
ONE NATION, ONE TAX: HAS GST TRULY UNIFIED INDIA'S MARKETS?

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ABSTRACT

The implementation of the Goods and Services Tax (GST) on July 1, 2017, was an exciting leap toward economic unification in India by replacing different state and central taxes with a single system. This paper asks the question of whether there has been any promise of "One Nation, One Tax" through exploring GST's impact on inter-state trade, production efficiency, and consumer prices. By combining a deep literature review with fresh empirical data from undergraduate students, professionals, and small business owners, the paper shows how GST has broken down historical barriers and provided compliance efficiencies while promoting competition. Overall, while the GST is a substantial positive step in the process, it is far from the end; there are some challenges for small businesses, and there are a few continued implementation issues that plague the GST. So, the journey continues as India's aspirations of a seamless market are gaining momentum. This paper provides a smart analysis by showing GST's successes and failures as well as the long road to India's monetary unification.

Keywords: Goods and Services Tax, Central Taxes, Literature Review, Empirical Data, Seamless Market, Monetary Unification.

1. INTRODUCTION

It is one of the largest tax reforms in India since its independence and has transformed the indirect taxation mechanism of the country. GST was introduced on July 1, 2017, and has replaced numerous central and state taxes such as excise duty, state VAT, and service tax with one unified tax. GST is a comprehensive, multi-stage, destination-based tax that is applied at each point of value addition, with the tax being applied at the consumption point of supply of goods and services rather than at the origin point.¹

1.1 Background

- **Fragmented and Multi-Layered Indirect Tax System**

Prior to GST, the indirect tax landscape was fragmented and multi-layered. Indirect tax areas were governed by both central and state governments, which (in some circumstances) imposed various taxes, sometimes simultaneously. The central government-imposed excise duty (on manufacturing), service tax (on services), and customs duty (on imports), and the state governments imposed Value Added Tax (VAT), entry tax, octroi, luxury tax, entertainment tax, and central sales tax (CST) on inter-state sales.² Each of these tax levies has its own compliance obligations (taxes could be paid to different agencies), tax rates, and authorities, which left businesses and consumers to navigate a complex and convoluted indirect tax landscape.³

- **Inconsistency and Cascading Effects**

A big issue with the pre-GST system was inconsistency. Each State had its own VAT regulations, rates, and procedures, and that inconsistency was a problem everywhere. This increased the burden of compliance for businesses

¹ Razorpay, 'GST (Goods and Services Tax) Guide: Meaning, Types, Advantages & Disadvantages' (Razorpay, undated) <https://razorpay.com/learn/gst-goods-and-services-tax-guide/> accessed 28 May 2025

² LawBhoomi, 'Taxes Before GST in India' (LawBhoomi, undated) <https://lawbhoomi.com/taxes-before-gst-in-india/> accessed 28 May 2025

³ Shivi Agarwal, 'Comparision of Indirect Tax Before and After GST' (White Black Legal, undated) <https://www.whiteblacklegal.co.in/details/comparision-of-indirect-tax-before-and-after-gst-by---shivi-agarwal> accessed 28 May 2025

respectively in multiple jurisdictions, left room for tax arbitrage, and spurred disputes between States.³

The issue primarily was the cascading effect, also known as “tax on tax”. For example, excise duty was first charged on manufactured goods, at which point VAT was then charged on the value including excise duty. Another example was compounded with the above, that CST was charged on inter-state sales, and entry taxes or octroi were collected when the goods crossed State/municipal lines. It was difficult to set off taxes paid previously on goods sold on imported sales; therefore, tax paid at one stage could not always completely offset tax owed at the next stage, ultimately increasing prices to consumers and thereby reducing the competitiveness of Indian goods.²

- **Barriers to a Unified Market**

The presence of several statewide taxes created artificial barriers to the frictionless movement of goods in India. As goods moved from one state to another, they were subjected to inspections, paperwork, and delays imposed at state borders. These developments increased logistics costs and hindered the establishment of an integrated national market.

- **Compliance Burden and Administrative Inefficiency**

Businesses faced compliance with a variety of tax laws, completed multiple returns, and interacted with various tax authorities. This added extra compliance costs, enabled greater possibilities of tax evasion, and resulted in an extremely opaque system. The administrative machinery was overwhelmed, too; enforcing a myriad of taxes with overlapping jurisdictions stretched the taxation authority.⁴

1.2 Rationale

i. Elimination of Cascading Taxes:

⁴ Swathi Vajjhala, 'A Detailed Account of Taxation under Pre-GST Era' (iPleaders Blog, undated) <https://blog.ipleaders.in/a-detailed-account-of-taxation-under-pre-gst-era/> accessed 28 May 2025

One of the core objectives for implementing GST was to eliminate the cascading (or tax-on-tax) effect of previous indirect taxes. Now, under GST, input tax credits can be claimed at every stage of the value chain, ensuring that you only pay tax on the value added and not on the entire transaction value at each stage of the transaction.

ii. Formation of a Unified National Marketplace:

GST was intended to eliminate inter-state barriers and form one seamless market in India. GST improves the free flow of goods and services, resulting in lower logistics costs, and encourages businesses to expand in India without having to deal with multiple taxes.

iii. Increased Economic Growth and Competitiveness:

GST reduces the collective tax burden and restrains transactional costs, thereby making Indian manufactured goods and services competitive both domestically and internationally. Furthermore, GST is anticipated to provide a boost in consumption, investment, and economic growth.

iv. Improved Compliance and Revenue Efficiency:

GST's comprehensive IT and input tax system promotes compliance and restricts evasion; this means it should increase the tax base, reduce leakages, and increase revenue efficiency, both centrally and for States.

v. Transparency and Digitalization:

GST provides increased transparency into the system through the digital nature of registration, returns, and electronic payment; it restricts corruption in the economy and gets more businesses into the tax system.

vi. Consumer Benefit:

The removal of cascading effects through the discounting and rationalization of tax rates lessens the tax burden on goods and services to the final end-consumer, thus benefiting the end-consumer in particular cases, especially lower prices.

2. RESEARCH QUESTIONS

- 2.1** How effectively has the Goods and Services Tax (GST) eliminated interstate barriers to trade and contributed to the development of a genuinely integrated, seamless national market in India?
- 2.2** In what way has the implementation of GST improved business operational efficiencies and consumer price structures across multiple sectors, and can empirical evidence demonstrate its success in realising the goal of “One Nation, One Tax”?

3. RESEARCH METHODOLOGY

i. Secondary Data Collection and Literature Review

The study began with a literature review of secondary data from reliable online sources, including government reports from the Ministry of Finance, the GST Council, academic peer-reviewed journals, and articles from news organizations. The literature review provided an appropriate overview of 'the context, objectives, challenges of GST' in India that was useful in forming research questions and assisting with the survey development.

ii. Survey Instrument Design

In order to collect primary data, a structured questionnaire was developed using Google Forms

(<https://docs.google.com/forms/d/e/1FAIpQLScUfzqw5cwJPJYDADxUA1S4htJg-VgzMJH12wqAUrzK0wwog/viewform?usp=header>).

The survey included closed-ended and open-ended questions since it attempted to assess the experiences and perspectives of the respondents about GST and its impact on interstate trade, business, and prices to consumers. The questionnaire was checked for clarity and appropriateness prior to being disseminated.

iii. Sampling and Data Collection Process

The empirical portion of the study was made possible through purposive sampling and an online survey with 40 respondents representing students,

professionals, and small business owners/operators. The online survey was very efficient for data collection, along with enabling anonymity for respondents to provide their data honestly and without filter.

iv. Data Analysis Method

The quantitative data from the surveys were examined using descriptive statistics to explore trends/patterns. At the same time, qualitative open-ended questions were analysed using a thematic method, taking the existing nuanced perspectives of stakeholders' experiences about GST. The empirical survey results were interpreted/synthesized along with secondary literature on GST to provide an informed and balanced review and analysis of the research questions.

