

“GST and its impact upon Education”

Mr. Sukhmander Singh¹ Mr. Deepak Kumar²

¹Assistant Professor (Commerce), Baba Farid College, Bathinda (Punjab)

²Assistant Professor (Commerce), Baba Farid College, Bathinda (Punjab)

Abstract

GST (Goods and service tax) is major tax reform, in indirect tax structure of India since Independence. It was designed to provide the support and enhancing the economic growth of India. The idea to set up GST in India was developed by Atal Bihari Vajpayee government in 2000, but the establishment of GST is not so simple as it came into force on July 1, 2017 after so many amendments in it. Prior to this date, the system to collect indirect tax is as complex as there are different heads of Indirect taxes but GST introduces the system which unifies 17 heads of Indirect taxes into one single set. At present, taxes are levied on the goods and services by the collective effort of central and state governments. This study is an attempt to judge the effect of GST upon the Education sector of India.

Keywords: GST, India, Education, Growth

Introduction

Education: As per Wikipedia “Education is the process of facilitating learning, or the acquisition of knowledge, skills, values, beliefs, and habits”. As India is one of fastest growing and 3rd largest economy in the world, moreover it is one of youngest economy in the world. So for it education plays crucial role for the social and economic growth of India. Education is one of the major service sectors for the economy like India because it will decide how the country will flourish. It promotes knowledge, skills, vision, innovation and creativity etc. of people which help in the growth of a country. India is a mixed economy, Education is provided by both the private and government sector. Central government passes the “Compulsory Education Act 2009” which makes the education compulsory for every child.

Objectives of the Study

- To know the impact of GST on education
- To check the positive and negative sides of GST
- To furnish information for further research work on GST.

Research Methodology

Being an explanatory research, study is based on secondary data. It is collected from various articles, magazines, newspapers and websites etc.

Education and GST

It is priority sector for the Government of India to provide education at low cost to one and all. That is the reason why this sector gets lot of tax exemption from the central as well state governments. After the implementation of GST the situation is still same as services provided by educational institutions to its students, staff and faculty like: Admissions, examinations, tuition, transportation catering, housekeeping, events and meal etc. are exempted from goods and services tax. But these exemptions are not provided to every institute, the services of other private institute and coaching centers are charged at 18% slab of GST.

Central government provides this exemption to educational institution which providing services as follows.

- Pre as well as higher secondary educational institutions
- Education and courses as a part of a curriculum for obtaining a qualification recognized by any law
- Education as a part of an approved vocational education courses.

Apart from these schools, GST exemption has also been granted to the services of some other colleges and universities provided to their students.

1. Exemption to the services of IIM

- 2 year full time post graduate programs in management, admission in which is granted via Common Admission Test (CAT)

- Integrated course of five years in management studies.
 - Fellowship programs in management.
2. Other education services which are exempted from GST.
- National skill development corporation (NSDC) set up by the government of India.
 - National skill Development Corporation approved sector skill councils.
 - National skill development corporation approved assessment agencies
 - Other skill development program approved by NSDC.
 - Any vocational skill development program approved under NSDC and monetary reward scheme.

Following are not 'Exempt from GST:

- Supplies provided by third parties like the musical instrument, computers, sports equipment,
- After school activities offered directly by third parties,
- Food and accommodation supplied for the excursion as described above,
- Uniform, stationery, and other non-academic related supplies

The school will not impose GST on the taxable supplies immediately but there might be some adjustment to the prices of school taxable supplies in the event the cost is higher to procure those supplies.

Education Provided By Higher and Private Institutions:

The education provided by the private school from preschool to higher secondary is exempted under GST. Apart from the exemption, one should also divert towards the fact that the education provided by the private institutions currently grabbing the nation on a fast pace will likely to get expensive up to 3 or 5 percent after the rollout of the new goods and services tax in India. As institutions and universities are not mentioned in the exempted list, it is expected that 18% of GST to be levied on them. All the other cases of charity or giving poor education assistance still counted in exemption but still, the Indians considers private education most preferred and would pay an extra penny to claim it for their children.

Education by Coaching Institutes

Coaching institutes are playing a very important role in today's competitive world. Most of the students are enrolling in the coaching institutes and want to crack the competitive exams. Previously, the government charged 14% tax on all such educations and now it is increased to 18% which will be disappointing for the students preparing for government exams, IITs, banking, and other professional courses.

GST Certified Courses at Various Universities

After the implementation of goods and services tax, it has become hard to understand the new indirect tax regime but there are certain universities which provide **specific courses on GST**. Candidates can not even know how the working of GST but they can also find an opportunity under the new GST regime upon selecting these courses.

