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A Study on Impact of GST in Media in India with Special References to Chennai

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Abstract

India's media business is noted for its rapid expansion. India is the world's fifth-largest media market. Smart-phone penetration and the Digital India project have sparked a surge in activity in the digital sector. While the industry's growth increased is excellent, it faces a number of problems. From a tax standpoint, this study examines the fundamental issues that the Indian media sector faces. The overall tax burden on customers will be reduced, and any local body tax or state-level tax will now be available as a credit, lowering overall production and sales costs. These charges will now be available in the output for set off/compensation. The main aim of the research is to know about the causes which lead to a great impact of GST in the media and to know whether People in India are aware of the Goods and services tax levied on the media profession. To analyse, governments are taking proper measures to improve previous and existing processes regarding GST on media and to create an impact of the steps taken by the government regarding the impacts of GST in media. Spreading awareness among the people about the impacts of GST in the media. The method of research has followed empirical research with a convenient sampling method. The sample size covered by the researcher is 200. The result of the research is that people were aware of measures taken by the government regarding the GST on media and most of the people are not aware of such outdoor GST in India.

Keywords

Media, Taxation, GST, Governmental initiatives, Awareness.

INTRODUCTION

The GST bill is a boon for media sourcing chains, who are already dealing with various tax processes in various states across the country. India's media business is noted for its rapid expansion. India is the world's fifth largest media market. Smart-phone penetration and the Digital India project have sparked a surge in activity in the digital sector. While the industry's growth trajectory is excellent, it faces a number of problems. From a tax standpoint, this study examines the fundamental issues that the Indian media sector faces. The main benefit of the GST is that the entertainment tax, which ranged from 8 to 12 percent, is increased by up to 25 percent, bringing the total tax to 25 percent. However, following GST, consumers will be required to pay a single

tax, which might range from 18 to 20%. However, the GST council has set the tax rates at 28%, which includes the full input tax credit. As a result, the overall tax burden on customers will be reduced, and any local or state-level taxes will be accessible as a credit, lowering overall production and sales costs. These expenses will now be set off or compensated in the output. This translates to lower tax rates and more profits. Dealing with various state governments with various tax systems will be simplified to a larger extent. Overall, GST will drive the digital media platform to a higher level. As a result, businesses have been able to reinvest revenues in advertising, resulting in a ten percent increase in overall spending. However, because another provision is waiting to pounce on this profiteering stance, the anti-profiteering clause requires the organisation to pass the tax savings on to the final consumers anyway. "The anti-profiteering rule encourages enterprises to cut prices to the extent that they are benefited by credit," Ghosh says. The major factor affecting the GST of media is multiple registrations also complicate the transfer of services between offices of the same company because under GST, each registration is considered a separate individual. Subramanian shares an example: Imagine that a company headquartered in Mumbai publishes an advertisement that ENIL broadcasts at its 22 stations across India. In the pre-TPS era, ENIL would raise a bill from Mumbai - the city where ENIL is headquartered. However, each station will currently collect an invoice at the Mumbai office, which will then collect an invoice from the customer. This creates more problems than just the procedure. **If the advertisement is worth Rs 1 crore, then the amount allocated to each station is a matter of internal Pre-GST accounting. Now the tax authorities may wonder why Chennai or Delhi only charge Rs 10 lakh. Typically, allocations are made based on estimates of market size, impact, airtime, and a whole host of variables that the IRS is not aware of. This can lead to unnecessary litigation. This is just one of the challenges facing India's Rs 126,200 media and entertainment industry as GST applies nationwide.** "The first six to eight months will be challenging. But the long-term benefits to be gained far outweigh the initial difficulties, as the GST will allow us to move from the unorganized sector to the organized sector," said Shrikant Bhasi, Founder and President of Carnival Group. "It forces us to automate. In the past, even small invoices were billed from the head office in Delhi, but now, if an expense is in multiple locations, it has to be billed from there to get the top GST credit. Into the. Since GST forces inputs and outputs to match throughout the supply chain, cable operators will have to start showing their revenues and paying taxes on them. If that happens, it could free up anything from Rs 15,000 to Rs 20,000 crore just in the TV ecosystem. Another boost could be better margins in some segments. Approximately 30% of our annual costs are subject to VAT. But we have never benefited from the VAT paid when purchasing goods and equipment for the sets. Under GST we can enable it. Facility of centralised registration is done away with which has necessitated business to take state wise GST registration. Multiple registrations not only lead to increase in compliances but also complicate the transfer of services among offices of the same company. Owing to the same, Production houses are not able to claim input tax credit on cost incurred at outdoor shooting locations where they do not have a GST registration. For instance, renting of immovable properties (shooting locations). One more important issue is that in case of a film producer or a television content producer, GST rate for films or television content is 12%. The major portion of input in a film or a TV serial is services given by artists, technicians and other persons and various rentals paid which attract 18% GST. So major inputs are received with 18% GST credit but the output is charged at 12% GST rate. This perpetually leads to a situation of inverted duty structure for the business. The Netherlands-based company is a wholly owned subsidiary of Satellite Television Asia Region Limited (STAR Ltd), Hong Kong. Taxpayer has been granted the exclusive right to sell advertising time in India and has entered under an agreement with an Indian legal entity (SIPL) to receive commissions from Indian advertisers. SIPL is treated as a conduit and SIPL is owned as an EP by STAR Ltd, Hong Kong. ITAT Honor recognizes that SIPL is operating in accordance with normal business processes and is not participating exclusively and exclusively in pricing. In addition, payment for SIPL was