4. LITERATURE REVIEW

4.1 GST Day 2025: History, Significance, and Impact on the Indian Economy by

IndusInd Bank: GST Day, celebrated each year on July 1, presents an important occasion to assess the degree to which GST has indeed integrated India's markets. GST was implemented in 2017, replacing separate state and central taxation and resulting in a single, unified country-wide tax regime. GST aimed to overcome barriers to interstate commerce and regulate trade between states, creating a seamless economic space at the national level. Implementing GST required unprecedented coordination between the Centre and states, demonstrating unity and will, as a collective arrangement to integrate into a single market. While GST has delivered substantial improvements in compliance, transparency, and ease of doing business (delivery improvements have been especially pronounced for MSMEs), GST continues to face severe challenges in implementation, particularly due to the challenges for small businesses in navigating the changing landscape of regulations. As the country celebrates GST Day, it is also an important reflection of how GST has made progress towards the original vision of creating a single unified Indian market under the "One Nation One Tax" mantra.⁵

⁵ IndusInd Bank, 'GST Day 2025: History, Significance, and Impact on the Indian Economy' (IndusInd Bank iBlogs, 20 June 2025) <https://www.indusind.com/iblogs/trends/gst-day-history-significance-impact-on-the-indian-economy/> accessed 24 June 2025.

4.2 GST not just a fiscal reform, but a step for economic unification by Attorney

General R. Venkataramani: At the 2025 GST Conclave, Attorney General R. Venkataramani claimed that franchising is "the single most important" reform in the direction of realising India's economic integration. The Attorney General further remarked how we have brought to the country the ideal of "One Nation, One Tax, One Market" through the repeal of interstate tax barriers and thereby consolidated and integrated the multiplicity of regional markets into a single national market.⁶

4.3 Understanding GST and its impact on India's Budget by The Economic Times: As

reported by the Economic Times in India (2022), note that GST is a critical component of India's fiscal framework to drive market integration within India by replacing the multiple indirect taxes with a single national indirect tax. GST serves as a significant revenue source to both the centre and state, which has a direct impact on the budget and developmental expenditures. A step up in GST collections indicates that business activity is at a very high level and is a function of market integration. In contrast, public sector fiscal policies enacted via GST, either through tax rates or compliance actions, can also enhance the value produced through GST and improve compliance and efficiency. GST performance reflects how the economy is moving forward and the options that governments must invest in the growth of the nation, but it ultimately solidifies the backbone role of GST must aid India's slow transition towards a unified market.⁷

4.4 The case of Central Board of Indirect Taxes and Customs v. Seller: The Supreme

Court has concluded that there will be situations when GST returns are allowed to be adjusted after the deadline. This provides a degree of comfort to taxpayers who have adjustments after the anticipated filings; however, apart from editing as allowed in the current rules will be limited.⁸

⁶ UNI India, 'GST not just a fiscal reform, but a step for economic unification: Attorney General R. Venkataramani' (UNI India, 16 June 2025) <https://uniindia.com/gst-not-just-a-fiscal-reform-but-a-step-for-economic-unification-attorney-general-r-venkataramani/south/news/3491667.html> accessed 24 June 2025

⁷ The Economic Times, 'Budget 2025: Understanding GST and its impact on India's Budget' (The Economic Times, 20 December 2024) <https://economictimes.indiatimes.com/news/budget-faqs/budget-2025-understanding-gst-and-its-impact-on-indias-budget/articleshow/116501473.cms> accessed 28 May 2025.

⁸ The Economic Times, 'Revision of GST returns to be allowed even after deadline in these cases, rules SC' (The Economic Times, 24 March 2025) <https://economictimes.indiatimes.com/wealth/tax/revision-of-gst-returns-to-be-allowed-even-after-deadline-in-these-cases-rules-sc/articleshow/119651058.cms> accessed 28 May 2025.

4.5 The case of Ms. Vidya Drolia vs. The Union of India:

Based on the more recent Supreme Court ruling, input tax credit (ITC) is to be regarded as a 'vested' right for taxpayers who operate in a GST environment. The Court concluded that a purchaser is entitled to input tax credit, notwithstanding the subsequent cancellation of the supplier's registration, if the purchaser acted in good faith and satisfied the other compliance requirements. In my opinion, this judgment provides some protection to legitimate businesses from being inappropriately punished for others' acts and provides a measure of trust and certainty in the interstate flow of commerce under the GST.⁹

5. Tracing the Evolution: The Story Behind GST

5.1 The Labyrinth of Levies: India's Pre-GST Tax Landscape

The concept of excise levies in India has developed since the days of colonial quotas as part of its indirect tax regime. In India, excise duties were first enacted in 1944 for British-manufactured goods being sold in the Indian market.¹⁰ The pre-GST regime evolved tremendously after independence from a basic export regime to a multi-layered regime with various taxes being imposed at multiple points of production and distribution. The central government-imposed excise duties on manufacture, a service tax on services, and customs duty on imports, while several states imposed sales tax, VAT, entry taxes, octroi, and other levies.¹¹ The previous structure was complicated further by the presence of two levels of tax within the context of the federal structure; central, provincial, and local authorities were all empowered to interact, to collect tax at the same time, within the jurisdiction of the previous levies.¹² The taxation regime morphed to a multi-tiered structure based on overlapping jurisdictions and multi-layered taxing authorities. In addition, there was also a judicial structure, tax structure, and political structure, each having its institutions separated by various jurisdictions;

⁹ ClearTax, 'GST Case Laws on ITC: Latest Judgements and Analysis' (ClearTax, 24 January 2025) <https://cleartax.in/s/gst-case-laws-on-its> accessed 29 May 2025.

¹⁰ Wint Wealth, 'History of Indirect Tax in India: The Journey to GST' (Wint Wealth Blog, 13 November 2022) <https://www.wintwealth.com/blog/history-of-indirect-tax-in-india/> accessed 29 May 2025

¹¹ Bajaj Finserv, 'History of GST in India - Features and Benefits of implementation' (Bajaj Finserv, 13 August 2024) <https://www.bajajfinserv.in/history-of-gst> accessed 29 May 2025

¹² Sakshi Garg, 'All you need to know about indirect taxes' (iPleaders, 13 July 2023) <https://blog.ipleaders.in/all-you-need-to-know-about-indirect-taxes/> accessed 29 May 2025

the outcome was a confusing web of excise, local taxes, laws, and statutes having various rates and multi-layered differentials in administration.¹¹

5.2 Systemic Snags: The Inherent Flaws of the Old Regime

Before the implementation of GST, we lived in a fragmented and inefficient system when it came to both structure and administration, where multiple taxes were applied to transactional activity. There were too many taxes on a transaction, leading to fragmented domestic markets, and significant compliance burdens were associated with operating in multiple states. There was no federal system for capturing input tax credits; a regime was charged a cascading tax, with some taxes being charged on taxes, which eroded competitiveness and increased the costs of goods and services to consumers in India. Different tax rates and regulatory regimes created tax arbitrage, almost unrestricted levels of disputes between states, and were not aimed at creating a seamless economic zone.¹⁰¹¹ Tax administrators were stretched to monitor an absurd quantity of overlapping levies and taxes, while tax administration efficiency and transparency were already reduced as a result.¹²

5.3 From Vision to Reality: Legislative Journey and Implementation Timeline

The journey towards GST has been long and challenging, with people being challenged intellectually as well as emotionally, as you might expect from any significant reform of this scale and significance in a large and diverse democracy like India. GST has its origins in the first expert Committees, beginning with the L.K. Jha Committee in 1976 and subsequently the Chelliah Committee in the early 1990s, recommending a rationalization of indirect taxes and moving towards a value-added tax system.¹³ It was not until the year 2000, under the government of Atal Bihari Vajpayee, that GST was formally brought into being. After the GST was introduced, a committee was responsible for developing a model for the GST for India.¹¹

The journey included some significant milestones, for example:

¹³ M Govinda Rao, 'Tracing GST's evolution as an idea' (National Institute of Public Finance and Policy, 19 August 2016) https://www.nipfp.org.in/media/medialibrary/2016/08/Tracing_GSTs_evolution_as_an_idea..._BSTD_Pg._No._11_19.08.16_Prof._M.G_Rao.pdf accessed 5 June 2025.