ICAI Course: The ICAI have started a dedicated course for the understanding of goods and services tax. The course will make the student acknowledge all the details and fabrics of GST. The course is certified by the organization and a certificate will be provided to the candidates upon completion of the GST course.

Dr Bhimrao Ambedkar University: The University had started the course previous year having a length of 6 months. A lot of candidates approached the university and applied for this certified GST course in which the sessions will be taken by senior college professors and tax professionals.

Lucknow University: The University had offered GST certified course earlier this year but in the viewpoint of surged demand, the Lucknow University had extended the seats to 120.

Delhi University: The department had earlier discussed upon the inclusion of certified GST course within the curriculum. There might be soon GST related course in Delhi University.

IIM Comes under GST Tax Net

Madhya Pradesh Authority for Advance Rulings has cleared that the Executive post-graduate programmes offered by the Indian Institutes of Management (IIMs) will attract GST.

However, the Indian Institutes of Management Act, 2017, gives tax exemptions for courses offered by the IIMs but the ruling said that the executive programmes are not categorically exempted from tax.

The application by IIM Indore was replied by the MP AAR that the Executive Post-Graduate Programme in management is surely taxable under GST. But the services provided by the educational institutes are exempted from GST.

From this, it is clear now that only certain courses from IIM are exempted while others are taxable as per the ruling. It is better for the students to check if its course is taxable or not prior to admissions.

GST Added To B.Com Syllabus: Mumbai

It has been 10 months of GST roll out and it is the first time when GST is added to the syllabus somewhere in the country. It is a result of a decision made at the meeting of the varsity's academic council, Mumbai. As after implementing GST, the syllabus of taxation became outdated and needed updated one. In this regard, the varsity has taken a decision to add GST in the last year syllabus of B.com students.

The last year batch could not take benefit from the new syllabus as the previous batch started in June. But, the new batch of June 2018 will surely gain a lot with the addition of updated indirect tax syllabus in the course.

Recent Decision over GST on School

Following Activities Will Attract GST:

- If the school run summer camp or coaching classes for other students apart from the school students.
- If the school rent the school premise for marriage and other functions.
- If the doctor or hospital makes earning more than Rs. 20 lakh by selling unused and other instruments.

Moreover, it is also announced that the money spends on office canteen will not be eligible for ITC. Further, the company will also not get GST rebate on expenditure made for building and vehicle. E-way bill will be rendered in case of shipment with Airplane as well.

NSDC & BFSI Brings GST Accounts Assistant course

In a direction to improve better understanding of goods and services tax in the market and professional National Skill Development Corporation (NSDC) along with BFSI (Banking, Financial Services and Insurance) brought a **GST Accounts Assistant course**.

There are multiple procedures under the goods and services tax regime which needs to be understood at the earliest, so for the purpose, this course has been presented by the authorized department of the government of India.

They said 'GST Accounts Assistant course' has been prepared in the directorship of National Academy of Customs, Indirect Taxes and Narcotics (NACIN) with NSDC which will further provide 20 lecture both offline and online.

Those people who have completed their 10+2 education with basic knowledge of accounting can do this course which will further boost their knowledge in the field of GST and would sharpen their skills in the professional terms.

How GST Referred in Kautilya Arthashastra

Goods and services tax is not only a modern and recent topic but it was also discussed long ago in the advising era of Kautilya also. According to the recent news surfacing in the newspapers and some social media pages, it is said in the example part of the Banaras Hindu University, the students were asked about eh the **GST in the medieval period** and to be exact in the time of Kautilya.

In the paper of 'Social and Political Thought of Ancient and Medieval India,' there has a question which states that: "Write an essay on nature of GST in Kautilya Arthshastra". The question itself makes some confusion in the heads of the students, but there was no one to answer this question or to explain the reason behind the inclusion of this question in the exam paper.

GST Is In Syllabus Making Students Tensed

In consideration of operation and innovation in study courses, the Kota University has changed the syllabus of B.com and M.com final year students and added Goods and Services Tax in the study material. But the main problem is that the government is not able to provide books even after 6 months of session duration and this is making many students worried.

Although GST launched on 1 July, the government has taken months to decide GST provisions. Even tax consultants are in confusion and still, the Kota University added GST in the syllabus for B.com and M.com students.

University has added taxation as the subject in the B.com final year and direct & indirect tax in the M.com final year. The same syllabus is provided for Graduates and postgraduates. Academic Council and Board of management have given consent as well. As the full content on GST is not available, so it is making the students in big hurdles.

