

GST AND ITS IMPACT ON ENTERTAINMENT INDUSTRY IN INDIA

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ABSTRACT:

GST of 18% compared with the current rate of 28% on movie tickets priced below Rs 100 augurs well for single-screen theatres. Gains for multiplexes would be limited since just over 5-7% of their revenue is from low-priced tickets. For them, GST impact would be muted. In Delhi and Maharashtra, GST for tickets priced above Rs 100 will be 28%, much lower than the current 40% tax. The gain, however, will be offset by 21% GST on food and beverages, higher than the current 11% tax.

KEYWORDS: Cinema, Industry, GST, Entertainment, indirect tax

INTRODUCTION:

GST is an indirect tax which have replaced many indirect taxes in India. It was passed in parliament on 29th March 2017, Goods and service tax law in India is a comprehensive, multi stage destination based tax that is levied on every value addition. GST regime the burden taxation will allocated fairly between manufacturing and service via. The lower tax rates resulting in increased tax base and minimised exemption (Monika Sehrawat, Upasana dhanda, 2015). GST is not good for low income countries and do not provide broad based growth to poor countries (Agogo mawoli, 2014). Switching to seamless GST from current complicated indirect tax system in India will be a positive step in booming Indian economy (Dr. R. Vasantha Gopal, 2001). GST introduction will provide simpler and transparent tax system with increase in output and productivity of economy in India (Ehtishem Ahmed and Satya Poddar, 2009). Implementation of GST in India help in removing economic distortion

by current indirect tax system (Nitin kumar ,2014) . New NDA government in India is positive towards implementation of GST and it is beneficial for central government , state government and consumers (pinky , Supriya kamma , Richa Varma , 2014) . GST will bring one nation and one tax market . So implementation GST may increase the Indian economy(Lousdunrathan . F and Xavier. P , 2017) . Tax policy play an important role on the economy through their impact on both efficiency and equity (Nishita Gupta , 2014) . GST would translate into enhanced economic welfare and higher retain to the factors of production viz., land, labour and capital (Rajesh Chandha , 2009) . GST is the most logical steps towards the comprehensive indirect tax reform in our country since independence (Girish Garg – Basic concepts and concepts of GST in India) system of taxation by classification and valuation should be replaced by self assessment system (S. chossen , 2013). The object is to compare the price of movie tickets before and after implementation of GST and to study the impacts of GST on entertainment industry.

HYPOTHESIS:

H0 : There is no significant impact on the entertainment industry due to implementation of GST.

Ha: There is significant impact on entertainment industry due to implementation of GST .

MATERIALS AND METHODS:

Current paper attempts to analyse the GST act and it’s effects on the Entertainment industry through a empirical study study by using sampling method. The collected response is 300. The population size is 601 and we use random sampling method.

TABULATION:

1.What do you think about implementation of GST taxes?

	Respondents	Percentage
Good	170	56.6
Bad	130	43.3

2. Do you think it affects entertainment industry?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>150</u>	<u>50</u>
<u>No</u>	<u>150</u>	<u>50</u>

3. Do you think that it has effects on producers financial background?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>70</u>	<u>23.3</u>
<u>No</u>	<u>230</u>	<u>76.6</u>

4. Does it affect the people watch movies frequently ?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>192</u>	<u>63.3</u>
<u>No</u>	<u>108</u>	<u>36.6</u>

5. Does it affects the economy of a common person?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>213</u>	<u>71</u>
<u>No</u>	<u>87</u>	<u>29</u>

6. Do you think they after the ticket price have increased?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>210</u>	<u>70</u>
<u>No</u>	<u>90</u>	<u>30</u>

7. Do you think the price of the ticket is worth?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>150</u>	<u>50</u>
<u>No</u>	<u>150</u>	<u>50</u>

8. Do you think it has an effect on the television industry?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>120</u>	<u>40</u>
<u>No</u>	<u>180</u>	<u>60</u>

9. Entertainment taxes for Tamil movies in Tamil Nadu is nil, what do you think about it?

	<u>Respondents</u>	<u>Percentage</u>
<u>Right</u>	<u>142</u>	<u>47.3</u>
<u>Wrong</u>	<u>158</u>	<u>52.6</u>

