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Impact of GST education on commerce students understanding of taxation

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Abstract
The main aim of this research is to study the consequence of ‘Goods and Services Tax’ (GST), education on understanding of taxation among commerce students. This study will analyze how the introduction of GST in the syllabus influences student’s comprehension of taxation concepts, academic performance, and preparation for real world tax related challenges. This study will consist of both qualitative and quantitative data collection methods, like surveys, interviews, and academic performance, and also to explore how GST education shapes the knowledge of taxation in our country. According to Narendra Modi “GST is not just a tax reform, but a path towards creating a unified national market”.

Keywords: GST, taxation education, commerce students, awareness, knowledge

1. Introduction
Tax in a simple words means, amount of money paid by people to the government for all the services which are provided by government. (Shaari *et al*. 2015) [8] Tax are of two types Direct and indirect. In 1986 V.P. Singh, Rajiv Gandhi’s government the finance minister, started reform of indirect tax, by introducing Modified Value Added Tax (MODVAT). Later Value Added Tax (VAT) was discussed initially at state level by P.V. Narasimha Rao and Manmohan Singh. (Wikipedia contributors, 2025) [12] This GST replaced many indirect taxes. Goods and Services Tax in short, known as ‘GST’. In India, the tax imposed on the goods and services is consumption based and multi-layered and is called GST. ‘One Nation One Tax’ (Kundlik *et al*. (2021)) [10] agenda has successfully helped Indian government. This agenda was introduced as so to provide set tax rates for a service/product that every state would follow. According to Arun Jaitley "GST is a game-changing reform that will create a unified national market and boost economic growth." Understanding of GST is very important especially for commerce students, as they are the future professionals in the fields like taxation, business management, finance, etc. Being a commerce student it is important for them to have knowledge about the principles and practical applications of GST to be well prepared for careers in competitive and dynamic markets. To equip them, to handle real world challenges and also to contribute meaningfully to the economic growth, students must have knowledge and awareness of GST. This study will make them assess the level of understanding of GST among commerce students. (“International Journal of Advanced Multidisciplinary Research,” 2016c, p. 15) [3].

Literature Review
1. According to Nurulhasni *et al*. (2015) [8], while students were aware that the government was taking steps regarding the implementation of GST, many of them still lacked a clear understanding of the topic. Most respondents were confused about GST-related issues, indicating that the information provided by the government was not enough. This highlights the need to offer more detailed and clear education on GST.
2. According to Kamal Mohan Bansal (2022) [4], many students did not have a clear understanding of different parts of the GST system. Most respondents showed little support for the newly introduced GST because they believed it would cause the cost of living to rise.

They also thought that GST would be complicated to use and that it would increase the prices of products. This lack of support suggests that more effort is needed to educate people about how GST works and its actual effects on the economy and daily life.

3. Mohamad Ali Roshidi Ahmad (2016) [15] in is paper named 'Awareness and perception of taxpayers towards Goods and Services Tax GST Implementation' the study attempts to find out what position of awareness and perception to GST taxpayers in Malaysia. This study only consists of 256 civil servents of the secondary school teachers in the area Kuala Kangsar, Perak. Data collected using questionnaries. The results showed that the position of mindfulness was moderate and the majority of respondents did not accept the implementation of GST in Malaysia.
4. Dr. R. Vasanthagopal (2011) [2] in his study "GST in India: A Big leap in the Indirect Taxation System." conducted an in-depth assessment of the implications of the Goods and Services Tax (GST) on multiple sectors, including education, agriculture, and healthcare. His study highlighted both the positive and negative outcomes of GST implementation, concluding that it stands as the most transformative tax reform in post-independence India, with the capacity to enhance national fiscal revenues.

Objectives

The objectives of this research are

- Impact of GST on education.
- Pros and cons sides of GST.
- To study about the application of GST in India.
- To examine the level of awareness about GST among commerce students.
- To pick out the challenges faced by students in understanding GST and tax concepts.

Impacts of GST on educational sector

The Goods and Services Tax (GST) was introduced to prevent double taxation on goods. While it has helped in some areas, there are still a few positive and negative effects of GST, which are listed below.

Positive Impacts of GST According to Gupta *et al*. 2021b [7] states that,

Complete Tax Exemption for Schools up to Higher Secondary Level

Educational institutions that provide instruction up to the higher secondary level are entirely exempt from paying income tax as per prevailing tax laws.

