



An Analytical Study of GST and the E-Filing Process of GST Returns

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Abstract—

The introduction of Goods and Services Tax (GST) in India is considered one of the most important tax reforms in the country's economic history. It was introduced to replace the complex structure of multiple indirect taxes with a single, unified tax system. The implementation of GST has brought major changes in the way businesses calculate, collect, and pay taxes. One of the most significant features introduced under GST is the electronic filing of returns, commonly known as e-filing.

E-filing of GST returns is a digital process through which registered taxpayers submit their tax details online through the official GST portal. This system was introduced to make tax filing easier, quicker, and more transparent. It has reduced paperwork, improved record maintenance, and increased accountability in the taxation process.

The present study focuses on understanding the concept, procedure, advantages, and challenges of e-filing GST returns. It also examines how this digital process has impacted businesses, accountants, and tax professionals. The research highlights the practical difficulties faced by taxpayers such as technical errors, lack of awareness, internet connectivity issues, and difficulties in understanding compliance requirements.

The study concludes that while the e-filing system has successfully modernized tax administration in India, there is still a need for further improvement in terms of portal efficiency, taxpayer education, and technical support. If these areas are addressed effectively, e-filing can become more user-friendly and contribute significantly to a stronger taxation framework in India.

The introduction of the Goods and Services Tax (GST) was a significant reform aimed at addressing these issues by creating a unified and comprehensive tax structure. Implemented in July 2017, GST replaced multiple indirect taxes with a single tax system applicable across the country. It is a destination-based tax that is levied on the consumption of goods and services, thereby eliminating the cascading effect of taxes and promoting a more efficient tax regime.



I. INTRODUCTION

Taxation is one of the most important sources of revenue for every government. It helps the government finance public services such as education, healthcare, transportation, defense, and infrastructure development. A strong taxation system is necessary for the economic growth and stability of a country.

Before the implementation of GST, India had a complicated indirect tax structure. Different taxes were levied by the central and state governments, such as excise duty, service tax, value-added tax (VAT), central sales tax, and entry tax. This created confusion among taxpayers and often resulted in double taxation.

To solve these issues, the Government of India introduced the Goods and Services Tax on 1st July 2017. GST brought all major indirect taxes under one system and aimed to create a unified national market. It follows the concept of “One Nation, One Tax.”

Along with GST, the government introduced an online tax compliance mechanism. Under this system, taxpayers are required to file their GST returns electronically through the GST portal. This digital process is called e-filing of GST returns. E-filing has become an essential part of modern tax administration. It allows taxpayers to submit returns from anywhere without visiting tax offices. The process is designed to save time, improve transparency, and reduce manual errors.

However, despite its advantages, many taxpayers face practical challenges while using the online system. Some struggle with technical issues, while others lack the required knowledge to complete the filing process correctly.

This study attempts to analyze the overall effectiveness of the e-filing system and understand its impact on taxpayers.

II. LITERATURE REVIEW

R.K. Jain's GST Law Manual CENTAX
Publication PVT. LTD. 2018.

A set of 24 new rules have been added to the CGST Rules, 2017 in relation to important issue like Search, Seizure & Inspection, Demand & Recovery and Offence and Penalties. Most of the form of refund have been replaced and lots of new Forms have been notified. Besides this, there have been amendments in number of existing Rules. The Government has issued various important clarification & producers by way of press Release, they have also incorporated in part 7 of the manual. GST troubleshooting -100 solutions to taxpayers Problems (FAQ) has been added in beginning where issue related to Registration, Refund, Cess, Custom, Export, Input Tax Credit, invoice, Returns, Supply etc.,

Part 1- Consist of introduction to GST AND GST LAW AND PROCEDURE

Part 2- Consist of service tax where rate of tax for supply of services, deemed services, import export of services

Part 3- Consist charts of following-Registration under GST, Returns to be filled under GST, Input tax credit, Payment of tax under GST, Import export under GST, JOB WORK, ELECTRONIC WAY BILL COST, GST IMPACT ON CUSTOM

Tax man's GST Ready Reckner by V.S. Datey 4th edition July 2017 has been made to introduce GST and provision made effect from 1.7.2017 which over comes the major defects in earlier structure of indirect tax. In this book a list of taxable event in GST is given with example for better understanding. The book contains chapters as follow:- Rules for supply of goods or services or both.

