentage of all categories of respondents disagreed to the statement due to ignoring of some taxes such as Basic custom duty, petroleum products, natural gas, aviation turbine fuel. However, 16 percentage of respondents expressed neutral opinion due of lack of knowledge on the indirect tax system in India.
- The study found that, 11 percentage is strongly agreed and 53 percentage all categories of respondents agreed that GST reduced the cascading effect on prices of goods and service in India. In contrast, four percentage is strongly disagreed and eight percentage of all categories of respondents disagreed to the statement due to opinion that GST reduce the cascading effect but the still prices of products and services are not reduced significantly. However, 24 percentage of respondents expressed neutral opinion that exclusion of some goods indirectly causing high prices of products and services.
- The analyses revealed that, 24 percentage is strongly agreed and 40 percentage all categories of respondents agreed that GST reduced the tax burden on them

- particularly manufacturers & traders expressed high positive view on tax reduction than others. In contrast, four percentage is strongly disagreed and 12 percentage of all categories of respondents disagreed to the statement due to opinion that GST did not reduced tax burden on them because inclusion of many products and service such as GST on payment of bank interest, premium and exclusion of items such as crude oil, gas etc increased tax burden on them. However, one fifth of respondents expressed neutral opinion that exclusion of timely inclusion and exclusion of goods and frequent changes in rates causes wait for some period until its GST system gets full shape
- The analyses witnessed that, 16 percentage is strongly agreed and 24 percentage all categories of respondents agreed that GST improved transparency accuracy in tax system which result in price discovery, increased tax payment, reduce tax evasion etc. In contrast, 12.50 percentage is strongly disagreed and 27.50 percentage of all categories of respondents disagreed to the statement due to opinion that in practical the seller of products are not disclosing the GST rates applicable on their products and selling the products at higher prices by name of GST. However, one fifth of respondents expressed neutral opinion to the statement due lack of adequate knowledge on the GST applicability, rates and updates.

