Chapter 8

From Inception to Implementation:
Evaluating the Impact of Goods and Service Tax on Indian E-Commerce Industry – A Critical Comment

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ABSTRACT

Goods and service tax (GST) is a partially centralized and unified indirect taxation system on goods and services, which will sculpt India as a one common market place. GST on one side is being regarded as a paradigm shift in Indian taxation system, as it will comprehend all the indirect taxes levied on manufacturing, sale, and consumption of goods and services across pan India while on the other side there is lot of commotion over its implementation as it is generally perceived that it will bring no benefit for the country as a whole and rather will create more ambiguity cross state and center. Taking cognizance of the shift in the Indian taxation structure and emergence of the GST, the present chapter addresses this dilemma and contradictions by commenting on the various aspects and impacts of GST, specifically on the Indian e-commerce industry.

1. INTRODUCTION

The Indian e-commerce sector has made an astonishing growth in terms of revenue and shipments, ‘along with an unprecedented growth trajectory expected to continue,

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is predicted to be the next BIG Industry’ (Pachisia, V., n.d.). Businesses can flourish and nurture only in tax conducive environment. The indirect tax regime which was considered as less conducive for the growth of e-commerce sector, would now be replaced by Goods and Service Tax (GST). GST is to be implemented in India from in the month of July this year i.e. 2017 (“GST implementation can’t be delayed”, 2017). There are contradictions and commonalities with regards to its impact on Indian economy. However, its impact on Indian e-commerce market, has been less explored by the researchers. The study therefore abides to fill this gap and look forward to explore the impact of GST on Indian e-commerce market place and further map out the obstacles associated with it implementation.

The study at first traces its origin and sets the background by discussing its inception and its current status. The author then discusses in brief about the Indian economy and its taxation structure along with brings newly implemented GST into the picture. Thereafter, the mechanism for levying GST on inter, intra state level us discussed along with comments are made on its aggregate impact. In order to map the associate tax structure of Indian e-commerce industry, the associative business model categories are discussed along with the issues underpinned. Before drawing conclusion, author critically review the major challenges that e commerce is going to counter due to GST.

2. LITERATURE REVIEW

Implementation of GST had been denunciated as well as endorsed by different researchers. The different insights about the GST as submitted by various researchers has been summarised in the literature review below-

Vasanthagopal (2011) while discussing the impact of GST on various sectors of the economy endorsed GST as a big leap and a new stimulus for bringing economic reform in India. Garg (2014) explored the impact and GST on Indian Tax scenario and concluded that it will strengthen out free market economy. Kumar (2014) discussed the silent features of GST and endorsed the progressive impact of GST on the taxation structure prevailing in India before the implementation of GST. The author further appraise GST for the development of common national market in India. Similarly, Parkhi (n.d) through his exploratory research suggested that implementation of GST is a will bring major transformation in the Indian economy and the government is well equipped for that which is a symptom of fast paced economy.
The Moderating Roles of Income and Age in Mobile Commerce Application
[www.igi-global.com/article/the-moderating-roles-of-income-and-age-in-mobile-commerce-application/84046?camid=4v1a](www.igi-global.com/article/the-moderating-roles-of-income-and-age-in-mobile-commerce-application/84046?camid=4v1a)

Celebrity Endorsement in Social Media
[www.igi-global.com/chapter/celebrity-endorsement-in-social-media/149091?camid=4v1a](www.igi-global.com/chapter/celebrity-endorsement-in-social-media/149091?camid=4v1a)