made according to the terms of the arm's length. Therefore, SIPL is required as an Independent Agent under Section 5(6) of DTAA between India and the Netherlands. In the absence of PE in India, no part of the revenue is attributed to India.

Objectives:

- To know about the causes which lead to a great impact of GST in the media.
- To know whether People in India are aware of the Goods and services tax levied on media profession
- To analyse government are taking proper measures to improve previous and existing process regarding GST on media
- To create an impact of the steps taken by the government regarding the impacts of GST in media
- To spread awareness among the peoples about the impacts of GST in media.
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Review of Literature:

New York (State). Office of Tax Policy Analysis (1998) This report consists of the subsequent history materials: the "Internet Service Providers" bankruptcy from the Office of Tax Policy Analysis` Improving New York State's Telecommunications Taxes, Governor Pataki's press launch directing Commissioner Urbach to enforce the advice on Internet get admission to offerings contained withinside the Tax Dept's telecommunications report . **Christian Fuchs (2018)** Google and Facebook currently manage almost two-thirds of the world's advertising revenue. These two companies dominate the online advertising market, but so far have avoided paying property taxes. (Fuchs). **Lakshmi Vijayakumar (2021)** Recognizing the important role of the media in suicide prevention, the World Health Organization (WHO) has published guidelines for responsible media coverage of suicide.(Vijayakumar et al.) **Neyazi TA (2018)**, The book provides a fresh perspective on the importance of the Hindi media in India's political, social and economic transformation, along with evidence from both rural and urban areas. With access by more than 40% of the population, it continues to play an important role in raising political awareness and mobilizing public opinion.(Neyazi) **Brenton J. Malin (2017)** shows some thinking about emotion and media that preceded the explosion of mass media and mass media criticism in the early twentieth century, before laying out some key popular and academic understandings of media from the early twentieth century. From here, the chapter turns to late-twentieth-century modifications and extensions of these ideas and then discusses their continued relevance at the dawn of the twenty-first century(Malin) **Ntarangwi (2017)** It explores how even urban churches are tapping into such media to engage youth on matters of faith and lived sociocultural issues. Many Kenyan youth get access to the internet and such social-media platforms as Twitter and Facebook through their cell phones. Some service providers, such as Safaricom (the largest cell-phone company in Kenya), offer Facebook as part of their already installed applications for subscribers. (Ntarangwi) **Mittal (1995)**, Media and entertainment market in India is globally the fifth largest. Digital India initiative, penetration of smartphones at affordable prices, and reduced data tariffs have further boosted this arena. (Mittal) **Peter Vallentyne (2018)** Libertarianism assumes that the agent is wholly owned by himself and has certain moral powers over appropriate natural or abandoned resources. Masu: Taxes on criminals for law enforcement costs and valuable ownership of natural resources. (Vallentyne) **OECD (2015)** Energy is an important element of production and consumption patterns that support economic and social well-being. However, many forms of energy use contribute to the environmental and climate challenges facing society today..(Oecd and OECD). **Dixon (2001)** In addition, the exclusion of farm income from the income tax base provides an opportunity for tax evasion by disguising taxable income and illegal money as farm profits. (Dixon et al.) **Chudacoff (2017)**,From coaches to athletic directors to presidents, those who oversee high school athletics have three motives that prevent them from turning the tide.(Chudacoff). **Bala M (2020)**, Traditionally, India's tax system has relied heavily on