Maharashtra Includes GST Chapter in Class X Textbooks

Tenth Standard students of The Maharashtra State Board of Secondary & Higher Secondary Education will now be studying about GST, the less than a year old 'One Nation One Tax' system. GST has been extensively dealt and forms an important part of the chapter on financial planning in the Part 1 Mathematics textbook (Class X).

The textbook published from the printing house of the Maharashtra State Bureau of Textbook Production and Curriculum Research, Pune is a welcome move that must be followed by other state boards.

The chapter covers all important sections like Introduction on GST, Tax invoice, GST computation and ITC, shares, SIP, mutual funds. In addition to these topics, the sections conclude with important examples of tax calculations and slabs.

What the GST Chapter promises to teach Students?

- Details on how GST has subsumed all pre-existing independent taxes like – VAT, excise duty, customs duty, entertainment tax, central sales Tax, service tax and octroi
- The two components of GST – Central GST and State GST (CGST/IGST and SGST)
- Importance of GST IN ie Goods and Service Tax Identification Number

- The Five TAX slabs part of the unified Tax System from the zero-rated goods and services to the highly-rated (28 %) ones with proper examples.

GST Applicability to School-provided Food and Drinks

As per a statement made by the Finance Ministry, GST is not leviable on foods and drinks that are supplied by schools (up to higher secondary) directly to their students. However, food items supplied by school canteens and mess are taxable at 5 percent GST rate with no input tax credit.

Colleges Adding GST Courses Frequently

Vidyanth PG College has started a diploma course based on newly implemented indirect goods and services tax. Candidates can gain application form at the college counter; however, any fee for the form is not disclosed.

The principal of the college mentioned that the candidates will be taught basic and behavioral working on goods and services tax. Professors are directed to teach the course with diligence and pay attention to each and every **doubt of the students**.

For this, the college had also opened a total of 30 computer labs which will try to expand the knowledge of the candidates through the digital mode.

GST to be included in the ICSE Syllabus from Next year

The **Council for the Indian School Certificate Examination** (CISCE) has made GST as part of the syllabus for 10th standard ICSE students. Previously, the erstwhile VAT(value-added tax) system was part of the syllabus. But from the new session onwards, the CISCE will replace it with the GST. The decision comes to post the decision by other universities around the country to include GST as part of their curriculum. The move is aimed at bringing uniformity in exam pattern across the country. Reportedly, GST will be taught as a section in Mathematics. All Council schools will be updated with the new syllabus. Other changed parts of the syllabus for the new session have been uploaded on the official website. The Council has also decided that the Question Papers for the 9th and the 11th standard exams will be prepared by the Council itself.

Gujarat Will Soon Educate 11th & 12th Students with GST

Gujarat will be first among the Indian states who will impart complete Goods and services tax education right from starting of 11th and 12th standard of commerce stream.

The state will provide education on GST as a subject decided by the education department of Gujarat and now going through discussions on how to provide such education and in which format.

The department head told that the curriculum is discussed with 9 famous chartered accountants and finance department experts and has collectively taken the decision to include the GST as a topic in the studies soon.

The education department will adjust the theory part of GST in the economics and the practical part in the accountancy course. It is expected that soon all the schools and colleges will offer courses based on GST.

Effects:

Positive Effect of GST on Education

- The services provided by Pre-school and higher secondary schools are exempted from goods and services taxes. Students need not to pay taxes on their education which further promotes it.
- Various PG and UG courses like Bachelor of Arts(B.A.), Bachelor of commerce (B.com) Bachelor of computer application (BCA), Master of arts (M.A.), Master of commerce (M.com), Master of science - Maths etc. are totally exempted from GST.

Negative Effect of GST on Education

- The cost of stationary and other educational instruments is increased with the imposition of GST.
- Cost of branded meal and other food items also shoot up with GST rates.
- It increases the burden of study for the students of commerce field.

Education things are Cheaper but service expensive			
Particulars	Current	GST	Difference (%)
Children's Color book	0	0	0
Stapler, pencil, sharpener	18.68	12	-6.68
School Bag	12.5	18	+5.5
Fountain pen, Nib	18.13	18	-.13
Refill	18.69	18	-.69
Exercise Book	18.68	12	-6.68
Ball pen	18.68	12	-6.68

GST as in syllabus

Due to implementation of GST, Different universities and Institutes changed their syllabus of B.com and M.com students by addition of Goods and Services tax structure. It makes students really tensed, as relevant books and other study material is not available due to continuously amendments in the same. Time to time government changes the provision of GST and various inclusion and exclusion of products and services are there.

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