- **2004:** The Empowered Committee of State Finance Ministers was established to address state concerns and to map a roadmap for GST.
- **2006:** The Finance Minister put the proposal through a process with a significantly planned ambition towards GST, leading to further discussion and consultations.
- **2009:** The first discussion paper on GST was published, outlining the proposed framework and actively soliciting comments and input from stakeholders.
- **2011:** The first discussion on the proposed 115th Constitutional Amendment Bill took place, but once the 15th Lok Sabha was dissolved, the bill lapsed.
- **2014:** They introduced the 122nd Constitutional Amendment Bill, and it eventually took some time to pass both Houses of Parliament in 2016.
- **2016:** The first Tax Council was organised in the context of the federal structure. As a functional and constitutional body, the GST Council was born to continue the process of GST implementation.
- **2017:** In 2017, India became one of the first countries in the world to implement GST when it made the Central GST Act, Integrated GST Act, Union Territory GST Act, and most of the state GST acts into law on July 1, 2017.¹¹
- **2025:** Maharashtra abolishes all border check posts by leveraging technology with GST more closely aligned to a national vision of a seamless market. GST enabled by digital compliance and real-time tracking has ultimately been able to remove some of the physical barriers that the movement of goods required, reduce congestion, and improve supply chains that progressed the vision of "One Nation, One Market."¹⁴

6. GST Framework and Structural Design: An Innovative Blueprint

¹⁴ Goods and Services Tax Network, 'GST Council' (GST Portal) <https://www.gst.gov.in/about/gst/council> accessed 5 June 2025.

6.1 Legal Foundations: Constitutional and Statutory Foundations

- The Constitution of India constitutionally grounds the Goods and Services Tax (GST) through the 101st Constitution Amendment Act, 2016, which created Article 246A conferring concurrent powers to both Parliament and State Legislatures to make laws in relation to GST.
- Article 279A created the GST Council, and in turn, has introduced a new type of federal tax governance.
- The constitutional provisions even empower the GST Council to make recommendations on every important aspect, including GST tax rates, exemptions, threshold limits, and the model GST laws, to make coordinated action possible in relation to GST.¹⁵¹⁶

6.2 The Dual Engine Model: CGST, SGST, and IGST

- The functionality of India's GST system includes a dual model that is related to do with its nature as a federation.
- Central GST (CGST): It is charged by the central government on intra-state supply of goods and services
- State GST (SGST): It is imposed by several state governments on the same transactions.
- Integrated GST (IGST): For inter-state supplies and imports, IGST is charged and collected by the centre and shared with the centre and states. This is to allow for the efficient movement of goods and services across the borders of states in India.¹⁷

¹⁵ Vajiram & Ravi, 'GST Council, Constitutional Provisions, Functions' (Vajiram & Ravi, last updated June 2025) <https://vajiramandravi.com/upsc-exam/gst-council/> accessed 12 June 2025.

¹⁶ GST Council, 'GST Council' (GST Council) <https://www.gstcouncil.gov.in/gst-council> accessed 12 June 2025.

¹⁷ NEXT IAS, 'Goods and Services Tax (GST): Evolution, Features, Components & More' (NEXT IAS Blog, 2024) <https://www.nextias.com/blog/goods-and-services-tax-gst/> accessed 4 June 2025.

- The duality of GST enables fiscal independence at both levels of government while delivering the same experience in substance and nature of the tax from the perspective of the taxpayer, on a national level.¹⁸

6.3 The Centre of Gravity in GST: The Composition, Authority of the GST Council, and its Impact

- **Composition:**
 - i. The GST Council is a governance body that is stipulated in the Constitution and is the main decision-making body of GST. The chairperson of the GST Council will be the Union Finance Minister and will have the Union Minister of State for Finance/Revenue, as well as state Finance Ministers or designated state ministers.¹⁶
 - ii. The GST Council also has the Chairperson of the CBIC as a non-voting permanent invitee, as well as the Revenue Secretary as the ex officio Secretary of the GST Council.¹⁹
 - iii. Decisions need half the members present for a quorum and then three-quarters of the agreement, with two-thirds of the votes of the Council.¹⁹
- **Authority:** The Council will have powers to recommend tax rates, exemptions, model laws, threshold limits for registration, special provisions for states, an adjudication process for dispute resolution, and uniformity in implementing GST.²⁰
- **Impact:** The GST Council's main objective was to create cooperative federalism with a technology-based, user-friendly tax system.²⁰

¹⁸ PWOnlyIAS, 'Goods And Services Tax (GST): Features, Constitutional Framework & Functions' (PWOnlyIAS, 30 March 2024) <https://pwonlyias.com/udaan/goods-and-services-tax-gst/> accessed 8 June 2025.

¹⁹ BYJU'S, 'Goods and Services Tax (GST) Council – Composition, Functions, Role' (BYJU'S Free IAS Prep, 15 December 2022) <https://byjus.com/free-ias-prep/goods-and-services-tax-council/> accessed 8 June 2025.

²⁰ Pice, 'Powers And Functions Of GST Council' (Pice Blog, 26 May 2025) <https://piceapp.com/blogs/powers-and-functions-of-gst-council/> accessed 10 June 2025.

6.4 The GST System: Rate Structure and Exemptions

- The GST system is a system based on a complex set of rates, which includes many slabs for goods and services to account for a mix of consumption differences, as well as practical and socio-economic considerations.
- The applicable GST rate is decided by the GST Council, which can change rates from time to time, considering economic circumstances and revenue requirements.²¹
- The GST Council may exempt certain goods and services from GST for the protection of vulnerable members of society and purveyors of essential goods and services who suffer from the burden of GST. The Council has the power to recommend that a full or partial exemption be provided for some items as and when required.²¹
- Temporary "Special" rates are in place to deal with extraordinary events such as natural disasters.¹⁵

6.5 Path to Compliance: Registration Thresholds and the Composition Scheme

- The GST Council sets the turnover threshold above which businesses must register under the GST law so as not to adversely affect small businesses with compliance requirements.²⁰
- The turnover threshold varies based on the type of business and location of business, with some special provisions for certain states and sectors.²¹
- The composition scheme, which applies to small taxpayers, allows for an easy tax scheme that allows them to pay tax at a fixed percentage of turnover and only file quarterly taxes instead of monthly returns, which reduces the administrative burden and compliance cost.²¹
- This is all about widening the tax base, improving compliance, and improving

²¹ IIFL, 'GST Council: Benefits, Structure, Function & Working process' (IIFL Finance Blog, 2025) <https://www.iifl.com/blogs/business-loan/gst-council> accessed 8 June 2025.

ease of doing business, especially for micro, small, and medium enterprises.

7. Disassembling Interstate Barriers: How GST Integrated Indian Markets

7.1 The Misunderstood Puzzle: Pre-GST Fragmentation and Friction

Before GST, inter-state trade was complicated due to a bewildering array of taxes (e.g., Central Sales Tax, entry taxes, state-specific VAT, etc.) at several points of taxation (at state borders) when goods crossed state boundaries. There were check posts at the states to examine goods and identify paperwork; seized vehicles are assets and remove tax revenue to the state; delays and congestion were side effects.²²

Due to the interstate barriers that added costs of logistics, coupled with more frequent opportunities to detain vehicles and collect bribes to avoid, or at least lessen, taxes, which became an epidemic. Businesses also suffered complexity and additional costs based on the number of tax rates and processes in separate states. Businesses needed to hold multiple registrations in many states, reconciling transaction tax reporting to comply with the ever-present, differing state laws.²³

7.2 Breaking Free: Mechanisms for Effortless Trade

- GST has simplified things by putting central and state taxes together under a unified tax regime. Businesses no longer must collect taxes when passing through the state, which has resolved some friction in the economy with the same tax rate.²⁴
- GST also established a destination-based tax system where tax collection is not based on the point-in-time of taxation but on the consumption. therefore, it reduces any need for border checks for tax.²²

²² Prabhat Barnwal and others, 'Internal Trade Barriers in India' (preliminary working paper, December 2024) <http://www.jdingel.com/research/BarnwalDingelIurchenkoKrishnaVanLeemput.pdf> accessed 18 June 2025.

²³ Pice, 'Before GST And After GST In India' (Pice Blog, 18 August 2024) <https://piceapp.com/blogs/before-gst-and-after-gst-in-india/> accessed 15 June 2025.

²⁴ Organiser, 'From Chaos to Clarity: How GST transformed India's complex tax structure' (Organiser, 23 February 2025) <https://organiser.org/2025/02/23/279251/bharat/from-chaos-to-clarity-how-gst-transformed-indias-complex-tax-structure/> accessed 15 June 2025.