indirect taxes. Until the tax reforms were implemented in the 1990s, indirect tax revenue was the main source of tax revenue. The main argument for the great reliance on indirect taxes was that the majority of India's population is poor and therefore has its own limitations in expanding the base of direct taxes.(Bala). **Viswanathan B (2016)**, Restructuring of the tax system has constituted a major component of fiscal reforms in India since 1991. (Viswanathan). **Sajpal (2022)**, The purpose of this study was to determine the sequence and structural similarities of DHFR and GST proteins among the four Plasmodium species and to clarify in silico interactions with the drug candidates. (Sakpal et al.) **Rout (2020)**, Taxes are the most cost-effective mechanism for discouraging the use of tobacco. However, India's tobacco tax system was at a disadvantage. (Rout and Parhi) **Kavitha Rao (2019)**, The Goods and Services Tax (GST) was introduced in India in July 2017 after 40 years of lengthy deliberation on significant socio-economic and political challenges (Kavitha Rao and Mukherjee). **Sury MM (2017)**, The lately delivered Goods and Services Tax (GST) is absolutely the most important tax reform within the economic records of India. After lacking numerous cut-off dates and overcoming nearly a decade of political differences -- on the way to update a multi-layered set of Central and State taxes and levies with a uniform national tax -- GST sooner or later noticed the mild of day on July 1, 2017. (Sury). **Faucett (2022)**, these applications do not replace current workloads and are rarely counted as scholarships. The service may remain unrecognized, unrewarded, and free. Therefore, the URiM faculty (underestimated in medicine) that provides such services pays a minority tax if valuable time is diverted from career advancement activities or personal growth.. (Amu et al.) **Chamberlain (2018)**, In May 2018, the Excise Duty (Amendment) Act 2018 which introduced a tax on the use of social media platforms such as WhatsApp, Facebook, Twitter and Viber was passed by the Parliament of Uganda. Three reasons have been given for the tax..(Chamberlain) **World bank (2018)**, In the Information and Communication Series for Development, we will take a closer look at how information and communication technology affects the economic growth of developing countries.(World Bank)

METHODOLOGY

The research method followed here is empirical research. A total of 200 samples have been taken out of which is taken through convenient sampling. The sample frame taken by the researcher through online methods and also nearby people. The Independent variable taken here is age, gender, education qualification, occupation. The dependent variables are educational qualification, related methods, factors, Spreading awareness regarding impact of GST in media. The statistical data used by the researcher is graphical representation and correlation.

SPSS ANALYSIS:

Table 1

GENDER

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	119	59.5	59.5	59.5
	FEMALE	79	39.5	39.5	99.0
	OTHERS	2	1.0	1.0	100.0
	Total	200	100.0	100.0	

Legend: Table-1 shows the frequency of responses obtained in respect to gender group

Table 2

AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 18	5	2.5	2.5	2.5
	18 - 30	92	46.0	46.0	48.5
	30 - 50	85	42.5	42.5	91.0
	Above 50	18	9.0	9.0	100.0
	Total	200	100.0	100.0	

Legend: Table-1 shows the frequency of responses obtained in respect to age group

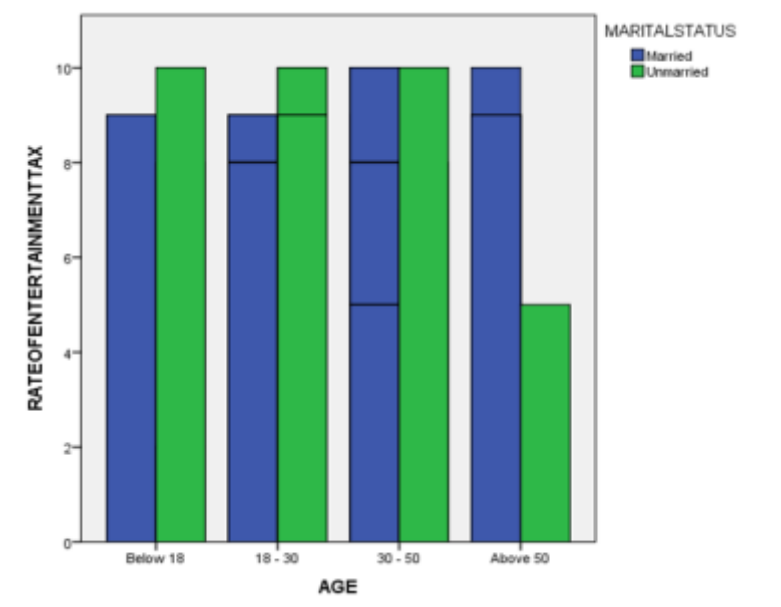
Table 3

OCCUPATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	18	9.0	9.0	9.0
	Private sector	58	29.0	29.0	38.0
	Public sector	83	41.5	41.5	79.5
	Unemployed	23	11.5	11.5	91.0
	Home maker	18	9.0	9.0	100.0
	Total	200	100.0	100.0	

