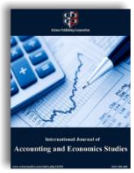
International Journal of Accounting and Economics Studies, 12 (4) (2025) 36-44

International Journal of Accounting and Economics Studies

Website: www.sciencepubco.com/index.php/IJAES
https://doi.org/10.14419/z584yd66
Research paper



Optimizing India's Goods and Services Tax Efficiency: A Thematic Analysis of GST Practitioners' Insights

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Received: June 24, 2025, Accepted: July 29, 2025, Published: August 1, 2025

Abstract

This research examines the improvement of efficiency and technological challenges in the implementation of India's Goods and Services Tax (GST), focusing on the viewpoints of GST practitioners. The study identifies primary challenges in compliance, technology integration, and procedural intricacies, while proposing remedies to enhance India's GST structure. A qualitative thematic analysis was performed via NVivo software. Data was acquired via a survey, secondary sources, and government records, enabling a comprehensive examination of GST's operating issues and possible improvements. The report reveals that significant issues include technological inefficiency in GSTN, compliance complexity for MSMEs, frequent policy updates, and disparities in input tax credit (ITC). GST practitioners advocate for a resilient IT infrastructure, AI-enhanced compliance automation, streamlined return filing, and heightened taxpayer awareness as essential strategies to enhance efficiency. Digitalization, effective dispute settlement, and regular policy revisions are essential for enhancing GST administration. This research solely presents policy recommendations to tax authorities, industry, and technology suppliers for an effective GST operational framework and the assurance of cohesive compliance.

Keywords: *Digital Taxation, GST, GSTN Challenges, India, Tax Compliance.*

1. Introduction

The Goods and Services Tax is considered to be one of the most transformational reforms in the Indian taxation system [1]. July 1, 2017, became a most memorable day in the history of taxation in India because it was this very day that finally fulfilled the long-pending demand for the merger of several indirect taxes into one by both houses of parliament. The GST merged many central and state-level indirect taxes into one coherent tax code, restructuring tax compliance and administration. It runs on a principle of value-added tax at every stage of production, with adequate provision for chains of input credits, making it truly a consumption-based destination tax [2]. There were such high expectations from this reform regarding the removal of cascading effects due to multilayered taxation that would improve Ease-of-Doing-Business as well as infuse more transparency into the taxation system [3].

The execution of GST in India has been marred by technical and operational issues. Change mostly won't come without challenges. Digital infrastructure, procedural complexities, and compliance-related issues have triggered significant resistance from taxpayers and businesses, as well as small and medium enterprises (SMEs) [4]. The success of any taxation reform mainly depends on how competently it is administered and the ease with which stakeholders can comply with the system [5]. GST practitioners who navigate these challenges, having functionaries closely between the government and taxpayers, are considered in this study to ferret out their experience toward improving effectiveness in implementing GST, thereby surmounting technical bottlenecks bedeviling it since its inception.

Before GST, enterprises bore the burden of many taxes- VAT, service tax, central excise duty, surtax, customs duty, and so forth levied at different stages of the supply chain. GST merged them into one tax system with basically two components- Central GST (CGST) and State GST (SGST) within a state, and Integrated GST (IGST) if between states [6].

The importance of GST cannot be overemphasized in the Indian context [7]. It is expected to widen the tax net, increase compliance, boost revenue collection both at the center and state levels, and hence increase economic growth. The cascading effect of taxes (tax on tax) was a major drawback in the earlier system; this new system has also tried to plug that anomaly. In doing so, the overall burden of taxes on goods and services is reduced. In the end, it helps tax authorities as well as taxpayers, besides consumers [8].

Moreover, GST has enhanced the inclusion of the informal sectors into the tax net and the formal economy. Arora and Singh [9] state that informal India has been drastically forced to embrace formal trading, invoicing, and taxation under GST. This is good for the economy and tax system, as more informal businesses are coming into the registered formal system, which increases economic development and leads to enhanced governance and compliance.

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While the objectives are commendable for the GST, the implementation has been hindered by some issues. Because of the technical issues of the GST Network (GSTN), persistent compliance changes, and the complexity of the return filing system, many businesses, and especially MSMEs, have struggled to cope with the system [9]. In addition, taxpayers have witnessed hurdles due to the burdensome nature of filing GST returns, the implementation of e-way bills, and e-invoicing.

The study focuses on the challenges and offers insights from practitioners regarding the execution of GST in India. Since practitioners are integral in helping firms manage GST compliance, their perspectives help diagnose system bottlenecks. Their insights were gathered through a survey questionnaire and were analyzed using thematic analysis to determine important recurring themes. Thematic analysis is useful because it looks closely at the myriad of issues facing tax authorities, taxpayers, and GST practitioners, and in turn helps propose revisions to procedural and digital infrastructural frameworks.