R.K. Jain's GST Tariff of India 2017 Centax
Publication PVT. LTD Tariff is the backbone



of any taxation law in as much it gives the description of taxable item detail on which tax is leviable. The important of descriptive tariff becomes more prominent when multiple rates taxation is prescribed for various items.

Nitin Kumar (2014) studied, "Goods and Service Tax- A Way Forward" that implementing GST in India would help in removing current indirect tax system and expected to encourage unbiased tax structure which is indifferent to geographical locations. Nishita Gupta (2014)

in her study stated that by implementing GST would give many benefits to our country which is not given by current tax structure and will benefit the economy.

Ahmed and Poddar (2009) studied, 'Goods and Service Tax Reforms and Intergovernmental Consideration in India' and found that GST introduction will provide simpler and transparent tax system with increase in output and productivity of economy in India. But the benefits of GST are critically dependent on rational design of GST.

Jaiprakash (2014) in his research study mentioned that the GST at the Central and the State level are expected to give more relief to industry, trade, agriculture and consumers through a more comprehensive and wider coverage of input tax set-off and service tax setoff, subsuming of several taxes in the GST and phasing out of CST.

Mrs. Poonam (2017) in her study stated that the introduction of GST would be a very significant step in the field of indirect tax. The cascading or double taxation effects could be reduced by combining many central and state taxes. Consumer's tax burden will reduce to 25% to 30% after introduction of GST. After introduction of GST Indian products would become more competitive in the domestic and international markets. This tax would instantly encourage economic growth.

Kapoor Kapil, 28 (2017) critically examined GST implementation, models, mechanism, issues and challenges. Development stages GST in India studied in this paper. Exclusions from GST which is petrol alcohol, tobacco, Diesel and some benefits such as simplicity, transparency, cascading effect, reduction in burden of tax revenue collection, economic growth and no tax for exporters are included in this paper. Challenges also studied in the paper. So the paper concluded that proper implementation of GST will lead to economic growth.

Yadav, S. S. and Shankar, R., 29(2018) in their research paper analysed the history and evolution of GST in the country and how it has replaced various indirect taxes. Rupa, R. (2017) in her research paper explained the concept of GST. Also she highlighted the advantages and disadvantages of GST in our economy.

III. METHODOLOGY

The implementation of the Goods and Services Tax (GST) in India marked a significant shift from a fragmented indirect taxation system to a unified, technology-driven framework. One of the most critical components of this reform is the electronic filing (e-filing) of GST returns through the GST Portal, which aims to streamline tax administration, enhance transparency, and reduce human intervention.

Despite these intended benefits, the practical adoption of the GST e-filing system has revealed multiple operational and behavioral challenges among taxpayers. A large segment of users, particularly small and medium enterprises (SMEs), small traders, and individual taxpayers, face difficulties in understanding return formats such as GSTR-1, GSTR-3B, and reconciliation requirements. The complexity of compliance procedures, frequent regulatory updates, and lack of standardized guidance create confusion and increase the likelihood of errors.



Moreover, technical barriers—including portal downtime, slow processing speeds, system glitches, and difficulties in uploading large datasets—have impacted the efficiency and reliability of the e-filing process. These challenges often result in delayed filings, penalties, and increased compliance costs. For many businesses, especially those lacking digital literacy, the dependence on intermediaries such as Chartered Accountants and tax practitioners has become inevitable, thereby increasing operational expenses.

IV. RESULTS AND DISCUSSION

The study reveals that the GST e-filing system has significantly transformed tax administration by introducing digital compliance mechanisms. The findings indicate that most respondents are aware of GST return filing procedures, but only a limited number possess complete technical knowledge regarding the filing process.