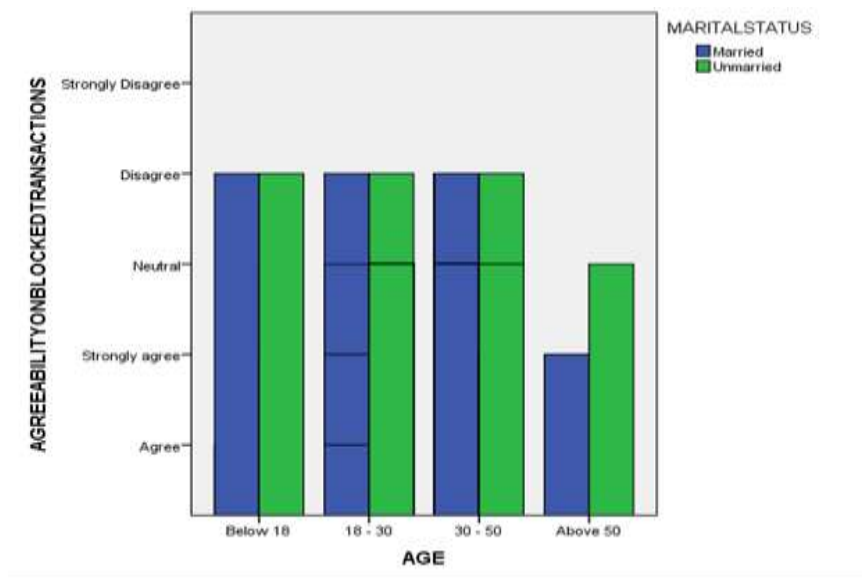
Legend: Table-1 shows the frequency of responses obtained in respect to occupation group

FIG 1



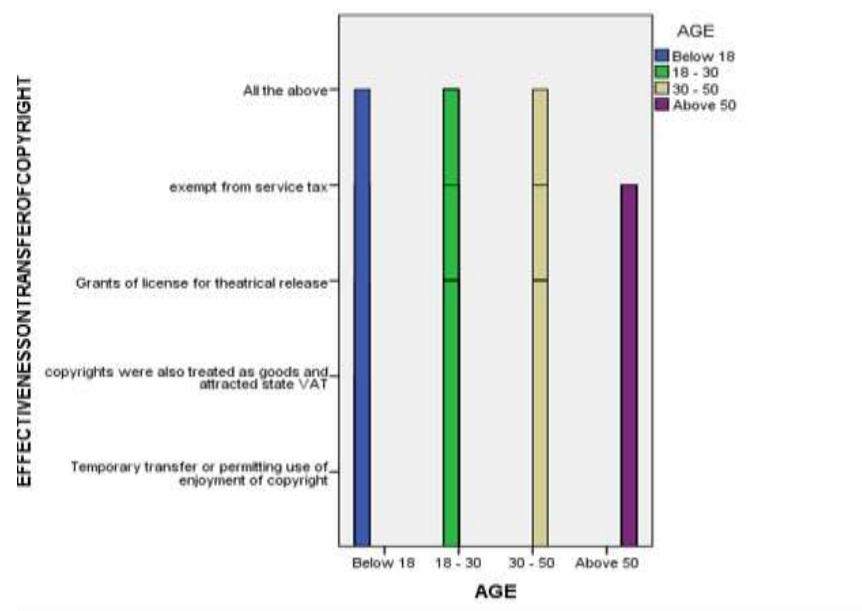
Legend: This graph shows the comparison between occupation and age regarding the Media tax which is considered to be higher than the GST rate.

FIG 2



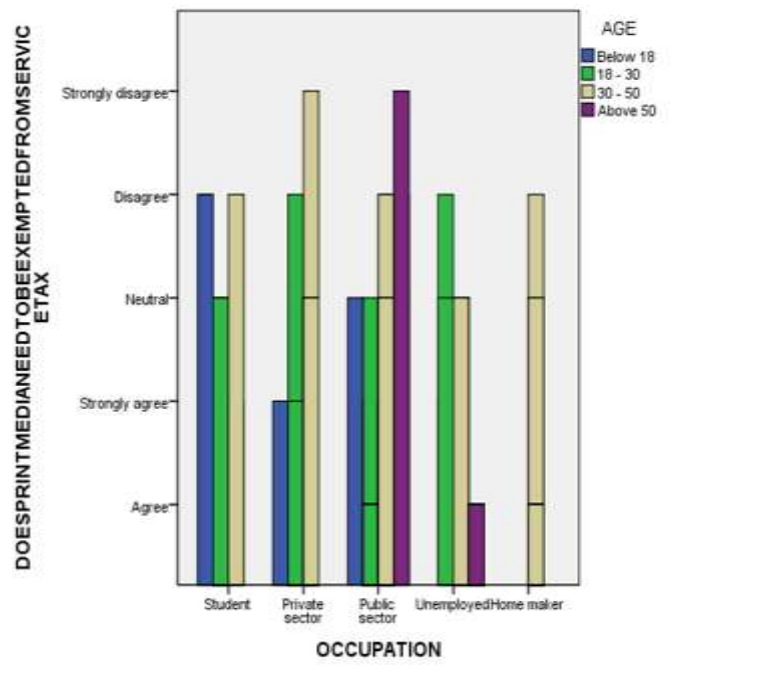
Legend: This graph shows the comparison between occupation and age regarding the transactions that are blocked under the GST.