- **GST Registration Not Required for Core Educational Services:** Institutions exclusively involved in providing academic instruction and accepting payments only in the form of tuition or course fees are not required to obtain GST registration.
- **Tax Relief for Educational Institutions Run by Charitable Trusts - Section 12A:** Charitable organizations operating educational institutions can benefit from income tax exemptions under Section 12A, provided they obtain the necessary approval from the Indian Income Tax Department.
- **GST Waiver for Vocational and Skill-Based Training:** Educational services focused on skill enhancement, including vocational training programs and initiatives conducted by the National Skill Development Corporation (NSDC) or its recognized Sector Skill Councils (SSCs), are completely exempt from GST**.**

Negative Impacts of GST According to Gupta *et al*. 2021b [7] states that

- A significant number of educational institutions rely on outsourced services such as housekeeping, transportation, and catering to manage their day-to-day operations. However, with the introduction of the Goods and Services Tax (GST), the cost burden on the education sector has increased. This is due to the rise in tax rates on these services from the earlier range of 5-12% to a uniform rate of 18%. As a result, educational costs are likely to go up, potentially affecting the overall education system and the country's economy by making education less affordable.
- Coaching classes are now taxed at a flat rate of 18% under GST. Similarly, courses that fall under the non-conventional or skill-based category, which were earlier taxed at 15%, have also been moved to the 18% tax bracket. This increase makes such educational services more expensive for students.
- Training sessions and academic events organized in India by foreign entities are also subject to 18% GST. These programs are commonly attended by students, working professionals, and corporate participants. The higher tax rate may discourage participation in such international educational initiatives.
- The impact of GST on educational products is mixed—some items have become more expensive while others have become more affordable. For example, school bags that were earlier taxed at 12.5% are now taxed at 18%, raising their price. Conversely, items like ball pens and exercise books, which were previously taxed at around 18.68%, are now taxed at 12%, making them cheaper.

Research Methodology

This research is grounded in secondary data. The information utilized has been sourced from a variety of online platforms, including official government websites, academic journals, newspapers, and other materials related to the Goods and Services Tax (GST). The primary objectives of this study are to analyze the concept of GST by understanding the taxation and examine its impact on the commerce students or education.

GST and Its Impact on the Educational Sector

Under the Goods and Services Tax (GST) framework, educational institutions that offer instruction up to the higher secondary level, as well as those directly involved in core educational services, are granted tax exemptions. The term "educational institutions" typically refers to organizations that provide education from the preschool level through higher secondary, including formal programs leading to recognized qualifications under prevailing laws, along with vocational training programs.

Prior to the implementation of GST, the education sector was not subjected to indirect taxes. However, with the introduction of GST, this sector was brought under the tax net to some extent. Although core educational services

remain exempt, the sector has experienced an increased cost of operations due to higher tax rates on goods and services used in delivering education. This, in turn, has led to a rise in the overall expenditure borne by educational institutions.
The exemption for core educational services is outlined in Notification No. 12/2017 - Central Tax (Rate), dated 28th June 2017, and Notification No. 09/2017 - Integrated Tax (Rate), with subsequent amendments issued by the Government of India.

Research Questions
The research questions of this study are:

How can tax education be used to promote tax learning and responsible tax behavior among future commerce business professionals?
The foster the future of commerce professionals, tax education plays the pivotal role in shaping but responsive tax behaviour
The different star crucial strategies are early integration, practical operation, continuous learning, technology, promoting tax literacy. Incorporating tax education into early stages of commerce education is vital. This establishes a foundational understanding of tax principles. This early exposure can help to shape positive attitudes towards tax compliance from the beginning of a professional career.
Increased tax compliance among future commerce professionals.

- Enhanced understanding of tax laws and regulations.
- Development of ethical tax practices.
- Better capability to manage tax-related responsibilities.
- Contribution to a more efficient and equitable tax system.

By enforcing these strategies, tax education can effectively promote learning and responsible tax behavior among unborn commerce professionals, eventually serving society as a whole.

