Good and Service Tax (GST):-

GST is an Indirect Tax which has replaced many indirect Tax in India. GST Act was passed in the parliament on 29TH March 2017. The Act came into effect on 1st July 2017. GST is one indirect tax for the entire country. Before Goods and Service Tax, the pattern of tax levy was as Follows:

1) Buying Raw material
2) Manufacture
3) Sale to wholesaler/warehousing
4) Sale to retailer
5) Final sale to consumer

There are multiple change of hand on item goes through along it supply change: from manufacture to final sale to consumers.

Components of GST:-

There are three components of GST:-

CGST:- Collected by Central Government on an Inter State sale.

SGST:- Collected by State Government on an Inter State sale.

IGST:- Collected by the Central Government for Inter State sale.

Advantages of GST:-

1) GST is a transparent tax and also reduce number of indirect taxes.
2) GST will also help to build a transparent and corruption for tax administration.
3) Benefit people as price will come down which in turn will help companies as consumption will increase.
4) GST will not be a cost to registered retailers, therefore there will be no hidden taxes and the cost of doing business will be lower.
5) GST is backed by the GSTN, which is fully integrated tax platform to deal with all aspect of GST.

Disadvantages of GST:-

1) Some retail product currently have only four percent tax on them. After GST garments and cloths could become more expensive.
2) Adoption and migration to the new GST system would involve teething troubles and learning for the entire ecosystem.
3) Some expert says that CGST, SGST are nothing but new names for Central Excise/ Service tax, VAT & GST. There is no major reduction in the number of tax layers.

There are five types of GST rates i.e. 0%, 5%, 12%, 18%, 28%