This study intends to address the following:

a) What are the inadequacies affecting the success of the GST system in India?
b) In what ways can the efficiency of the GST execution process be improved to facilitate better service delivery to taxpayers and the administrative stakeholders?

By responding to these questions, the study aims to advance the resolution of the GST system in India through a thorough analysis of practitioner feedback.

2. Literature review

The introduction of the Goods and Services Tax (GST) marked a significant milestone in India's taxation history, as it sought to streamline taxation and spur economic activities. Its execution, however, has faced multifaceted difficulties. This literature review, in an attempt to address gaps in research with regard to the aspects focused on improving GST execution, seeks to build on other works that focus on the rationale and other aspects of the enhancement of GST execution.

2.1. IT infrastructure enhancement

Technological factors impact the implementation and operationalization of the GST. The rollout of GST in India faced considerable technological compliance hurdles (reporting) as discussed in [10]. In a study conducted by Varun Agarwal [11]It was shown that the GST Network (GSTN) has a persistent data processing backlog that requires proactive audit and upgrade measures as a direct result of increased data volume. Enhanced server capacity and responsive IT systems characterized by steadfast software solutions and streamlined systems have been shown to reduce server downtime and simplify operations. Research has shown that compliance monitoring is enhanced with the adoption of AI and machine learning technologies [12]. Such technologies can provide real-time reporting and discrepancy identification, thus shifting the compliance burden away from the taxpayers [12]. In addition, improving the existing systems to adapt to newer technologies can lead to the development of a resilient and robust GST infrastructure.

Overcoming technical issues, user accessibility, and infrastructure problems continues to be a persistent obstacle in the administration of the GST system. A considerable number of taxpayers, especially in rural regions, struggle to access the GST platforms owing to the weak internet infrastructure. These challenges can be addressed with the help of policymakers, such as building up the internet infrastructure or providing necessary and alternative ways of compliance. Ensuring the GST system is simple, convenient, and affordable greatly improves participation and compliance across different regions.

Because of this, innovative ideas, as well as the use of blockchain technology, can significantly improve the administration of supplementary business transactions by improving the GST system's transparency and traceability. These innovations greatly reduce the level of fraud and improve the administration of taxes. The use of technology and the GST system are both critically important to its proper administration and success, so every effort must be made to ensure the system pays proper attention to and strategically adopts technological advances. Providing the GST system with sufficient technological adaptability increases efficiency over a longer period.

2.2. Simplification

The literature focuses on the intricacy of GST procedures. Mehta [10] argues that there are too many kinds of returns and compliance for small businesses. Less taxpayer irritation and higher compliance would occur as these processes are simplified with fewer returns filed and having one common framework [13]. It is widely estimated that small and medium-sized businesses are affected to a greater extent by the complexity of GST stimulation [14]. To facilitate understanding and compliance with GST obligations, user-friendly interfaces and guidelines are seen as key [15]. The burden placed on these entities can be significantly lessened by simplifying the compliance process, including the submission of a single return or reducing the volume of returns submitted [16]. Small businesses may also be induced to comply with GST through rewards for complying on time [16].

There needs to be a radical overhaul of procedures to improve the efficiency of GST. Indeed, published research maintains that the simplicity of registration, return filing, and assessment can significantly reduce the effort and cost of compliance [17]. In general, satisfaction towards the implemented GST system can be enhanced, and process betterment can be fine-tuned with an enhanced knowledge of taxpayer perspectives through the installation of feedback loops [18]. Also, complexities arise for tax administrators as well as taxpayers because the GST rates are complicated. The GST slab structure can be made clearer, and compliance burdens can be reduced by rationalizing and streamlining [19]. Not only does a flatter rate schedule promote fairness between industries, but it also helps taxpayers understand their obligation.

2.3. Policy and legislative reforms

Given the evolution of the GST, there will continue to be a need for further legislative and policy developments to address emerging issues. Jaid and Lahoti [20] argue that, given the dynamic economy, provisions of GST laws have to be reviewed and updated. What should be of paramount importance in legislative reforms is clarity of regulation and transparency, which would then reduce ambiguity that often leads to compliance problems. Participation of stakeholders in the reform process may also contribute to a more inclusive policy formulation and useful input [1].

For the GST to remain effective and applicable to changes in the economy, policies and systems should be revisited periodically. Looking at input from taxpayers and industry stakeholders, scholars insist on the need for an evolving approach to the administration of GST [21]. GST can be made more robust and appropriate if an adaptive approach is taken to evaluate and adjust the system.