- The analyses witnessed that, 32 percentage is strongly agreed and 52 percentage all categories of respondents agreed that GST makes India as single market with unified tax system, However, they felt that it is possible in the long run only with wide struggle. In contrast, four percentage is strongly disagreed and four percentage of all categories of respondents disagreed to the statement due opinion that still GST included different rate slabs, so many products are out of the GST purview and shows huge effect on the public expenditure. However, eight percentage of respondents expressed neutral opinion to the statement due to opinion that it is very challenging of making one tax one market of the country where religion, region and political dissimilarity plays crucial role.
- The study evidence that, 28 percentage is strongly agreed and 47.60 percentage of all categories of respondents agreed that Anti-profiteering is highly beneficial to the customers if it applied perfectly. But, in practical whether they are not reducing price. In contrast, 4.4 percentage is strongly disagreed and 8.4 percentage of all categories of respondents disagreed to the statement due opinion that practically traders are not reducing the prices and moreover charging high price by name of GST. However, 11.60 percentage of respondents expressed neutral opinion to the statement due to opinion they have poor knowledge on GST rates and how they are frequently changing.
- The study evidence that, 18.38 percentage is strongly agreed and 25 percentage of all categories of respondents agreed that prices of products drop significantly during post GST period, this observed only in some exempted goods and low GST rate goods. In contrast, 16 percentage is strongly disagreed and 16.88 percentage of all categories of respondents disagreed to the statement some products price are increased significantly during post GST period due to high tax rates such as restaurant items, bank online payment, insurance premium payments, luxury products etc. However, 23.75 percentage of respondents expressed neutral opinion to the statement.
- The study evidence that, 12.0 percentage is strongly agreed and 60 percentage of all categories of respondents agreed that GST led significant growth in the revenue of State and Centre governments. In contrast, eight percentage is strongly disagreed and four percentage of all categories of respondents disagreed to the statement due to the opinion that central government is highly benefited than State government and there is some issue regarding Sharing of GST with State governments and cess is another issue which is only collected and retained by the Central. However, 16 percentage of respondents expressed neutral opinion to the statement.
- The study evidence that, 12.0 percentage is strongly agreed and 36 percentage of all categories of respondents agreed that GST rates are reasonable and bearable due to zero tax on essential products. In contrast, 20 percentage is strongly disagreed and eight percentage of all categories of respondents disagreed to the statement due to the opinion GST rates are very high on some goods which are non-bearable and said they should be reduced further. Crude oil products and gas should be brought under GST. However, 24 percentage of respondents expressed neutral opinion to the statement.
- The study evidence that, eight percentage is strongly agreed and 52 percentage of all categories of respondents agreed that post GST period tax evasion is reduced and tax payment system is improved. In contrast, four percentage is strongly disagreed and 12 percentage of all categories of respondents disagreed to the statement even post GST period also many traders and manufactures are finding tax evasion in India which is evidence for GST notices by the tax authorities. However, 24 percentage of respondents expressed neutral opinion to the statement.
- The study evidence that, 12 percentage is strongly agreed and 32 percentage of all categories of respondents agreed that they have knowledge on the GST rules, laws, forms and procedures, this is particularly observed from the officials and trades, consultants. In contrast, 16 percentage is strongly disagreed and 24 percentage of all categories of respondents disagreed to the statement due to poor knowledge on rules, laws, formats and procedure, this is particularly observed from the general public. However, 16 percentage of respondents expressed neutral opinion to the statement.
- The study evidence that, 20 percentage is strongly agreed and 56 percentage of all categories of respondents agreed that periodical inclusion and exclusion of goods and services from GST has great useful public and useful in the long run. In contrast, four percentage is strongly disagreed and 12 percentage of all categories of respondents disagreed to the statement due to the opinion periodical inclusion and exclusion of goods and services from GST creates some confusion to the public and it is useful to the trader most. However, eight percentage of respondents expressed neutral opinion to the statement due to no knowledge on periodical inclusion and exclusion of products in GST.
- The study evidence that, 24 percentage is strongly agreed and 60 percentage of all categories of respondents agreed that GST significantly contribute the economic development of country, this evidence of fast growth in GST collection in the country. In contrast, seven percentage of all categories of respondents disagreed to the statement due to the high GST rates negatively affect the consumption of public in the long run. However, nine percentage of respondents expressed neutral opinion to the statement there is need of more rationalization in GST rates and inclusion and exclusion of products
- The study evidence that, 34.3 percentage is strongly agreed and 46 percentage of all categories of respondents agreed they have good knowledge on the types of taxes merged in GST and abolished thereafter. In contrast, 2.30 percentage is strongly disagreed and ten percentage of all categories of respondents disagreed to the statement due to poor knowledge different types of taxes. However, seven percentage of respondents expressed neutral opinion to the statement.

Hypothesis Result

- ANOVA result observed that sign value is more than 0.05 in four demographic characteristics which indicates that insignificant difference in the perception of stakeholders on GST minimizes cascading effect. Therefore, present study recommend reject alternative hypothesis and accept null hypothesis
- ANOVA result observed that sign value is more than 0.05 in all demographic characteristics which indicates that insignificant difference in the perception of stakeholders on reduced burden on customer, traders and manufacturers. Therefore, present study recommend reject alternative hypothesis and accept null hypothesis.
- ANOVA result observed that sign value is more than 0.05 in all demographic characteristics which indicates that insignificant difference in the perception of stakeholder's on GST as Unified Tax System, Therefore, present study evidence for reject alternative hypothesis and accept null hypothesis.
- ANOVA result observed that sign value is more than 0.05 in all demographic characteristics which indicates that insignificant difference in the perception of stakeholder's on significant drop in prices of products and services during post GST period. Therefore, present study evidence for reject alternative hypothesis and accept null hypothesis.
- ANOVA result observed that sign value is more than 0.05 in all demographic characteristics which indicates that insignificant difference in the perception of stakeholder's (except age) on significant growth in revenue of State and Central government. Therefore, present study evidence for reject alternative hypothesis and accept null hypothesis.

Conclusion

Public perception is an important driver for successful implementation any government policies and procedures. Goods and services tax is drastic change in indirect tax system in India which shows direct impact on the public consumption particularly in newly emerged States in the country. Therefore, present study emphasized on the assessment perception of various stakeholders such as public, traders, tax consultants and officials on the GST implementation and its effect on the different aspects. The sample size consists of 800 including all stakeholders. The used Five-point Likert Scale in collecting information and used ANOVA test to find out significance in variations among public perception. The study revealed that majority of stakeholders expressed positive opinion towards GST system in India. The study observed insignificant variations in public perception towards SGT in Telangana.

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