- Operationally, compliance frameworks were harmonized under GST; documentation became standardized by having the same forms and compliance routines, which lessened the regulatory burden or complexity that faced businesses undertaking multi-state operations.²³

7.3 Digital Highways: E-Way Bill and Real Time Tracking

- The 2018 roll-out of the electronic waybill (e-Way Bill) in India has transformed the potential for cross-state goods movement based on a permit system, through e-way bill permits for interstate shipments.²²
- It has enabled the amalgamation of hard copy, state-based documents required into a singular, online document, which increases the potential for real-time digital tracking of consignments while reducing the manual involvement and delays of the pre-e-way bill approach to Goods Movement.
- The capacity for digital tracking has increased transparency in goods movement, reduced tax avoidance, allowing authorities to carry out risk-based inspections instead of acting upon policies of generalized inspections, and has improved the ease of goods movement.

7.4 Open Roads: Removing Checkpoints and Improving Logistics

- The removal of tax collection check posts at state borders was a milestone for Indian logistics, with average crossing times reduced by more than one-third, and the waiting costs that estimated nearly 1% of GDP, could now be avoided, This removal of barriers allowed firms to manage their supply chains based on broader logistic efficiencies, rather than tax influences, and facilitated much larger and more effective distribution networks.²²
- With greater reach to markets and improvement in freight times, this has resulted in some positive economic outcomes, including the increase in household consumption in some markets, where logistics made the most significant improvements following GST.

- The seamless flow of freight has moved India significantly closer to a true single market, as well as creating competitive firms and stimulating economic growth.²⁵

8. Creation of a Seamless National Market: GST's Unifying Power

- GST replaced the fragmented clutch of indirect taxes in India, giving it a homogenized structure, and obliterated inconsistencies in compliance measures and procedures, and the disparities between tax rates that were numerous across the country.²⁶ This uniformity in tax rates signifies that manufacturers and traders of goods and services are working under the same legal requirements and have reduced confusion factors while erasing cascading taxation.^{27,28}
- This environment has also provided merchants and shops across India the capacity to plan, promote, or reorganise their operations to optimise their supply chains and growth strategies, and to effectively expand across state lines and eliminate clever tax arbitrage purporting to invent complex taxonomies.²⁹
- GST also established uniform compliance and document metrics to follow; a common registration process, uniform invoices, and formats adopted in return filings. Now, businesses are governed by fewer tax filings and transparent compliance requirements, which minimize the compliance cost to prepare monthly returns and filing requirements, with businesses able to attain significantly reduced compliance costs.²⁹

²⁵ Nitin Kumar Bidla and Tarun Jain, 'GST's Contribution to Reducing Interstate Trade Barriers for Manufacturers in India: A Study' (2024) 33(4) Journal of National Development 91 <https://jndmeerut.org/wp-content/uploads/2025/01/7-1.pdf> accessed 17 June 2025.

²⁶ Nihal Kothari, 'GST and Development of Single National Market' (Indian Institute of Corporate Affairs, October 2011) https://iica.nic.in/images/sclmr_research/GST%20Single%20National%20Market.pdf accessed 17 June 2025.

²⁷ ClearTax, 'Impact of GST on the Indian Economy' (ClearTax, 4 February 2025) <https://cleartax.in/s/impact-of-gst-on-indian-economy> accessed 28 June 2025.

²⁸ Manoj Purohit, 'Impact of GST on the Indian economy' (iPleaders, 17 April 2023) <https://blog.ipleaders.in/impact-of-gst-on-the-indian-economy/> accessed 11 June 2025.

²⁹ Jitendra Tiwari, 'GST in India: Impact of GST on Indian Economy' (GAP Bodhi Taru, 2024) 7(Special Issue) 272 [https://www.gapbodhitaru.org/res/articles/\(272-278\)%20GST%20IN%20INDIA%20IMPACT%20OF%20GST%20ON%20INDIAN%20ECONOMY.pdf](https://www.gapbodhitaru.org/res/articles/(272-278)%20GST%20IN%20INDIA%20IMPACT%20OF%20GST%20ON%20INDIAN%20ECONOMY.pdf) accessed 19 June 2025.

- The hiring of fewer bookkeepers and limited professional services required for oversight in compliance with client tax advisory opinions prepared as a seamless transfer of input tax credits is amazing; that's an efficiency obtained for a business entity of any size.²⁶²⁷

9. Transforming Business Dynamics under GST

GST has significantly changed how business is done in India; that said, not always consistent. It replaced a system of indirect taxation based on a premise of simplification and transparency, with a single indirect tax levied at the same time. Now, we have gone from being subject to the compliance of multiple indirect taxes and different registrations and filings, to essentially being subject to one tax at one point in time no compliance.

The new Input Tax Credit (ITC) framework allows a business to take credit for tax on inputs against its output and replaces the battery of uncreditable taxes while improving cash management opportunities (for the tax paid indirectly at the time of sale, we can at least offset some of the taxes paid by decreasing the cascading effects of taxes). When businesses were able to better manage their cash flow and finances presented an opportunity to optimize their supply chain and logistics and determine the most optimal way to run their business as opposed to having to evaluate the tax ramifications of a potential distribution network or design. In addition, GST accelerated the formalization of the economy by bringing more businesses into the tax net through digital compliance and e-invoicing. However, because of government surveys and studies and recognition of the difficulties concerning costs of compliance, technology, and income tax at GSTN (the digital filing portal), MSMEs and the informal sector faced significant issues. There were uncertainties involved, as there would be multiple changes in policies that disrupt business activity and the use of limited resource funds, as noted by the cost of compliance at GSTNs.³⁰³¹

³⁰ Team Ebizfiling, 'Challenges in GST Implementation in India' (Ebizfiling, 6 February 2025) <https://ebizfiling.com/blog/challenges-in-gst-implementation-in-india/> accessed 21 June 2025

³¹ World Bank, 'The Challenges of the Goods and Service Tax (GST) Implementation in India' (2018) <https://documents1.worldbank.org/curated/en/846611542608567754/pdf/The-Challenges-of-the-Goods-and-Service-Tax-GST-implementation-in-India.pdf> accessed 21 June 2025

Public reports from surveys and studies cited by the World Bank indicated that many small business entrepreneurs were struggling with the new process and suggested further support to provide capacity-building support.³²

A survey supported by the World Bank surveyed 150 SMEs in India and found that 69.3% of respondents indicated issues with GST return submission and filing.³³ The two main reasons were expensive consulting and the amount of time to file. Another important highlight was that 43.4% of SMEs reported little or no knowledge of the GST processes, and 81.3% of respondents expressed a strong desire for more government-led training and capacity-building programming.³³ Despite all these issues we identified above, over 70.7% of SMEs identified instances that they felt had a positive impact on their business performance post-GST.³³ However, despite the tensions of increased compliance costs and lack of knowledge with targeted supports for small businesses, there is also value.

10. GST and the Consumer Wallet: Price and Inflation Effects

The rollout of GST will have both short-term and long-term consequences on consumer prices and inflation. In the short term, there were various changes to price equilibrium across sectors due to the rationalization of tax rates: some goods and services became cheaper (through the removal of cascading taxes), while others became more expensive (higher GST increments and losses of exemptions).

Government data and independent studies confirm that the total inflationary impact after GST implementation was, in general, limited, but varied quite considerably by sector. There was variation by sector, but for the National Institute of Public Finance and Policy (NIPFP), the average CPI inflation period July 2017-January 2021 was 4.61% which the counterfactual prediction would have been 3.24%.³⁴ There is an impact and causal effect of 1.37 percentage points.³⁴

³² Chandra Prabha M and Chetna J, 'A Study on GST Implementation Challenges for Small Businesses in India' (TIJER International Research Journal, 2024) <https://tijer.org/tijer/papers/TIJER2405172.pdf> accessed 21 June 2025

³³ Rishabh Chauhan and Satakshi Nagar, 'Evaluating the Impact of the Goods and Services Tax (GST) on the Growth and Compliance of Small and Medium Enterprises (SMEs)' (2025) 6(6) International Journal of Research Publication and Reviews 10934 <https://ijrpr.com/uploads/V6ISSUE6/IJRPR49136.pdf> accessed 20 June 2025

³⁴ Sudipta Jha, 'Impact of GST on Indian Inflation' (National Institute of Public Finance and Policy, December 2022) <https://nipfp.org.in/media/medialibrary/2022/12/SJ.pdf> accessed 10 June 2025

In the long term, Consumer surplus may improve due to GST by creating prices that are more stable and transparent, with no longer any hidden costs from cascading tax (generally lower costs overall). Supply chains improve efficiency and competitiveness, which also allows the supply chain to bring costs down that can potentially increase productivity and result in more goods; increased efficiency in the economy that as formalized in GST, increases the tax base, allowing governments to have more access to funds (revenue) that can be spent on public services, which indirectly improves consumer welfare. Prices will still vary within sectors, given different slabs and different exemptions, and it should be acknowledged how complex the sectoral price impacts of GST could be over time.