2.4. Importance of inclusive tax education

The effectiveness with which the GST operates is strongly dependent on the expertise of tax administrators' representatives and of businesses. Training programs that are focused on the use of technology, GST compliance, and changes in law need to be made mandatory [22]. Studies suggest that effective capacity building can support stakeholders and empower them to deal with the complexities of GST [15]. Taxpayers can also take advantage of online resources and government-sponsored workshops, which provide them with continuing education and assistance.

Taxpayer motivation is imperative to strengthen compliance and to establish a good relationship between taxpayers and revenue officers. Aggressive engagement strategies, such as regular contact and feedback mechanisms, can increase customer satisfaction and trust, according to [23]. GST could be de-mystified, and voluntary compliance could be encouraged by empowering taxpayers through a campaign for information and easily accessible resources [24]. Moreover, the involvement of taxpayers in the decision-making process leads to higher returns and a more receptive tax office climate [25].

Preparatory education measures are important to increase the sense of responsibility among taxpayers. Free resources such as webinars, online courses, and information guides are also valuable in demystifying the GST process, as per the literature [12]. Taxpayer understanding can be improved, and filing mistakes can be reduced through training programs emphasizing the operational nature of GST compliance [22].

For GST to be successful, the government servants should be aware of the GST processes. It is believed that revenue authorities can assist taxpayers and resolve difficulties or challenges more effectively if they undertake training in resources/programs [26]. Additionally, better taxpayer service and more informed decision-making may result from government workers being more aware of the implications of GST policies.

Additionally, a common theme in the literature on the implementation of the GST is the empowerment of taxpayers. Giving taxpayers the knowledge, tools, and assistance they need to confidently traverse the GST environment is a key component of effective training strategies [27]. Using feedback systems to interact with taxpayers can also increase their sense of involvement and ownership in the tax system, which will ultimately promote trust and compliance.

2.5. GST governance mechanisms

To ensure compliance and eliminate discrepancies in GST returns, revision and return efficiencies are key. To address this, automated systems for return tracking/handling can be deployed to ensure accuracy and enhance efficiency [10]. Moreover, a more liberal procedure for filing returns, which allows amendments and corrections without rigorous sanctions, can also encourage timely compliance and good faith of the taxpayers [18].

Accountability and transparency are the cornerstones of a good GST regime. Trust and compliance of the taxpayers may be enhanced by transparent processes and accountability mechanisms [29]. Transparent audit & compliance guidelines help alleviate concerns regarding arbitrary enforcement and foster cooperation among the tax authorities and taxpayers.

One cannot overemphasize the significance of mundane criticism to the development of GST administration. Through cooperating with tax professionals and taxpayers, there is potential for more effective processes and policies that may emerge by seeking out ideas and perspectives for improvement. The satisfaction level with the GST scheme had the potential to be further improved, and ongoing enhancements of the system could be facilitated by creating an inclusive atmosphere of communicative relationships between respondents and tax offices [30]. In sum, the literature on GST implementation in India highlights several important areas that need to be addressed, including enhancing digital infrastructure, joining hands with process simplification, changes in the law, and training.

3. Methodology

This study follows the framework of Braun & Clarke for qualitative thematic analysis. This method was chosen for its flexibility in searching, analyzing, and summarizing themes or patterns in qualitative data, which is suited to open-ended survey responses [31]. Thematic analysis, as espoused by [32], is a valid approach to sort and examine textual data and offers the researcher the opportunity to fully make sense of complex datasets. Thematic analysis in the present paper was of the responses gathered from the GST practitioners, which included divergent perspectives on the various factors associated with the implementation of the GST.

The method for data collection was a survey questionnaire. The questions are intended to elicit the views of the GST professionals on the challenges and prospects in both the implementation and execution of the GST in terms of the compliance burden, IT-related infrastructure, procedural depths, etc. The responses were then coded for emergent patterns and themes on a separate sheet, where each code represented a different type of problem or barrier that the participants reported facing. (1) becoming familiar with the data, (2) generating initial codes, (3) searching for themes, (4) reviewing themes, (5) defining and naming themes, and (6) producing the report [33]. By permitting themes to emerge from the data, this inductive process ensures that the emergent findings are not constrained by pre-existing theoretical considerations and truly reflect the lived experiences and concerns of GST service providers.

Several overarching themes emerged from the thematic analysis. The coding process, which involved combining related codes into broad themes that accurately reflected the important concerns noted by GST practitioners, gave rise to these categories. In addition to being a versatile tool, thematic analysis guarantees comprehensiveness in qualitative research by offering a simple procedure for locating important patterns in the data. This strategy made it possible for the study to thoroughly investigate the difficulties associated with the implementation of the GST [34].