What are the important factors that contribute to Commerce students' understanding of taxation?
Understanding of taxation is important for commerce scholars, there are several factors that contributes to their appreciation.
Understanding Fundamental Concepts is a main grasp of basic accounting and principles of finance is important. Taxation is connected with these areas deeply. The different types of taxes like income tax, sales tax, corporate tax, etc. and also their purposes should be known by students. Tax laws and its regulation can be complex and ever changing, which plays an important role in knowledge of tax.
Practical operation like Real-world examples and case studies, researches help scholars connect theoretical knowledge to practical situations. Hands-on experience with tax preparation software and simulations can enhance their understanding. Internships or work experience in accounting or tax firms provide inestimable practical exposure

How can tax education be made more engaging and relevant for Commerce students?
"Professional and societal environment is critical when teaching tax," Freudenberg said. "This environment will bring to life how important tax is and how it can have a fundamental influence on individuals, businesses, and governments." Not exciting? 4 ways to motivate and engage tax students. (2022, December 14). Journal of Accountancy.

What are the effective ways to link between theoretical tax knowledge and practical application?
Bridging the gap between theoretical tax knowledge and its practical application is pivotal for anyone working in or dealing with tax-related matters.
Practical experience like working in accounting firm taxation preparation services and corporate tax departments provides hands on experience in applying tax lot real client situations
Analysing different case studies will to apply knowledge to specific scripts, Tax software situations can also provides safe environment to practice that preparation and planning

This Questionnaire is asked in the form of goggle sheets to my relatives, friends, and my students. Taking into consideration about 50 people who answered these questions

Questions		
1	What is GST, or its Abbreviation	72%
2	Are You aware regarding GST in education Sector 1. Yes 2. No	Yes- 25% No -75%
3	What is the source of awareness 1. News Paper 2. Study Materials 3. Any Other	Newspaper - 18% Study Material-55% Any Other - 27%
4	Your Level of Awareness 1. High 2. Moderate 3. Low	High - 12% Moderate - 18% Low - 70%
5	Was GST a Part of your syllabus 1. Yes 2. No	Yes - 42% No - 58%
6	Do Your know to calculate Tax or its Slab and its formula	Yes - 14% No - 86%
7	What was the study material you used in your college or university to learn GST 1. Manan Prakashan 2. Reliable series 3. Any Other 4. Not Applicable during that time	Manan Publication - 49% Reliable Series - 14% Any Other - 12% NA during that time - 25%

8	Did Introduction Of GST impacted in our Daily Lifestyle	Yes - 28% No - 72%
9	The rising cost of fees in private sector in education impacts on paying fees in the form of GST	Yes - 32% No - 68%
10	Do you think GST burdens People	Yes - 55% No - 45%
11	Since we pay higher fees in education or coaching institute what percentage of School or college pay GST	0-25 - 5% 25-50 - 12% 50-75 - 13% 75 -10 - 70%
12	Does GST helps to grow nation	Yes - 92% No - 8%
13	Since government introduces new tax regime every year what percentage of people pay Tax	90%
14	Which Tax are we more levied upon	Direct Tax - 8% Indirect Tax - 92%
15	Which one do you prefer effective Practical ways or Theoretical ways of GST	Practical - 88% Theory - 12%

Findings

1. 72% of the people knows GST and what are the various types of GST that is Levied upon us.
2. 25% of people are aware about the GST that the school pays to the government organization.
3. Mostly 55% of people are aware, how GST works their tax slab, and how to calculate it. The source is mainly Study material, thus increase in a tax rate or tax regime people become aware through newspaper and related articles.
4. Taking into consideration about 50 people whom I have surved mostly only 42% of people had GST as their part of syllabus. about 86% of people don't know how to calculate tax.
5. 72% of people says introduction of GST has not impacted their daily lifestyle.
6. Since there is a rise of fees in private sector of education every year, 68% people thinks that increase in fees is not the impact of the GST however 32% says that GST has impacted in increase of inflation whereas the reason is the increase in school fees.
7. About 70% of coaching institute or Education sector spays GST every year.
8. 92% says that GST helps to improve the cost of living where government spend expenditure on building road, infrastructure etc.
9. Since Tax regime is different every year 90% of people pays their taxes in the form of direct tax and remaining 10% of people consist of those who uses to pay in cash as a settlement so that they Don't get Taxed for it
10. 92% of money comes in the form of in direct tax which are lived on us.

Conclusion

Commerce students play an important role in today's business world, and it's hard to imagine any business running without following GST rules. It's very important to teach these students about GST so they're ready for their future careers. Understanding GST helps them build a strong academic base and prepares them to help companies follow tax rules and keep up with changes in financial laws. If universities make internships in accounting and GST a must, students can get real-world experience. This would help connect what they learn in class with what actually happens in the workplace, making them better equipped to handle today's complex financial systems and contribute to building a stronger economy.

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