KPMG's survey shows nearly 40% of items in the CPI Basket had steady taxes and 22% had lower taxes, leading to mixed results within sectors.³⁵ The RBI data also indicated roughly 50% of CPI items were GST exempt, which were mostly food items, and this further reduced the degree of potential increased inflationary pressures from GST.³⁴

"Arun Jaitley, the finance minister, said that the GST Council concurred with zero rating for around 50% of the items in the consumer price index (CPI) basket - primarily food articles - to keep inflation in control."³⁶

Also, the sectoral case studies demonstrated that while many consumers were paying more for discretionary purchases, essentials were overall at less than their pre-GST prices; this also highlights the levels of variation and nuance, that the impacts of goods and consumer prices are more nuanced.³⁵

11. Navigating the Hurdles: Implementation Challenges

- i. **Complex tax structure and multiple tax rates** GST resulted in multiple tax slabs (0% 5% 12% 18% and 28%), which is challenging given India's diversity, and it created problems for both businesses and tax practitioners. For instance, inverted duty structures where input tax is greater than output tax have increased

³⁵ Rahul Kanaujiya and Himanshu Shekhar Singh, 'GST effect on consumer behaviour and spending patterns: An empirical study' (2024) 7(2) International Journal of Research in Finance and Management 180 <https://www.allfinancejournal.com/article/view/362/7-2-26> accessed 22 June 2025

³⁶ '4-slab GST will spare common items in bid to curb inflation' Times of India (New Delhi, 4 November 2016) <https://timesofindia.indiatimes.com/business/india-business/4-slab-gst-will-spare-common-items-in-bid-to-curb-inflation/articleshow/55234891.cms> accessed 23 June 2025

compliance obligations and disputes, with examples from sectors such as textiles and electronics.³⁷³⁰

ii. Increase in compliance hiatus and costs

Businesses now, mainly SMEs, must comply with and file as many as 37 files and returns under GST, and this is an increased legal requirement and compliance duty, as the earlier structure was less than this requirement. Business costs and administrative duties have increased, and lifecycle operational constraints have been prolonged. Many small traders had difficulty in onboarding and adapting to this new regime in a timely manner and did not have the resources or skill set to do so, which affected their cash flow and long-term business sustainability.³⁸³⁹

iii. Glitches and system failures

The GST Network (GSTN) has had glitches with both servers and system failures, as shown in the experience of taxpayers with the ability to file returns, and in operational failures. Many taxpayers across India have been frustrated as it has sometimes taken a long delays in being able to file their returns and be able to operate productively. For example, during the filing season, many businesses reported that they were unable to upload their submissions on time.³⁸

iv. Issues Related to Input Tax Credit

Having the effect of substantive delays and at times outright denials, the availability of Input Tax Credit for businesses, and not to mention the impact on working capital, would only flow from the ongoing invoice matching process and inconsistencies in data between all the numerous suppliers and recipients. At the same time, unscrupulous firms that are estimated to make up

³⁷ 'Challenges in GST Implementation' (Compass RAUIAS) <https://compass.rauias.com/current-affairs/challenges-gst-implementation/> accessed 23 June 2025

³⁸ 'Know the Challenges and Issues with GST' (TaxTMI) <https://www.taxtmi.com/article/detailed?id=12567> accessed 28 June 2025

³⁹ 'Problems of Implementation of GST' (LawBhoomi, 10 August 2024) <https://lawbhoomi.com/problems-of-implementation-of-gst/> accessed 24 June 2025

approximately 20% of the sector, escaping GST liabilities, have demonstrated how challenging verifying Input Tax Credits can be⁴⁰

v. Impact of Tax on Small and Unorganised Sectors

The small business and informal sector would likely be the ones most impacted by GST. The reduction in the exemption threshold from Rs 1.5 crore in sales down to Rs 20 lakh turnover means many small enterprises have effectively been mandated to comply with GST, which comes with the additional, and often burdensome, regulatory requirements. The capacity for digital literacy and/or technology in many small enterprises simply does not have the workforce that can appropriately comply, let alone the resources or willpower, which often becomes a deterrent for creative and progressive undertakings following formal compliance.³⁸³⁹

vi. Coordination Problem Between Centre and State

A fundamental basis of GST is for the Centre and states to operate seamlessly; however, designated policy recommendations do not always translate to policy decisions for implementation, including the time required for possible further delay of decisions impacting states, although this will carry implications for political parties. Higher-consuming states and low-wage revenue-sharing states will have low compensation revenue as per share outcomes, resulting in tensions among states sharing revenues.

vii. Exclusion of Important Sectors

Although GST implementation meant the critical sectors of petroleum products and alcohol are exempt from GST, with tax arbitrage being available, this act not only prevents any vision of a truly integrated market, but it also convolutes the logistical elements surrounding interstate trade immensely.

⁴⁰ 'Navigating GST Challenges' (Drishti IAS, 12 January 2024) <https://www.drishtiias.com/daily-updates/daily-news-analysis/navigating-gst-challenges> accessed 25 June 2025

viii. Inflationary Effects and Passing Costs to Consumers

The introduction of a GST led to inflationary effects as businesses adjusted pricing to align with new tax rates and to comply with costs, which was initially the case for a considerable duration as well. However, over time, eliminating cascading taxes and value-added taxes that were layered upon taxed fees has led to more prices being stabilised in many industries that ultimately benefit consumers.²⁷

ix. Limited Training and Awareness

The new tax, in concept, associated with Goods and Services Tax required sufficient training, as evidenced by IRS tax officials learning this for assessment. The frameworks of limited training and considerations of limited awareness, and in conflicts faced with compliance in areas that would be classified as rural and remote, led to missteps that only compounded the rollout.³⁹

x. Separate Registrations Bring on Unwanted Administrative Burden for Pan-India Businesses

Organisations operating across numerous states lead to separate registrations and an associated administrative burden as well. While the tax framework has reduced compliance obligations, it does contravene the idea of a 'one nation, one tax' objective.⁴⁰

12. Empirical Findings and Discussions

12.1 Findings from the Google Form Survey⁴¹

A structured Google Form Survey
(<https://docs.google.com/forms/d/e/1FAIpQLScUfzqw5cwJPJYDADxUA1S4htJg-VgzMJH12wqAUrzK0wwog/viewform?usp=header>)

⁴¹ 'One Nation, One Tax: Has GST Truly Unified India's Markets?' <https://docs.google.com/forms/d/e/1FAIpQLScUfzqw5cwJPJYDADxUA1S4htJg-VgzMJH12wqAUrzK0wwog/viewform?usp=header> accessed 24 June 2025

[VgzMJH12wqAUrzK0wwog/viewform?usp=header](#)) was administered to 40 respondents.

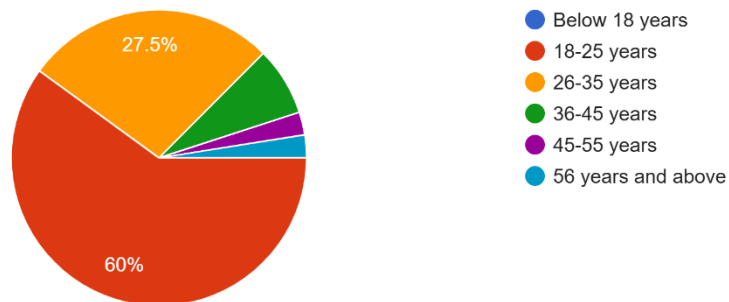
A. Demographics of respondents

i. Age Group:

Most of the people who responded were young adults, which shows that the 18-25 age group had more interest.

Which age group do you belong to?