3.1. Data collection and analysis

Spanning registered GST practitioners across India, data for the present work was collected over ten months, starting from 1st May 2024 to 28th February 2025. To ensure that only professionals involved in the GST practices were included, the survey was conducted using email, and coordinates were extracted through the GSTN portal. Convenience sampling was applied, with 399 valid responses collected

from GST practitioners, which is about 80% of the 500 copies of questionnaires handed out. It is incredible to note that these professionals, comprising chartered accountants 30%, tax consultants 40%, cost accountants 15%, and advocates dealing with tax litigation 15% populate the list of registered professionals on the GSTN portal. From the total sample, 15% of the women and 85% of the men were GST practitioners. This distribution ensures a representative set of credible respondents for analytical strenuousness by replicating the current practitioner demographics at India's GST system. Both closed-ended and open-ended questions were used in the survey to gain qualitative information about how and to what extent the GST system had been implemented and was functioning. The open-ended question inviting respondents to suggest further improvements to the GST system played a pivotal role in this research, serving as the foundation for the thematic qualitative analysis. To ensure systematic management and analysis of data, coding, categorization, and theme extraction were facilitated using NVivo software. By providing an organized coding environment that facilitates researchers in managing large datasets efficiently and establishing explicit links between codes and themes, it enhances the rigor and credibility of qualitative research [35].

The program was used to identify prevalent themes, perform word frequency analysis, perform hierarchical coding, and visualize theme clouds (word clouds and concept maps). Consequently, data-based interpretation was simplified, the individuals' bias was reduced, and the results were most robust and credible [36].

As proposed by [37]In this study, we apply a reflexive thematic analysis, focusing on the flexibility of coding and interpretation, whilst maintaining a vigorous analytical framework. To help ensure the results were consistent with what the practitioners themselves articulated and with suggestions for improving the administration of the GST, a semantic method was employed, focusing on what was stated rather than on more inchoate assumptions. Special emphasis is on subjects such as digital infrastructure upgrade, ease of tax compliance, help to MSMEs, and matters connected with ITC, etc., ensuring that the themes remain policy relevant and action-oriented.

Several validity tests were performed to enhance the dependability of the thematic analysis. To minimize subjective bias, this study conducted a peer review for the coded data to ensure inter-coder reliability. Second, triangulation was achieved by comparing qualitative findings with secondary data [28], including previous studies and GST policy documents [36]. Finally, an audit trail to document coding decisions was established in NVivo to facilitate transparency and replicability of findings.

This research presents a holistic, evidence-based, and empathetic understanding of a new tax system for its GST practitioners through fusing a careful examination of literature with thematic analysis coding and visualization supported by NVivo. This method not only increases the study's analytical rigor but also offers insightful policy recommendations for enhancing the effectiveness of the GST implementation in India.

4. Results

Through thematic analysis of qualitative data, key themes and insights on the operational and administrative aspects of the GST since July 2017 emerged. It is a widely used qualitative approach that permits the systematic organization, analysis, and presentation of themes identified in textual data. In so doing, it ensures a systematic and comprehensive understanding of the topic by uncovering explicit and hidden meanings within the data.

Five major categories/constructs, which in turn consisted of several sub-categories/themes that offer deeper insights into specific aspects of the study, were identified after an extensive coding exercise. These themes are a mirror image of such problems, complications, and prospects in the realm of indirect taxes. The five themes and associated sub-themes are discussed below.

Table 1: Thematic Codebook of Main Themes and Sub-Themes

Themes	Sub-themes	Files	References
		1	59
Addressing Corruption and Ensuring Fair Taxation	Availing of ITC	1	48
	Corruption	1	3
	One Nation One Tax	1	8
		1	51
Enhancing Digital Infrastructure and Technology	Enhance the IT infrastructure	1	12
	GSTN Portal	1	35
	Invoice Validation	1	4
		1	97
Simplification and Rationalization of the GST Framework	GST Complexity	1	3
	GST Law amendment	1	33
	GST Return Revision Option	1	11
	GST Simplification	1	28
	Tax Slabs	1	22
		1	36
Strengthening GST Compliance and Administration	Clarify GST rules	1	8
	Continuously monitor performance	1	17
	Engage stakeholders	1	7
	Transparency in GST	1	4
		1	47
Supporting MSMEs and the Taxpayer experience	MSMEs	1	9
	Taxpayers awareness	1	12
	Training and Capacity Building	1	26

The codebook generated in NVivo codes important themes and subthemes about GST practitioners' views on enhancing the India GST system. From a broader category of enhancing the efficiency of GST and overcoming technological challenges, 290 references were found. The necessity to address Corruption and the cry for fair Taxation continue to be prominent, as 59 references indicate problems in tax administration. Input Tax Credits (ITCs) are also part of another important area with 48 references, indicating the complexity of ITC crediting. "In the present situation, MSMEs are suffering from a working capital crunch, due to the delay in ITC returns on time. The chart also shows prominence of digital infrastructure with 51 mentions, calling for a better portal, invoice validation, and IT infrastructure. Simplification and rationalization of GST have 97 references, covering aspects like GST complexity, law amendments, return revision options, and tax slabs. Strengthening Compliance and Administration has 36 references, emphasizing the need for rule clarification, continuous performance monitoring, stakeholder engagement, and transparency. Finally, supporting MSMEs and enhancing the taxpayer

experience account for 47 references, with a focus on awareness, capacity building, and tailored support for small businesses. The findings reflect the persistent need for systemic improvements to make GST more efficient, transparent, and business-friendly.