FIG 3



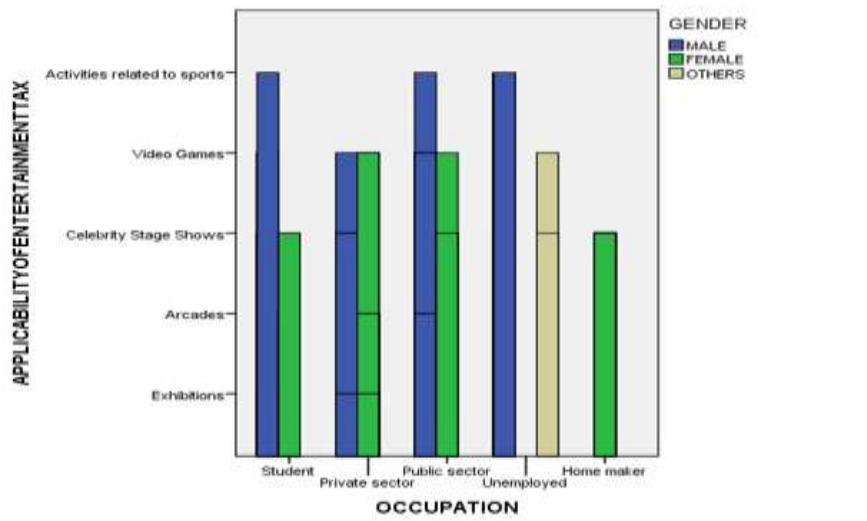
Legend: This graph shows the comparison between occupation and age regarding the concept of Transfer of copyright for exhibition of movies.

FIG 4



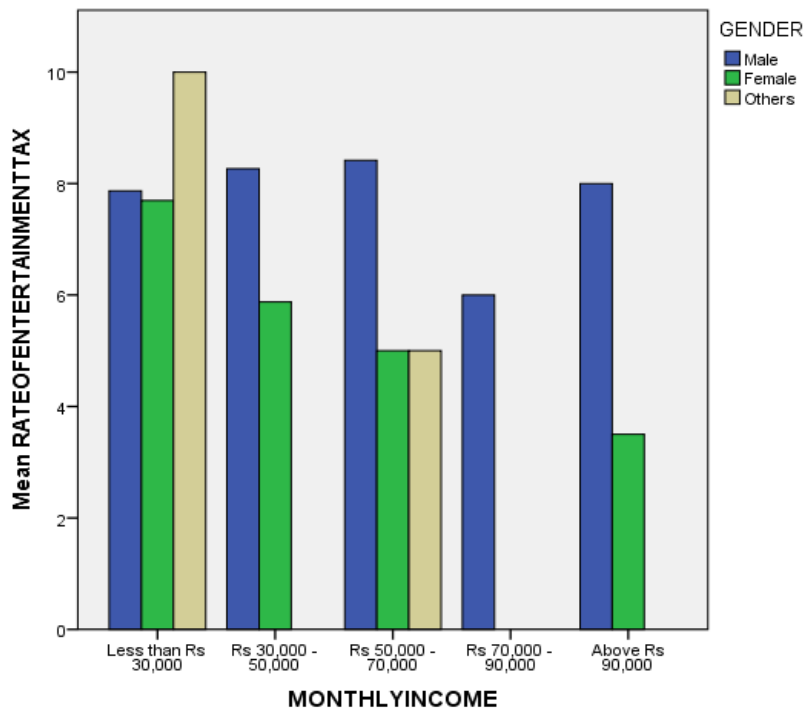
Legend: This graph shows the comparison between occupation and age regarding that Print media was efficiently exempt from service tax.