40 responses

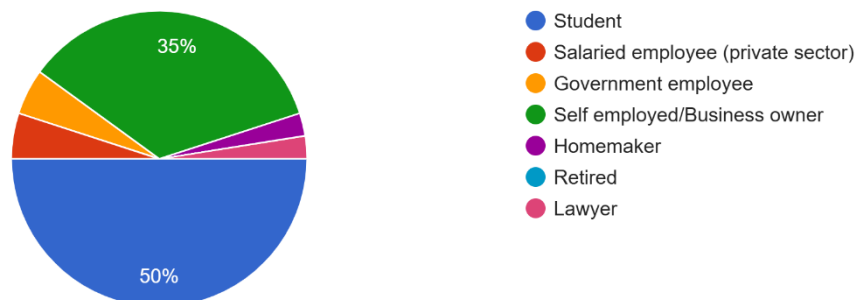


ii. Occupational Profile:

Most of the participants were students and business owners so both participants were sharing experiences from both consumer and business perspectives.

What is your primary occupation?

40 responses

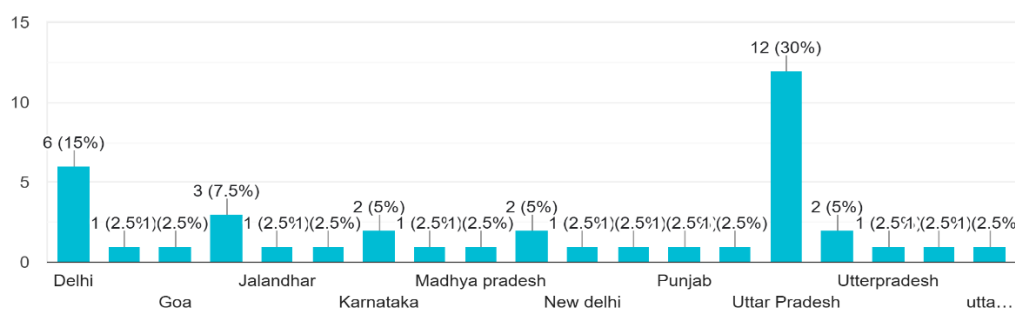


iii. Geographic Distribution:

The responses I received were mostly clustered in North Indian states. Most of the responses were from Uttar Pradesh and Delhi/NCR.

In which state/Union Territory do you currently reside?

40 responses

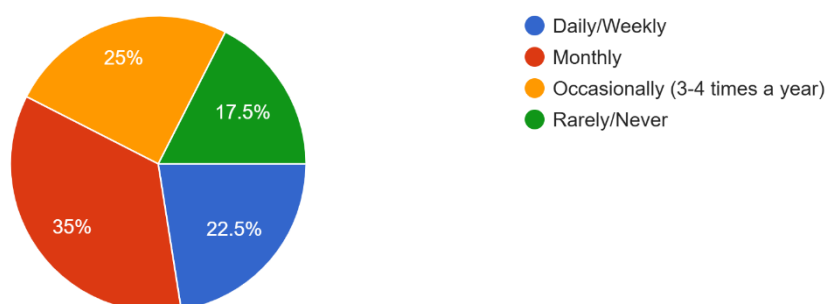


iv. Interstate Purchase Frequency:

Most respondents regularly engaged in interstate purchases so which shows that interstate commerce is happening frequently.

How frequently do you purchase goods/services from another state?

40 responses



B. Awareness and Daily Experiences with GST

i. Familiarity with GST's basic structure:

Respondents had at least some basic level of understanding of GST, and the depth of knowledge was variable.

How familiar are you with GST's basic structure (e.g., tax slabs, input tax credit)?

40 responses

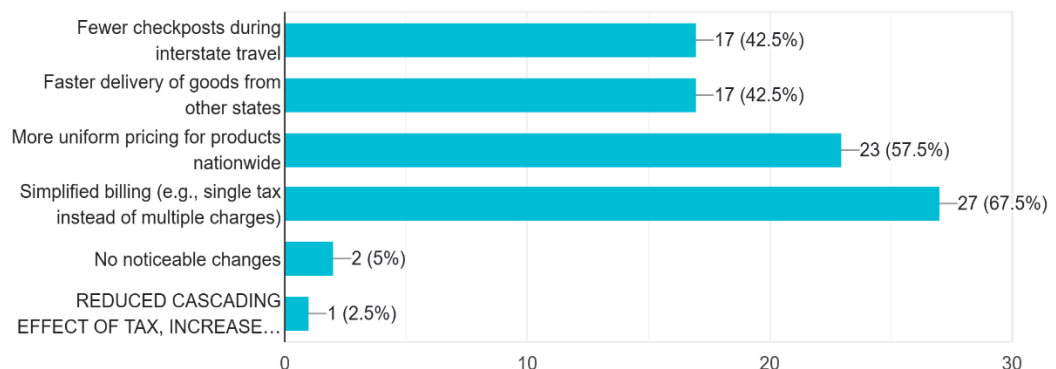


ii. Structural Changes observed after the implementation of GST:

The two structural changes that were mostly noted were simplified billing and more consistent pricing.

Have you noticed any of these changes since GST was implemented in 2017? (Select all that apply)

40 responses

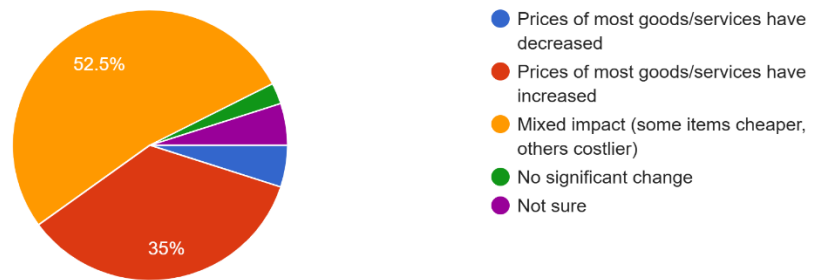


iii. The effect of GST on the monthly household budget:

Respondents indicated mixed results when asked about the impact on household budgets, as many reported that some items increased and some items decreased in cost.

How has GST affected your monthly household budget?

40 responses



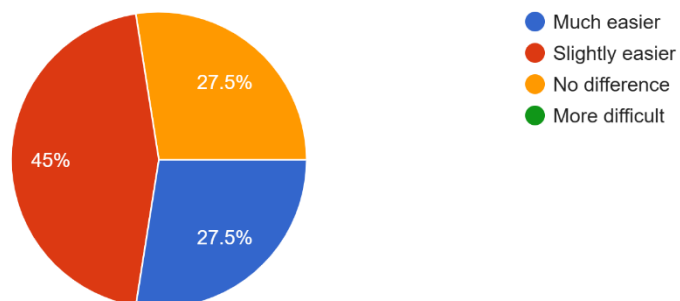
C. Impact on Purchasing Behaviour

i. Interstate Purchase Convenience in comparison to pre-GST times:

Most respondents agreed that it has made interstate purchases easier, which suggests improved market integration.

Do you find it easier to buy products from other states now compared to pre-GST times?

40 responses



ii. Category-wise Price Changes:

Price increases were mostly noted in high-value goods, as in electronic and automobile purchases.

Have you observed differences in prices for these categories post-GST?

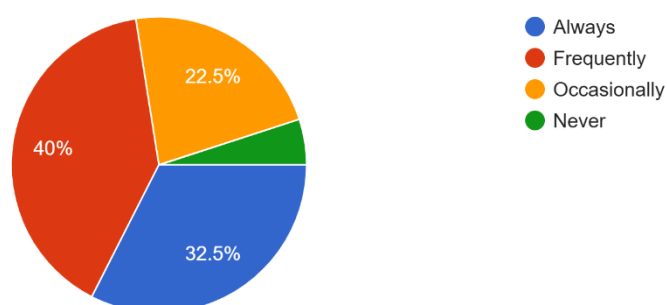


iii. GST Price Checking Behaviour:

Most respondents said they often check for GST in purchase prices, which suggests a higher level of consumer awareness.

How often do you check if GST is included in a product's price before purchasing?

40 responses



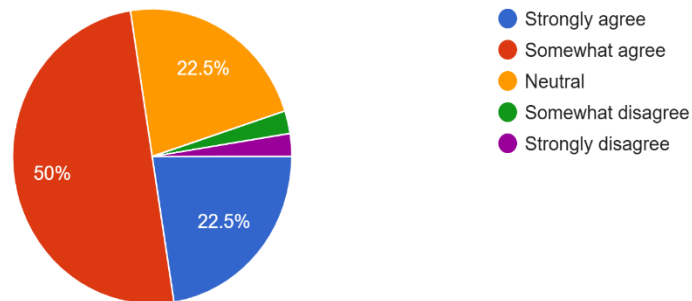
D. Perception of Market Unification

- i. To what extent do people agree with "GST has made India feel more like a single market":

The overwhelming majority of respondents said they agreed that GST has helped to unify India's markets.