4.1. Word cloud

The Word Cloud, created using NVivo, visualizes the most frequently occurring terms from survey responses of GST practitioners on future improvements in GST implementation and execution. Common stopwords were removed to enhance meaningful interpretation.



Fig. 1: Word Cloud. Source: Authors' Creation

Fig. 1 presents a word cloud derived from the open-ended responses of 399 GST practitioners, visually emphasizing the most frequently cited terms. The dominance of words such as "tax returns," "GST return," "system," "business," "government," and "compliance" reveals practitioners' concentrated concern with the complexity of return filing and the inefficiencies in GST system operations. Keywords like "portal," "registration," "filing," "credit," and "input" point to persistent technical and procedural difficulties in the digital interface, particularly with Input Tax Credit (ITC) reconciliation and GSTN system navigation.

Further, the frequent appearance of "revised," "simplified," "rates," and "revision" indicates a strong demand for rationalizing GST slabs and introducing a structured, taxpayer-friendly amendment mechanism. The presence of terms like "training," "knowledge," and "awareness" underscores a widely recognized need for sustained capacity-building among stakeholders to ensure better compliance. Additionally, "MSME," "small," and "support" reflect concerns about the disproportionate compliance burden on micro and small enterprises, suggesting the necessity for differentiated policy responses. This visualization not only substantiates the thematic analysis but also enriches the narrative by providing a data-driven lens into practitioner sentiment and reform priorities.

4.2. Concept map

Fig. 2 Thematic Analysis-Based on a concept map to enhance the effectiveness of GST application in India. At the core are the imperatives for simplification and rationalization of the GST regime that would ultimately reduce the complexity of procedural formalities, uniformity of tax rates, and make the tax system much more transparent. Fewer slabs lead to better administration and ease of doing business.

To this is added the need to improve digital infrastructure. A robust and sturdy GSTN portal that not only ensures processing in real time, but also transparency of the data, while minimizing any grievances of the taxpayers, connecting filing, registration, and credit matching together. More sophisticated digital systems also enable administrators to identify fraudulent practices and to implement policy refinements that are data-driven, reinforcing system accountability. The concept map also underscores the need to support MSMEs and enhance the taxpayer experience. Special measures for tiny and small entities — simplified returns, easy grievance redress, and focused capacity building —can alleviate disproportionate compliance costs and promote formalization. It also leads to a more participatory tax system, which is classically the solution to long-term sustainability of business and a broad tax base. The fight against corruption and ensuring fair taxation are still key planks. Through a more robust audit mechanism, automation of vulnerable processes, and deterrence for fraudulent ITC claims, the system gains more confidence from its stakeholders. These contribute to confidence in the tax system and are vital to achieving better revenue results.

Finally, the map underscores the significance of strengthening GST compliance and administrative capacity. Investments in training, institutional coordination, and standardization of enforcement practices ensure policy consistency across jurisdictions. A responsive administrative framework is essential not only for sustaining reforms but also for adapting to evolving economic contexts. Collectively, these interconnected themes converge to enhance the ease of doing business, build trust, increase revenue, and elevate the overall success of the GST system. The conceptual structure presented in Fig. 2 thus offers a holistic and actionable pathway for reforming India's indirect tax architecture in a sustainable, inclusive, and future-ready manner.

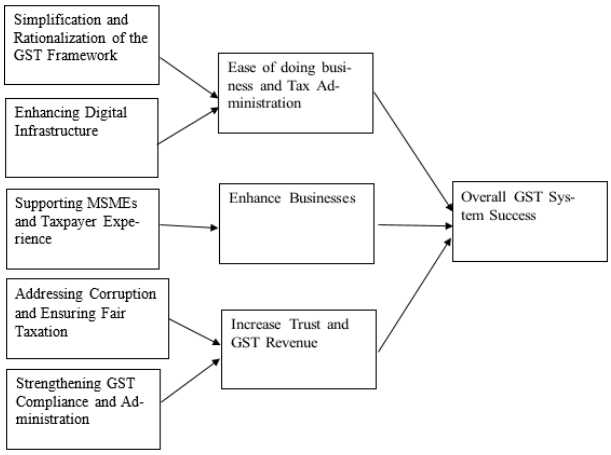


Fig. 2: Concept Map Source: Authors' Compilation.