FIG 5



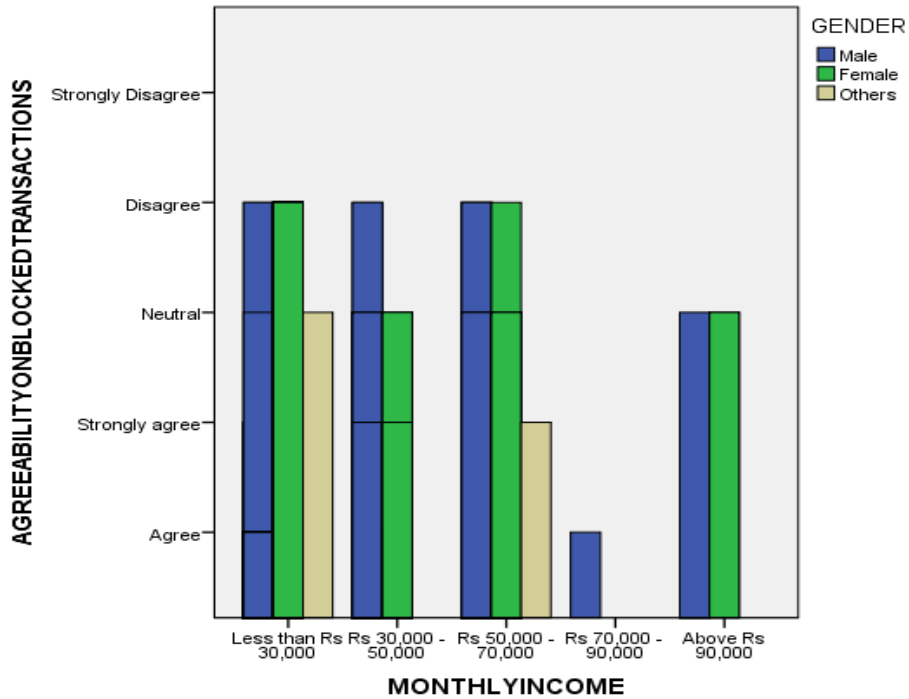
Legend: This graph shows the comparison between occupation and age regarding the application of entertainment

FIG 6



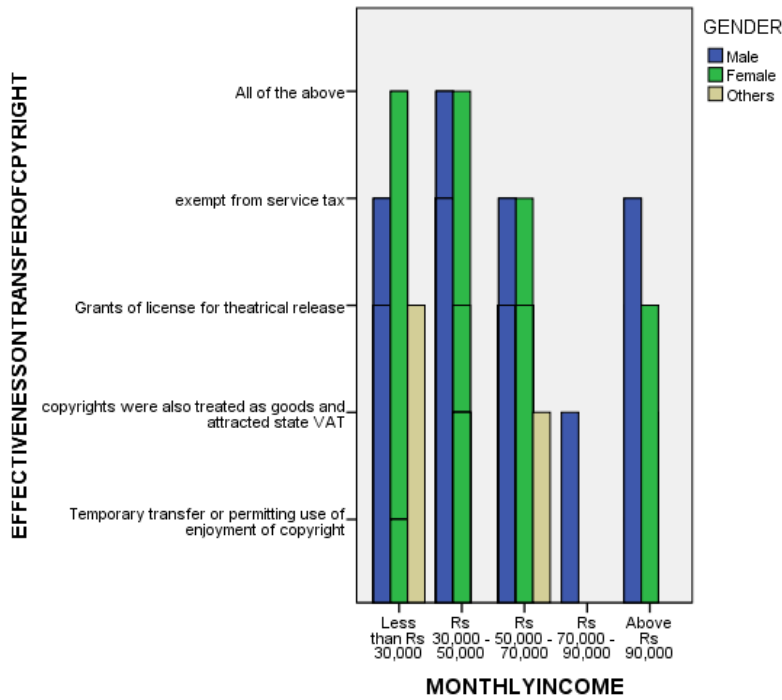
Legend: This graph shows the comparison between gender and monthly income regarding the application of entertainment

FIG 7



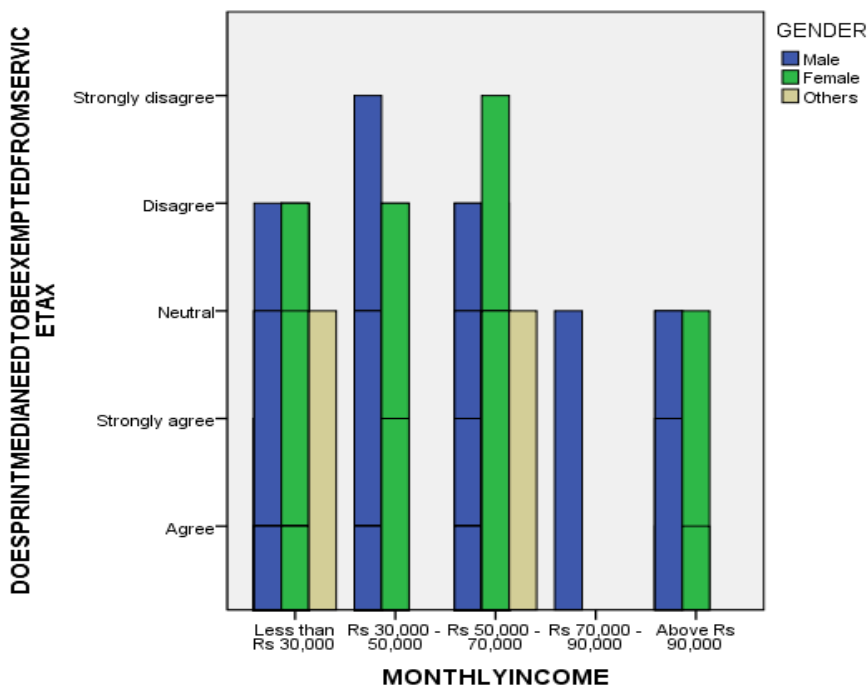
Legend: This graph shows the comparison between gender and monthly income regarding the transactions that are blocked under the GST such as shooting etc.

