

A Study on the Challenges of GST E-Filing Faced by the Hotel Industry

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INTRODUCTION:

Hospitality Industry under GST Regime:

The hotel industry develops to benefit from uniform and even tax rates as well as easy and effective utilization of input tax credit under the Goods and Services Tax. We may anticipate the sector to draw in more international tourists than previously as the ultimate price to end user decreases. This would ideally result in higher government earnings, and the new tax structure has several advantages that might eventually support the growth of industry. For instance, complimentary food (such as breakfast) was previously billed individually under VAT but will now be billed as part of a bundled service under GST. Let's take a closer look at the rates in this sector:

GST Rates for Hotels based on Room Tariff (with effect from 01.10.2019)

Amendments made with 14th GST Council Meeting held on 18th & 19th May 2017 and come into effect from 01-07-2017.

Sl. No.	Room Rent	GST Rate
1	Rs. 0 to Rs. 1,000/- per day	Exempt
2	Rs. 1,001/- to Rs. 2,499/- per day	12% with full ITC
3	Rs. 2,500/- to Rs. 4,999/- per day	18% with full ITC
4	Rs. 5,000/- and above per day	28% with full ITC

The 37th GST Council Meeting took place on September 20, 2019, and an amendment was made that became effective on October 1st, 2019.

Sl. No.	Room Rent	GST Rate
1	Rs. 0/- to Rs. 1,000/- per day	Exempt

2	Rs. 1,001/- to Rs. 7,500/- per day	12% with full ITC
3	Rs. 7,501/- and above per day	18% with full ITC

GST levied on the hotel industry in India

GST levied on the hotel industry in India has highlighted following changes:

1. Organisational Ease

With the elimination of several additional levies, the GST will reduce the number of necessary processes and provide more alternatives for restructuring the tax system.

2. Lucidity for Customers

The average person sometimes finds it difficult to tell the difference between entertainment duty and value added duty. Under the GST model, however, customers would only see solitary duty on their invoice, giving them a clear picture of the tax they are paying.

3. Better Value of Facility

How many times do we have to wait about at the hotel, wondering whether our flight back home will be delayed because our invoice is still pending. Nowadays, the process of checking out at restaurants and hotels will grow more stylish with only one task to compute.

4. Benefit of Input Tax Credit

Input tax credit (ITC) claims and acquisition would be streamlined for the hotel industry, which will also get full ITC on their inputs. Prior to the introduction of GST, there were issues with the ability to correctly offset input taxes (raw foodstuffs for meals, cleaning supplies, etc.) against output. But the GST law would make things more peaceful.

OBJECTIVES OF THE STUDY:

1. To find out the challenges of Goods and Service Tax (GST) e-filing of the hotels in Delhi.

HYPOTHESIS OF THE STUDY:

Hypothesis 1 There is no significant difference between challenges of GST e-filing according to the areas of the hotels in Delhi.

RESEARCH METHODOLOGY:

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done systematically.

Sample area:

Researcher selected the Delhi city as a sample area as per convenience.

Sample selection:

In the present study, purposive sampling has been used by researcher. On the basis of primary and secondary data, the researcher selected Delhi city. For the sample selection researcher contacted the 50 employees of the hotels.

Data collection:

The proposed study intends to find out the challenges in e-filing of GST returns by the hotel industry Delhi city. The researcher collected the data from primary as well as secondary source of data. Secondary data was collected from different websites and journals. The researcher has also collected the primary data with the help of scheduled questionnaire prepared with the help of experts. The details like area of hotels, satisfaction level etc. were collected and assessed with five-point Likert scale through 10 statements.

Statistical techniques used:

Independent sample t test has been used for the data analysis.

DATA ANALYSIS AND INTERPRETATION:

OBJECTIVE: To find out the challenges of Goods and Service Tax (GST) e-filing of the hotels in Delhi.

HYPOTHESIS: There is no significant difference between challenges of GST e-filing according to the areas of the hotels in Delhi.

Table – 1

Area

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Rural	19	38.0	38.0	38.0
	Urban	31	62.0	62.0	100.0
	Total	50	100.0	100.0	

INTERPRETATION:

According to table 1, there are total 50 hotels which are situated in rural and urban areas i.e. 25 hotel in rural area and 25 hotels are in urban area.

Table - 2

Group Statistics

		Area	N	Mean	Std. Deviation	Std. Error Mean
Efiling	Rural		19	11.6316	3.16597	.72632
	Urban		31	12.6774	2.63802	.47380

Independent Samples Test

		t-test for Equality of Means						
		t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Efiling	Equal variances assumed	-1.261	48	.214	-1.04584	.82964	-2.71395	.62227

Equal variances not assumed	-	32.994	.236	-1.04584	.86720	-2.81018	.71850
	1.206						

INTERPRETATION:

The above table tells us that p-value of above selected problems are greater than 0.05 indicating that there is no significant difference between challenges of GST e-filing according to the areas of the hotels in Delhi. Thus, null hypothesis: “there is no significant difference between challenges of GST e-filing according to the areas of the hotels in Delhi is accepted.

CONCLUSION:

The study concludes that the introduction of the Goods and Services Tax (GST) has a favorable effect on the Indian hotel business. With the elimination of several additional levies, the GST will reduce the number of necessary processes and provide more alternatives for restructuring the tax system. It was very difficult to tell the difference between entertainment duty and value added duty before the GST. How many times do we have to wait about at the hotel, wondering whether our flight back home will be delayed because our invoice is still pending. Nowadays, the process of checking out at restaurants and hotels will grow more stylish with only one task to compute. From the present study it is also concluded that there is no significant difference between challenges of GST e-filing according to the areas of the hotels in Delhi

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