5. Discussions

Based on the responses of GST practitioners, which were categorized into different themes using NVivo software, the following themes will be discussed under each category for the improvement of the GST system in India.

5.1. Enhancing digital infrastructure

According to GST practitioners, there were several issues with India's GSTN for taxation, including Frequent downtime of the server, Slow speed of processing, Lack of fake invoice detectors, and Insufficient capacity to handle peak filing periods. This highlighted the necessity of a robust and scalable digital architecture, ensuring hassle-free tax adherence, the chamber stated. To combat these problems, they point out that one solution would be to increase server capacity, another to integrate cloud services, and to scale up, as well as to improve cybersecurity to stop data leaks. In addition, there is a need to continue surveillance and maintain the GSTN systems for minimum downtime and a better user experience.

The GSTN portal has been facing criticism as users have complained of problems like inability to log in, glitches during processing of the forms, difficulty in navigating it, and not being able to make the payment. Practitioners also emphasized the importance of a user-friendly system with easier processes and on-time technical maintenance support to address complaints instantly. Recommended enhancements include improving portal performance, aiming at system responsiveness, integrating chatbots for AI (Artificial Intelligence)-based live assistance in addressing queries with a taxpayer-centric bend, and offering multilingual support for taxpayers in different parts of the country.

5.2. Supporting MSMEs and capacity building

GST practitioners said there were opportunities and challenges for MSMEs since the launch of GST. The single tax system of GST has, for sure, improved the efficiency of compliance; however, frequent changes in rules, higher compliance burden, and return filing complexities have weighed heavily on the MSMEs. Tax consultants have said the MSMEs face ITC mismatches and working capital shortages because of delayed refunds. They suggested that the government should consider further easing, including quarterly return filing for small taxpayers and simplified compliance for MSMEs.

The taxpayers in general, especially small businesses located in rural and semi-urban areas, do not even know today what they have to do in terms of paying GST, what the exemption is, what the compliance is, and how they have to do it. The constant changes churned out by the government lead to extensive confusion while filing returns and result in errors, and thus, penalties are levied, tax practitioners said. They also recommended that the tax authorities promote public campaigns to increase awareness, publish clear and new guidelines, and promote accurate information through their website to the taxpayers. Continual learning and learning of both taxpayers and revenue officers are other key issues that a recent survey of GST practitioners has thrown up. Early respondents shared that many businesses – particularly MSMEs – are having difficulty in adhering to the technical parts of the GSTN portal, i.e., e-invoicing, e-waybills, and ITC reconciliation. They recommended that the government should organize training programs, workshops, and certification courses for spreading awareness about GST and building trust in the new tax regime. They also emphasized the role of digital tools and AI-driven solutions to simplify tax processes, which can be integrated into training initiatives for better outcomes.

5.3. Simplification of the GST system

The Indian GST regime remains overly intricate, and businesses still face significant compliance burdens. Several small or mid-sized companies face difficulties with ITC claims, especially when they have suppliers who do not deposit GST on time, and the company faces working capital issues. The model of tax slab labelling with various rates creates more confusion as it leaves very little clear for a taxpayer. In addition, the broad bookkeeping and return filing obligations that apply to small businesses lead many businesses to operate in cash so as not to be burdened by standard duties, which in turn affects the transparency of the taxpayer. The government has unveiled digital compliance measures, but without a strong support infrastructure for taxpayers, confusion and mistakes remain.

When GST was introduced, a simplified tax mechanism was the intent behind it; however, in practice, there were a lot of complications in implementation. Businesses are entangled in a maze of legal interpretations and ever-frequent amendments that impede them from dealing with their tax liabilities. The classification of goods and services into different tax slabs is also not always rational, leading to disputes and uncertainty. The compliance structure is also marred by technical disruptions on the GST portal, refund delays, and uneven tax enforcement among the states. Unfortunately, if these fundamental issues remain unresolved, the GST will still be a complex structure for businesses, particularly for those for whom professional advice on tax cannot be available.

Further, frequent changes to the GST Act breed an uncertain tax regime and make it difficult to plan in the long term for an entrepreneurial business. Many stakeholders recommend aligning amendments with annual tax cycles, similar to income tax, to ensure consistency and predictability. The need for faceless assessment is becoming evident, as businesses continue to report bureaucratic inadequacies and discretionary powers exercised by tax officers. A more organized approach to amendments can reduce compliance burdens and ensure that businesses adapt to changes without financial strain.