FIG 8



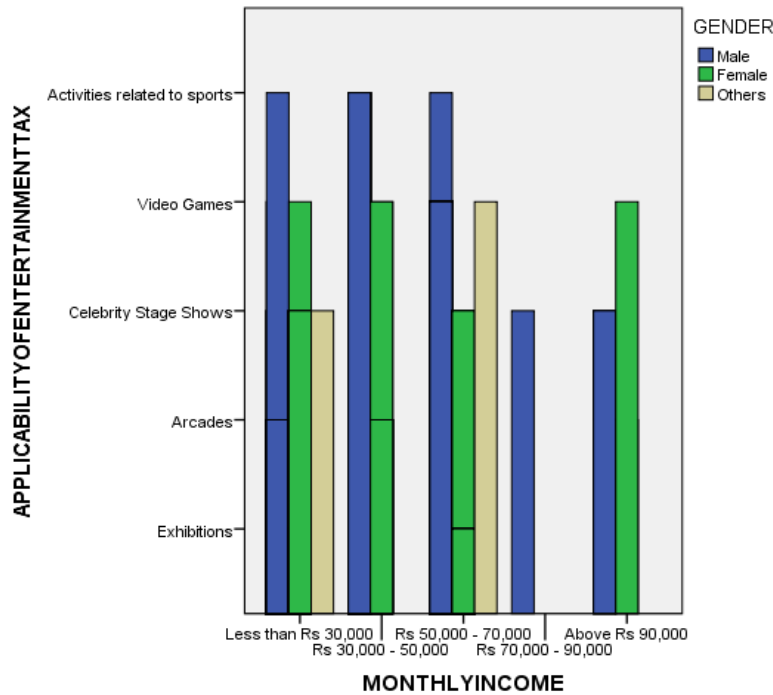
Legend: This graph shows the comparison between gender and monthly income regarding Transfer of copyright for exhibition of movies in Theatre which gave effective progress.

FIG 9



Legend: This graph shows the comparison between gender and monthly income regarding that Print media was efficiently exempt from service tax.

FIG 10



Legend: This graph shows the comparison between gender and monthly income regarding Entertainment tax efficiently applicable of entertainment.

RESULT

From fig 1, we came to know that irrespective of their marital status irrespective of their Age group have opted 10 as their rating towards the Entertainment tax which is considered to be higher than GST rate and the sample age group above 50 who are unmarried have rated 5 as their rating towards the question raised. From fig 2, we came to know that both married and unmarried samples whose age group is between Below 18, 18 - 30 and 30 - 50 have unifiedly disagreed that GST has blocked some transactions in shooting spot common practices. From fig 3, we came to know that irrespective of age group is between Below 18, 18 - 30 and 30 - 50 have unifiedly opted all of the above as their perspective towards the concept that Transfer of copyright. From fig 4, we came to know that both the public and private sector whose age group less than below 18 years. From Fig 5, we came to know that most of the male have opted for activities related to sports entertainment tax is effectively and easily applied by the Government of India irrespective of their occupation or job they pursue. Women of the public and private sector have opted Tax related to video games as an effective and easily applied tax by the Government of India. From fig 6, we came to know that most of the male irrespective of their monthly income have opted 9 as their rating towards the Entertainment tax which is considered to be higher than GST rate. From fig 7, we came to know that both male and female whose monthly salary is Less than Rs 30,000 , Rs 30,000 - 50,000 and Rs 50,000 - 70,000 have unifiedly disagreed that GST have blocked some transaction in shooting spot common practices and outdoor catering services. From fig 8, we came to know that both most of the females who receive monthly income of Less than Rs 30,000 and Rs 30,000 - 50,000 have opted All the above as their perspective towards the concept of Transfer of copyright. From fig 9, we came to know that both male and female whose monthly salary is Less than Rs 30,000 , Rs 30,000 - 50,000. From Fig 10, we came to know that most of the male have opted for activities related to sports entertainment tax is effectively and easily applied by the Government of India irrespective of their occupation or job they pursue.