To what extent do you agree with this statement: "GST has made India feel more like a single market"?

40 responses

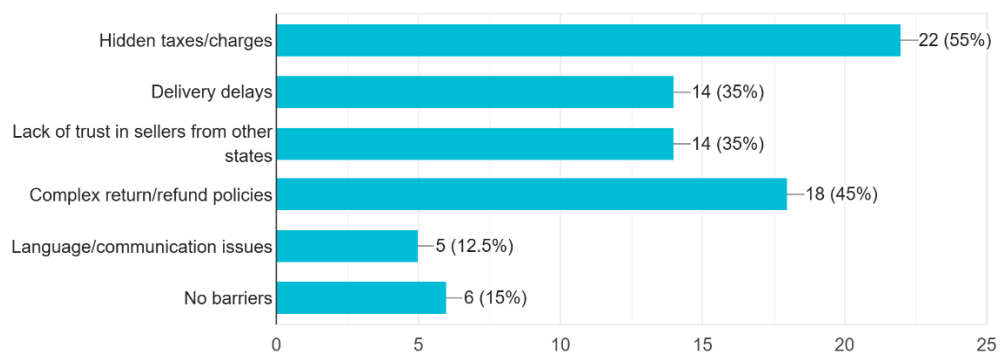


ii. Interstate Commerce Barriers:

Even with GST, hidden charges and convoluted return policies are still the primary barriers.

What barriers, if any, do you still face when purchasing goods/services from another state? (Select all that apply)

40 responses

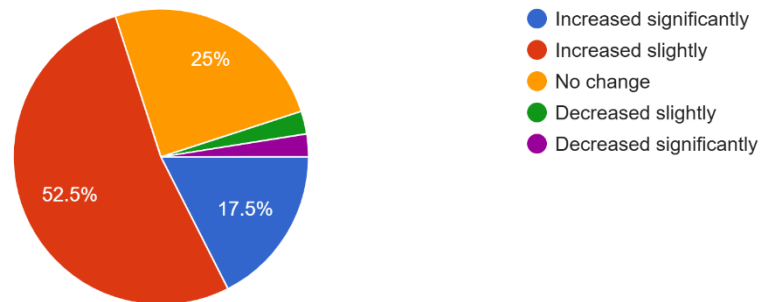


iii. Trust in Pricing Transparency:

The majority of participants reported more trust in pricing transparency with GST.

How has GST impacted your trust in the transparency of pricing?

40 responses



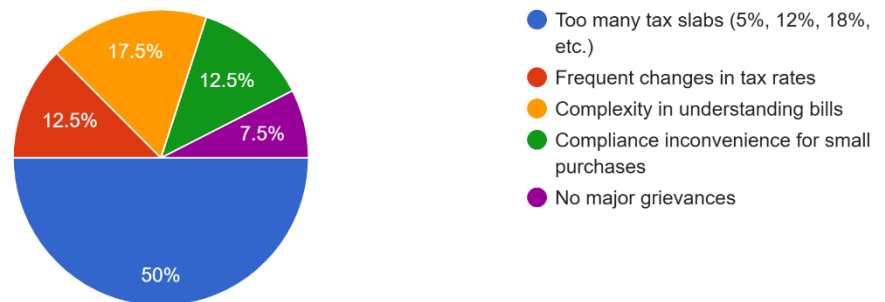
E. Challenges and Suggestions

i. Primary Grievances:

Complexity and multiple tax slabs were the most common complaints regarding the GST system.

What is your biggest grievance with the current GST system?

40 responses

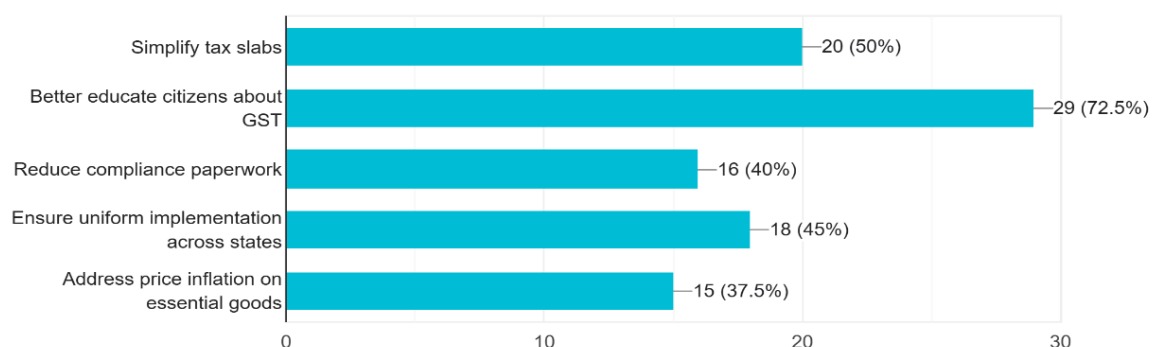


ii. Government Priority Recommendations:

Better education about GST and tax slab simplicity were the two most important improvement priorities.

In your opinion, what should the government prioritize to improve GST? (select all that you consider appropriate)

40 responses



F. Open-Ended Feedback

i. Positive Experiences:

The analysis of positive experiences revealed, generally, several themes (36 meaningful responses with a potential of 40).

- **Simpler tax structure:** Some respondents liked that they now had the opportunity to lump all taxes (service tax, excise duty, VAT) into one system.
- **Facilitating interstate trade:** An example, online shopping is happening across states with an open pricing policy with less delta charges.
- **Price uniformity:** Price is uniform across the platform and state.
- **Lowered cascades:** stacking tax on top of tax presentation, which assisted the lower-income group.
- **Improved logistics:** The timeliness of delivery has been drastically improved due to delays caused by limited holdups at the checkpoint.

ii. Negative Experiences:

Negative experiences (37 substantive responses out of 40) showed several issues were demonstrating:

- **The compliance burden for small companies:** complex registration and filing processes potentially undermining the future viability of an emerging business
- **Cost increases:** costs have risen for services with a previously lower rate of tax.
- **Complexity of implementation:** complexities related to do with understanding GST and a greater frequency of regulatory change
- **Technology gaps/inadequate support:** challenges related to do with the lack of technology or accounting support for businesses.
- **Hidden charges continue:** GST was intended to provide clarity with charging for services; however, despite GST, there were still unclear or hidden taxes/fees.

iii. Citizen-Friendly Improvement Suggestions:

Key recommendations provided by respondents (36 responses that had meaning):

- **Better education and awareness:** Multi-language training programs and simple user guides
- **Technology:** Mobile apps for rate checking, BHASHINI language tools for the GST portal
- **Structure simplification:** Fewer tax slabs, stable rates, simplify the filing/process
- **Sector-specific reforms:** Bring petroleum products under GST, re-evaluate essential goods

- **Support system:** Help centres for small businesses, grievance ownership.

12.2 Discussion⁴¹

A. Interpretation of findings:

- **Demographic and Geographic Profile:** Younger people (18-25 years), and students contributed a sizeable proportion of the responses, but so did business owners, government and private employees, with smaller proportions from other jobs, homemakers, and lawyers.

The majority were in Uttar Pradesh and Delhi/NCR, then from Haryana, Punjab, Karnataka, Madhya Pradesh, and Maharashtra. This is predominantly a North India sample.

- **Inter-state Commerce Participation:** A reasonably large proportion of respondents indicated that they have been regularly undertaking interstate purchases (monthly, occasionally, or even weekly/hourly), which reflects that we are doing interstate commerce, and GST has some relevance to our economic activity.
- **Familiarity with GST:** There were 60% of the respondents indicated they have a high familiarity with the basics of GST, 25% had moderate familiarity, and a small proportion had limited knowledge of GST.

There were moderate to good levels of awareness, but an opportunity for more GST education in a broader and deeper sense.

- **Changes Observed since GST Adoption:** The most frequently cited change observed by them since GST adoption was simplified billing (one tax), more comparable national pricing, faster delivery of goods, and fewer check-posts when travelling to other States. These are empirical observations that GST has produced noticeable structural changes in the market experience.

- **Impact on Household Budgets:** Most respondents reported mixed impacts on household budgets: some things got cheaper, and some things got more expensive.

Interestingly, a large minority also noted examples where prices had risen overall. Very few noted examples of prices falling or not changing overall, which speaks to the heterogeneous impacts across categories.