Furthermore, major structural inefficiencies hinder the effectiveness of GST, including the non-functional GST Tribunal and overly complex appeal mechanisms that discourage businesses from competing with unfair tax demands. GST practitioners suggest that a uniform and simplified tax rate system, like Singapore's single-rate GST, could provide greater clarity and ease of compliance. Increasing credit facilities, such as allowing CGST or IGST credit for individuals against their income tax liability, could further enhance the system's efficiency. Additionally, the classification of exemptions must be amended to minimize dependency on scattered notifications and circulars, as the current approach leads to unnecessary litigation and disputes. Addressing these legal and administrative challenges is crucial to realizing the full potential of GST as a business-friendly and revenue-efficient tax system.

5.4. Need for GST good governance

The rigidity of the GST return filing rules has led to unnecessary compliance challenges for taxpayers, especially when there are bona fide errors. Inability to correct returns on a timely basis compels businesses to go ahead with errors & errors can be in terms of money/penalty & inflow/outflow of cash. Without a suitable cure for errors, litigation and administrative burdens rise, underscoring the fact that a more flexible treatment is necessary. The system will need to include mechanisms for taxpayers to amend their GST returns within a reasonable time frame, to ensure that both fairness and efficiency are served. Secondly, lightweight NIL returns filing could save small businesses from unnecessary penalties and do away with formalities.

A procedural simplification of the process of GST registration, like the mandatory provision of Aadhaar authentication and needless physical verifications, which discourage small businesses from joining the formal economy, is also necessary. Non-compliance. Another major concern is that suppliers who collect GST from consumers and do not pay it, and do not file returns, affect the ITC claims of bona fide taxpayers. If stronger enforcement measures were carried out against these defaulters, more accountability would be seen. Moreover, broadening the GST base to cover sectors presently exempted, like oil, alcohol, and real estate, could enhance transparency and increase revenue receipts. A broader, more flexible filing system, combined with a more comprehensive tax base, would go a long way towards making GST a much more effective and efficient instrument.

5.5. Enhancing GST administration and compliance

The continuous monitoring of performance in the GST system is necessary to satisfy the requirement to comply and to improve efficiency. The respondents stressed the importance of correcting the GSTR-1 and GSTR-3B to prevent the imposition of excess compliance burdens. Also, to add to the woe was ineffective communication on the notices issued on the GST portal, leading to missed deadlines and resulting in compliance issues for businesses. A need exists for the system to become user-friendly by incorporating features of real-time monitoring, scalability planning, and stakeholder communication so that system administration is easy to carry out. Routine technical and process audits are suggested to uncover non-compliance and improve the efficiency of GST administration. Efficient and dedicated expert professionals should also be put in charge of the system to control, monitor, and ensure that compliance with the system is smooth and effective.

Stakeholder consultation. In addition, the engagement of stakeholders is essential for the further development of GST policies and for a balanced administration. Most of the participants also expressed that the primary concern of the Revenue officials is for revenue, and they seldom show any interest in the grievances of the taxpayers, as well as the fact that the notices are issued with a delay, which results in imposing more fines and penalties. Respondents emphasized the importance of a formal, transparent feedback process, allowing industry leaders, businesses, and tax professionals to help shape policy. If members of the taxpayers' representatives were involved in the process of policy formulation and modifications, the fundamental rights of taxpayers could be safeguarded. Some tax officials were also accused of misuse of authority, which resulted in the harassment of the taxpayers. Monitoring cooperation between tax authorities, companies, and IT manufacturers could also contribute to overcoming the technical obstacles. Public-private partnerships can play an essential role in driving innovative solutions, ensuring continuous improvement of the GST system, and fostering a more inclusive tax environment.

Furthermore, transparency remains a major concern among GST stakeholders. GST practitioners pointed out the opacity of the GST portal and its processes, calling for corrective measures to enhance clarity and user accessibility. Many believe that greater transparency in GST policies, clearer communication from tax authorities, and simplified processes would significantly improve compliance rates and trust in the system.

5.6. Addressing corruption and ensuring "one nation, one tax''

Corruption remains a persistent and structurally embedded challenge within India's GST framework, undermining revenue mobilization, taxpayer morale, and the overall credibility of the system. GST practitioners widely cited the exploitation of loopholes to fraudulently claim Input Tax Credit (ITC) through fake invoicing, circular trading, and shell entities. One prominent example is the nationwide crackdown in 2020, where the Directorate General of GST Intelligence (DGGI) unearthed over ₹5,000 crores in fraudulent ITC claims involving fictitious firms operating without genuine business activity. Similarly, regional-level cases—such as the 2021 Karnataka GST fraud involving over 100 fake registrations—demonstrate how weak identity verification and poor cross-agency coordination create fertile ground for systemic abuse.