The analysis shows that the GST portal has improved transparency and reduced paperwork. It has also made the filing process faster and more systematic compared to the traditional tax filing system.

However, the results also reveal that a large number of respondents face technical issues such as server downtime, login errors, slow portal response, and submission failures during peak filing periods.

The study further highlights that many taxpayers still depend on Chartered Accountants and tax consultants for filing returns due to procedural complexity and insufficient technical knowledge.

It was also found that respondents with better digital literacy experience fewer difficulties and are able to file returns more efficiently.

The overall findings indicate that while GST e-filing has positively contributed to tax compliance, improvements are required in system reliability, user support, and simplification of filing procedures.

The discussion of the study highlights that GST e-filing has brought a major shift in India's taxation system by integrating digital technology into tax compliance.

The findings support the view that e-filing has improved efficiency, transparency, and record management. Taxpayers now have easier access to filing records, acknowledgment receipts, and compliance tracking.

Despite these advantages, practical challenges remain significant.

The complexity of return filing procedures often creates confusion among taxpayers, especially small business owners and first-time users.

Frequent updates in GST rules and return formats further increase compliance difficulties.

The high dependence on professionals suggests that the system still requires simplification.

Technical issues such as slow portal speed and system downtime create delays, especially during due dates, affecting user confidence.

The study also emphasizes the importance of digital education and awareness programs. Better training initiatives can help taxpayers file returns independently.

This discussion indicates that the success of GST e-filing depends not only on technological advancement but also on user support, awareness, and continuous system improvement.



V. CONCLUSION

The introduction of e-filing of GST returns has brought a revolutionary change in India's taxation system.

It has made tax filing faster, transparent, and more accessible.

The digital filing system has reduced paperwork and improved accountability.

The study concludes that e-filing is a highly beneficial initiative for taxpayers and the government.

However, technical difficulties, lack of awareness, and system complexity continue to create challenges.

These issues can be resolved through better infrastructure, taxpayer education, and simplified processes.

With continuous improvement, the GST e-filing system can become more efficient and contribute to the development of a stronger and more transparent tax administration system in India.

REFERENCES

V.S. Datey, *Indirect Taxes Law and Practice*, Taxmann Publications, New Delhi. This book provides a comprehensive understanding of GST provisions, procedures, and compliance requirements, which form the foundation of this study.

Dr. Vinod K. Singhania, *Students' Guide to Income Tax and GST*, Taxmann Publications. The book offers simplified explanations of GST concepts and procedures, making it useful for understanding the practical aspects of return filing.

Girish Ahuja and Ravi Gupta, *Systematic Approach to GST*, Bharat Law House. This book explains GST mechanisms in a structured manner and provides clarity on filing procedures and compliance requirements. [6] S. Russell and P. Norvig, *Artificial Intelligence: A Modern Approach*, 4th ed., Pearson, 2021.

Research Papers and Journals

Various research articles have been referred to in order to understand the practical challenges and impact of GST e-filing. Studies focusing on digital taxation, compliance behavior, and system efficiency have been reviewed to support the analysis.

Research papers from platforms such as ResearchGate, SSRN, and academic journals have provided insights into issues like technical challenges, taxpayer awareness, and system usability.

Government and Official Sources

The official website of the GST Portal has been extensively referred to for understanding the actual procedure of GST return filing, rules, and updates.

Publications and guidelines issued by the Central Board of Indirect Taxes and Customs have also been used to ensure accuracy and authenticity of information.

Government notifications, circulars, and GST manuals have provided detailed insights into compliance requirements and procedural aspects.

Websites and Online Resources

Various online sources have been used to supplement the study, including:

- www.gst.gov.in
- www.cbic.gov.in
- www.incometaxindia.gov.in
- Articles from business news websites such as Economic Times and Business Standard

These sources have helped in understanding current trends, updates, and real-world issues related to GST e-filing.