DISCUSSION

From fig 1, we came to know that irrespective of their marital status irrespective of their Age group have opted 10 as their rating towards the Entertainment tax which is considered to be higher than GST rate. As in our society, married samples are more attracted towards the entertainment than any others, and this rating makes sure that GST has less tax compared to the old tax system in respect to entertainment field. From fig 2, we can observe that unmarried above 50 years samples express neutral opinion towards the question raised before them and this makes that most of the unmarried above 50 years samples have no judgement or knowledge towards the respective topic. We came to know that both married and unmarried samples whose age group is between From fig 3, we came to know that irrespective of age group is between Below 18, 18 - 30 and 30 - 50 have unifiedly have unifiedly opted all of the above as their perspective towards the concept that Transfer of copyright for exhibition of movies in. This makes clear the opinion of above 50 years samples that they always intend to lessen the expenses they make via exempting the tax. From fig 4, we can observe that irrespective of occupation, age groups between 30-50 years have opted to disagree with the question raised before them and this makes most of the high class people have bad judgement towards the respective topic. From Fig 5, we can observe that most of the male have opted for activities related to sports entertainment tax is effectively and easily applied by the Government of India irrespective of their occupation or job they pursue. And this makes clear that males have the perspective that, sports and related activity as a well managed tax system among them. From fig 6, we can observe that most of the male irrespective of their monthly income have opted 9 as their rating towards the Entertainment tax which is considered to be higher than the GST rate. As in our society, males are more attracted towards entertainment than any others, and this rating makes sure that GST has less tax compared to the old tax system in respect to the entertainment field.. From fig 7, we can observe that irrespective of gender samples receiving salary above Rs. 90,000 express neutral opinion towards the question raised before them and this makes that most of the high class people have no judgement or knowledge towards the respective topic. Both male and female whose monthly salary is . From Fig 8, we can observe that most of the male have opted exempt from service taxes as their perspective towards the concept of Transfer of copyright for exhibition of movies in Theatre which gave effective progress and this makes clear the opinion of male is always to lessen the expenses they make via exempting the tax. Both most of the females who receive monthly income of Less than Rs 30,000 and Rs 30,000 - 50,000 have opted All the above as their perspective towards the concept of Transfer of copyright for exhibition of movies in Theatre which gave effective progress..From fig 9, we can observe that irrespective of gender samples receiving salary above Rs. 90,000 express neutral opinion towards the question raised before them and this makes that most of the high class people have no judgement or knowledge towards the respective topic. From Fig 10, we can observe that most of the male have opted for activities related to sports entertainment tax that is effectively and easily applied by the Government of India irrespective of their occupation or job they pursue.

LIMITATION

The major limitations of my study are sample frames. The sample size is one of the major drawbacks as we are in a pandemic situation . The respondents were connected through different online sources, including sending questionnaires through email. The restrictive area of sample size is also another limitation . The research is limited to the media with respect to GST .The research doesn't cover other impacts of GST in other sources.

SUGGESTION

The corporations reinvest their gains in advertising, resulting in a 10% increase in overall spending. However, because another provision is waiting to pounce on this profiteering stance, the anti-profiteering clause requires the organisation to pass the tax savings on to the final consumers anyway. "The anti-profiteering rule," according to Ghosh, "requires enterprises to cut prices to the amount that they are benefited by credit."

CONCLUSION

The GST bill is proving to be a boon for media sourcing chains, who are already dealing with various tax processes in several states across the country. As a result, tax costs will be lower and earnings will rise. Dealing with various state governments with various tax systems will be simplified to a larger extent. GST will, in any case, drive the digital media platform to a higher level. Earlier, industry leaders were required to pay an outrageous amount of money in service tax for satellite rights, among other things. All taxes have now been consolidated under the GST, making things much easier for business owners.

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PLAGIARISM:



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Plagiarism Scan Report

Report Generated on: Jun 21,2022



Content Checked for Plagiarism

India's media business is noted for its rapid expansion. India is the world's fifth-largest media market. Smart-phone penetration and the Digital India project have sparked a surge in activity in the digital sector. While the industry's growth increased is excellent, it faces a number of problems. From a tax standpoint, this study examines the fundamental issues that the Indian media sector faces. The overall tax burden on customers will be reduced, and any local body tax or state-level tax will now be available as a credit, lowering overall production and sales costs. These charges will now be available in the output for set off/compensation. The main aim of the research is to know about the causes which lead to a great impact of GST in the media and to know whether People in India are aware of the Goods and services tax levied on the media profession. To analyse, governments are taking proper measures to improve previous and existing processes regarding GST on media and to create an impact of the steps taken by the government regarding the impacts of GST in media. spreading awareness among the people about the impacts of GST in the media. The method of research has followed empirical research with a convenient sampling method. The result of the research is that people were aware of measures taken by the government regarding the GST on media and most of the people are not aware of such outdoor GST in India.