The problem is exacerbated by limited audit coverage, insufficient use of data analytics, and the absence of an independent anti-corruption overseer within the GST administration. Discretionary powers held by tax officers, particularly in refund approvals and audit selections, often result in rent-seeking behavior, further eroding trust. Practitioners advocate for the deployment of AI and machine learning tools to proactively detect anomalies in transactional patterns, crossmatch e-invoices, and flag high-risk entities in real-time. Strengthening institutional checks, introducing centralized audit protocols, and leveraging third-party data (e.g., banking, customs, and income tax records) were also recommended to build a robust deterrence framework. Moreover, the practitioners emphasized that combating corruption must go together with fostering voluntary compliance. Simplified compliance mechanisms, predictable rules, and transparent grievance redress systems are essential to reduce opportunities for informal negotiations and ensure that honest taxpayers are not penalized. A culture of fairness, supported by digital traceability and clearly defined accountability norms, is crucial to enhancing the integrity and resilience of the GST regime.

Despite the intended vision of "One Nation, One Tax," India's GST implementation and administration fall short of true indirect tax unification due to the exclusion of key sectors like alcohol, petroleum, and real estate, compelling businesses with diverse operations to navigate multiple tax compliance procedures. Moreover, GST practitioners highlight that disparities in state-level enforcement, varying tax rates, and multiple slabs create confusion and increase compliance burdens. To address this, experts recommend a simplified tax structure with a "One Nation, One Tax'' motto, fewer tax slabs, and potentially transitioning to a dual-rate system to minimize classification disputes. Furthermore, ensuring uniform enforcement across states and improving coordination between central and state tax authorities is vital to restoring the integrity of the GST framework and achieving true nationwide tax unification.

On the other hand, one of the most pressing concerns raised by GST practitioners was the complexities associated with Input Tax Credit (ITC). Discrepancies in invoices, delayed refunds, and unnecessary restrictions on ITC claims have led to cash flow constraints for businesses. Many respondents advocated for a more automated and less restrictive ITC system, allowing real-time reconciliation and faster refunds. The introductions of AI-driven invoice matching and blockchain technology for secure data verification were highlighted as a potential solution. Furthermore, concerns over inverted duty structures—where the input tax is higher than the output tax—were raised, leading to suggestions for rationalizing tax rates to ensure businesses do not face financial disadvantages.

To broaden the relevance of the findings, it is instructive to compare India's GST framework with those of global counterparts such as Australia and Canada. Australia's GST system, implemented in 2000, is characterized by a single, uniform tax rate and a centralized administrative structure under the Australian Taxation Office (ATO), which reduces compliance burdens and ensures administrative consistency [38]. In contrast, Canada operates a dual GST-HST model, where the federal and certain provincial governments levy and collect taxes collaboratively, offering insights into coordinated fiscal federalism [39]. Canada's system also benefits from a streamlined digital filing interface and a strong culture of voluntary compliance supported by consistent outreach and taxpayer services [40]. These international experiences underscore the importance of simplification, harmonization, and digital maturity—areas where India's GST system is progressing but still faces structural challenges. Drawing lessons from such models provides actionable insights for creating a more efficient and inclusive indirect tax regime in India.

6. Conclusion

To better serve taxpayers and administrative stakeholders, this paper tackles the important research questions of evaluating the obstacles impeding the efficacy of the Goods and Services Tax (GST) system in India and how to improve the operational efficiency of the GST execution process. It highlights key areas for enhancing India's GST framework by tackling technical constraints, compliance issues, and structural inefficiencies. To reduce the burden on SMEs and taxpayers, GST practitioners' insights highlight the necessity of streamlining, modernizing, and expanding the flexibility of filing procedures. To promote openness and trust, it is essential to strengthen the Input Tax Credit (ITC) system, implement faceless assessments, and increase educational outreach. Targeted policy changes, like tax breaks and amnesty initiatives, can also help MSMEs and spur economic expansion. Policymakers can ensure long-term effective tax administration and compliance by implementing these strategic improvements, which will make the GST system more resilient, efficient, and taxpayer friendly. The study is restricted to the views of GST professionals regarding the administration and execution of the GST system. Future studies ought to concentrate on how taxpayers view the GSTN platform and the GST framework. Comprehensive research on MSMEs and associated input tax credit issues is advised. To maximize the overall success of the GST system, it is determined that strong IT infrastructure, AI-driven compliance automation, simple return filing, increased taxpayer awareness, digitization, effective dispute resolution, and regular policy amendments are essential. Although this study provides insightful information about the issues and areas for improvement in India's GST system, it is crucial to remember that the analysis is largely predicated on the opinions of GST practitioners. As a result, little is known about the opinions of taxpayers, especially those who work for MSME businesses. To provide a more comprehensive understanding of GST implementation, compliance behavior, and its socio-economic impacts at the local level, future research should take taxpayer experiences into account.

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