10. The entertainment tax for other language movies in Tamil Nadu is 15%, what is your view about it?

	<u>Respondents</u>	<u>Percentage</u>
<u>Right</u>	<u>125</u>	<u>41.6</u>
<u>Wrong</u>	<u>175</u>	<u>58.6</u>

11. In multiplex cinemas we have to pay an additional tax of 10.25%, what is your view about that, whether it affects the viewers or not?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>250</u>	<u>83.3</u>
<u>No</u>	<u>50</u>	<u>16.6</u>

12. Do you think watching movie in theatre as luxury ?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>189</u>	<u>63</u>
<u>No</u>	<u>111</u>	<u>37</u>

13. How many movies you watch per month?

	<u>Respondents</u>	<u>Percentage</u>
<u>1</u>	<u>185</u>	<u>61.6</u>
<u>2</u>	<u>62</u>	<u>20.6</u>
<u>5</u>	<u>53</u>	<u>17.6</u>

14. What is your frequency of watching movies?

	<u>Respondents</u>	<u>Percentage</u>
<u>One per week</u>	<u>175</u>	<u>58.3</u>
<u>One per month</u>	<u>125</u>	<u>41.6</u>

15. Do you think investing 400 and above in watching a single movie is worth?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>50</u>	<u>16.6</u>
<u>No</u>	<u>250</u>	<u>83.3</u>

16. How much money do you spend on watching movies per month?

	<u>Respondents</u>	<u>Percentage</u>
<u>1000</u>	<u>143</u>	<u>47.6</u>
<u>4000</u>	<u>82</u>	<u>27.3</u>
<u>4000above</u>	<u>75</u>	<u>25</u>

17. Do you think that government must remove the tax on entertainment industry?

	<u>Respondents</u>	<u>Percentage</u>
<u>Yes</u>	<u>40</u>	<u>13.3</u>
<u>No</u>	<u>260</u>	<u>87.7</u>

18. Whom do you think GST will affect?

	<u>Respondents</u>	<u>Percentage</u>
<u>People</u>	<u>144</u>	<u>48</u>
<u>Producer</u>	<u>156</u>	<u>52</u>

FINDINGS:

In 300 people , 56.6% people says that the implementation of GST taxes is good and 43.3% people says it is bad. 50% people says they GST affects the entertainment industry and 50% people says that it doesn't. 23.3% people says that GST affects the producers financial status and 76.6% people says that it won't. 63.3% people says that GST affects the people who watch movies frequently and 36.6% says that it doesn't. 71% people says that it affects the economy of a common person and 29% people says that it doesn't. 70% people says that the GST had let to the increase in ticket price and 30% says that it didn't. 50% people says that the price of the ticket is worth and 50% says that it doesn't. 40% people says that the GST affects the television industry and 60% says that it doesn't. 47.3% people says that leaving no tax for the Tamil films in Tamil Nadu is right and 52.6% says that it is wrong. 41.6% people says that leaving 15% service tax to other language movies in Tamil Nadu is right and 56.3% says that it is wrong. 53.3% people says that imposing extra entertainment tax in multiplex is not right and 16.6% people says that it's wrong. 63% people says that watching movies monthly as luxury and 37% says that it is not. 61.6% says that they watch 1 movie per month , 20.6% says that they watch 2 movies and 17.6% says that they watch 5 movies per month. 58.3% people says they watch one movie per month and 41.6% says that they watch one per week. 50% says that paying 400 per movie is not worth and 50% feels that it is worth. 13.3% people says that the government must remove the entertainment industry and 260% that they shouldn't.

DISCUSSION:

Majority people's are feeling that implementing the GST tax is good. Half of the people thinks that the GST affects the entertainment industry and half thinks that it doesn't. Majority of people thinks that GST affects the financial background of the producers. Most of the people think that it affects the common people. Majority of people thinks that GST had let to the increase in ticket price. Majority of the people feels that the television industry is not affected due to GST. 83.3% people thinks that imposing extra entertainment tax of 10.25% in multiplex affects the viewers. Majority of the people think that investing above 400 for watching a single movie is not worthy .

CONCLUSION:

From the above observations, findings and discussion it shows that implementation of GST has significant effects on the entertainment industry. And it also plays a role in the movie ticket price . From this the researcher is concluding that the GST impacts on entertainment industry is positive for produces and negative for consumers.

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