- **Ease of Purchases Across State Borders:** Almost three-quarters of respondents reported that interstate purchases were easier post-GST. This included a respectable percentage of people who reported it was much easier, which supports the claim that GST has worked to make interstate trade operate more easily.
- **Price Movements by Sector:** The higher value goods category, like electronic goods & cars, were the categories that were most commonly found to have increased in price post GST.

Processed foods, general products, clothing, and health care had much more heterogeneous impacts, with respondents noting price decreases or no changes in some cases. This highlights the more sector-specific impacts.

- **Consumer Vigilance and GST Transparency:** Most respondents reported checking how frequently and if it was often or always to see if the price they were quoted included GST, which indicates an increasing level of consumer vigilance and awareness.

However, the majority reported an increasing trust surrounding pricing transparency, whereas one quarter reported no change in perceived trust, and a small percentage of people reported less trust.

- **Perception of Market Unification:** Seventy-two per cent of respondents responded either strongly or somewhat agreeing that GST made India feel more like a single, economically integrated market, indicating common agreement on the intended outcome of unification.

- **Constraining Factors on Interstate Commerce:** The most frequently reported constraining factors for interstate commerce that were indicated included hidden taxes/charges, complexity of returns/refunds, delays in delivery, and distrust in sellers in other states, while a small number reported they faced no constraints.

The conditions around language and communication were recorded as less frequently reported.

- **Grievances with the GST Regime:** The single most significant grievance was so many different slabs of tax. The other grievances were the complexity of the bill, the inconvenience of compliance, and changing the rate of tax so frequently.

Few reported no significant grievances, which indicates a broad desire for simplification.

- **Recommendations for Improvement:** The most commonly cited recommendations were better public education on GST, a simplification in the number of tax slabs, consistency of GST across states, less paperwork, and a response to price increases on essential products.

Respondents indicated that further actions are needed from the Government beyond the ideas and recommendations contained within this report to improve GST in these areas.

- **Qualitative experiences and community feedback:** The positive experiences that were noted were changing the tax structure, interstate shopping has been easier, consistent pricing across States, less of a cascading effect from taxes, and logistics being easier.

The negative experiences included compliance burden on small businesses, higher prices on some products, complexity and frequency of change, technology and administrative issues, and hidden levies.

Recommendations to Education, use of technology, simplifying structure/models, improvements in industry/perspective, and addressing the needs of small businesses.

B. Limitations of the survey:

- While the survey uncovered interesting empirical results pertaining to survey respondents' attitudes toward GST impacting market integration in India, there are several limitations to acknowledge. Geographically, the sample is skewed, as most of the respondents were from north Indian States, primarily Uttar Pradesh and Delhi/NCR; therefore, this limits the ability to generalize this survey's findings to other States in India.
- Regarding demographics, we have a bias towards younger adults and students, which may prove different from the feelings of older age groups and those with less digital engagement.
- Also, the self-reported nature of the data means it runs the risk of response bias, given that participants' perceptions do not align with how the market may show.
- Also, the survey was administered using an online platform, therefore restricting individuals without Internet access from participating, thus further distorting our respondent base.
- Lastly, while we were able to collect both quantitative and qualitative submissions, the size limitations meant this data did not statistically defend conclusion validity. Therefore, caution must be exercised when interpreting the findings and relying on them for more general policy implications.

13. Future Possibilities and Reforms Pathways

- **Improved Security Measures:** The introduction of mandatory multi-factor authentication (MFA) on the GST portal to access taxpayer data, effective as of

April 2025, may help curb the risk of fraud and misuse of taxpayer data.⁴²

- **E-invoicing Lowering:** The lowering of the e-invoicing threshold to ₹1 million (US\$11,698) and issuing the invoice in case-insensitive IRN formats will add transparency and the ability to monitor duplication.^{30 43}
- **Automated Returns Filing:** As of July 2025, values will be pre-filled in GSTR-3B, a non-editable return format, will be available will reduce errors and speed up the reconciliation process.⁴⁴
- **Reduction of tax slabs:** Stakeholders, to the grief of tax slabs within GST (5%, 12%, 18% and 28%), are suggesting to the government to reduce the tax slabs to mitigate the complexity of the regime, which has been continuously identified in stakeholder surveys as the number one grievance.^{43 41}
- **Harbour Taxes under GST:** Tax facets under GST will substantially eliminate cascading taxation and possibly create a fairer marketplace through the acceptance of petroleum, real estate, and electricity into the GST umbrella.⁴⁵
- **Input Service Distributor (ISD) Provisions:** ISD registration is mandatory and will be enforced in April 2025 to aid larger corporations with input tax credit allocations.³⁰
- **E-Way Bill Changes:** EWB implementation will be backed by stricter regulations and two-factor authentication to prevent tax evasion in transportation scenarios.⁴⁶

⁴² India Briefing, 'India GST Compliance Changes from 2025: What Businesses Need to Know' (India Briefing, 20 December 2024, updated 31 March 2025) <https://www.india-briefing.com/news/india-gst-compliance-changes-from-2025-what-businesses-need-to-know-35523.html/> accessed 26 June 2025.

⁴³ Shoolini Online, 'What are the New Amendment in GST in 2025?' (Shoolini Online, 4 June 2025) <https://shoolini.online/blog/what-are-the-new-amendment-in-gst-in-2025/> accessed 26 June 2025.

⁴⁴ ClearTax, 'GST Return Filing Rule Changes from July 2025: GSTR-3B Hard-Lock, Time Bar and New E-Way Bill Portal 2' (ClearTax, 26 June 2025) <https://cleartax.in/s/gst-return-filing-rule-changes-from-july-2025> accessed 27 June 2025.

⁴⁵ ClearTax, 'The Future of GST: Trends, Challenges, and Opportunities' (ClearTax, 5 June 2025) <https://cleartax.in/s/future-of-gst-in-india> accessed 27 June 2025.

⁴⁶ IRISGST, 'GST Updates From April 2025: GST Compliance Changes You Must Know' (IRISGST, 2025) <https://irisgst.com/new-gst-updates-2025-gst-compliance-changes-you-must-know/> accessed 27 June 2025.

- **Education and Training:** As established by the survey, 72.5% of respondents felt that public education was the most important to tackle; the importance of multilingual and diacritic training, along with the potential relevance of technology (BHASHINI), was paramount in the interview's panic.⁴⁷⁴¹
- **Ease of Use Options for SMEs:** Adopting the ability for simplified filing, centres of assistance, and phasing in demands of MSMEs (e.g., which turnover is bigger will determine when you comply with your overall activity as opposed to last year's turnover) to make compliance easier.^{41 46}
- **GST 2.0 Structure:** Making a comprehensive return (GST Returns 2.0) with live invoice matching with a unified hope of fixing mismatches where ITC was claimed to benefit with transparency.^{47 45}
- **International Economic Standards:** This could be enhanced with best practices around the world, like working on a single rate (e.g., Singapore) would only help make businesses competitive.⁴⁵

14. Conclusion

The implementation of the GST policy is a watershed event in India's fiscal and economic history. It represents a fundamental change in India's structure of indirect taxes with the intent to integrate markets and generate economic efficiency. Through both secondary literature and primary survey data, we see that the GST has considerably lowered compliance burden, restricted cascading taxes, and contributed to the ease with which goods and services can move across state lines on a more integrated basis, all importantly contribute to the goal of a national market. However, the transition has not been seamless: smaller businesses are experiencing ongoing regulatory and operational difficulties, while the processes we have designed around the system sometimes negate the positive effects we have baked into the GST policy reform. Nevertheless, overall, the GST has demonstrably increased transparency, widened the tax net, and contributed to the international competitiveness of India. To realize the vision of "One Nation, One

⁴⁷ Rakesh Nangia and Sivakumar Ramjee, 'GST in Transition: A look back at 2024 and what's ahead in 2025' CNBC TV18 (3 January 2025) <https://www.cnbc18.com/business/finance/gst-transition-2024-review-2025-expectation-rakesh-nangia-sivakumar-ramjee-19533838.htm> accessed 27 June 2025.

Tax" requires policymakers to address residual issues with implementation, make procedures simpler, and share the benefits of the GST more evenly. Continued reforms and agile governance will be needed to consolidate the progress made so far and to land in an integrated economy that is growing and becoming more inclusive in the years ahead.