

## Impact of Goods and Services Tax Implementation on Hotel Industry: Perception of Accounting Professionals

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### ABSTRACT

*Tourism is the backbone of every country. In India, tourism contributed 9.2% of GDP in 2018, which reduced to 7.6% in 2022. The decrease suggests that there are certain issues which are affecting the sector. The objective of this paper is to analyse the perception of accounting professionals in relation to taxation before and after implementation of GST in the hotel industry. Data is collected using structured Questionnaire from 76 CA, CS and CMA. For testing, One Way ANOVA is applied. The findings reveals that accounting professionals have good knowledge about GST and its implications. GST has a positive impact as it has broadened tax base, increased revenue of government and hotels. However, administrative and compliance requirement has become difficult, penalty on delay in filing returns is quite high, and cost in terms of payment of salary has increased. Online server has many deficiencies and claiming ITC is difficult. Further amending and reducing GST Rates could remove the above barriers.*

**Keywords:** *GST; Hotel industry; Service sector; Restaurant; Accounting Professionals.*

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### 1.0 Introduction

Taxes are considered to be the “cost of living in a society”. In India, taxes are broadly classified into two categories i.e., Direct and Indirect Tax.

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Taxes are levied by the governments to meet the common welfare expenditure of the society. It is levied on taxpayer's income, business profits, capital gains or value added to the cost of certain goods and services. The revenue so collected are utilized by government for performing various public services and developing various infrastructure such as constructing roads, bridges, running schools, hospitals and so on. Goods and Services Tax (GST) is implemented by the Government of India. It is a move to replace several indirect taxes, which was levied at State as well as at Central level. The idea to have a common taxation platform was first proposed by the Kelkar Task Force in 2000. The committee believed that replacing the prevailing complex and fragmented tax structure with a unified taxation system will promote economic integration. At last GST was launched on 1<sup>st</sup> July, 2017 by the President of India. Under the Goods and Service Tax mechanism, every person has to pay tax on output and will get input tax credit on purchases. The aim of GST is to do away with the cascading effect, which will make goods and services more cost-competitive on the domestic and global markets. The foundation of the GST system is the integration of various taxes, and input taxes are expected to receive full credit.

Since the service industry is covered by indirect taxes, GST is necessary. Prior to the implementation of the Goods and Services Tax (GST), indirect taxes included number of taxes like Excise duty on Manufacturing, Custom Duty on Imports, Service Tax on supply of services, Sales Tax, VAT on sale of Goods, Luxury and Entertainment taxes for facilities. The main flaw in the previous indirect tax system was that state-by-state tax rates varied and set-off was prohibited. The system underwent a fundamental shift with the introduction of the GST. The revolutionary GST indirect tax reform aims to establish a single national market. The goal of its implementation is to create an environment that is free from corruption and is transparent. GST is operating on the fundamental principle of 'One Country one Tax'. It is levied on Final Consumption. The slab rates of 0%, 5%, 12%, 18%, and 28% have been determined.

The Indian hotel industry has seen significant transformation in the last ten years, offering a plethora of benefits and opportunities for individuals working in the service industry. Based on statistical evidence, the industry has performed admirably both nationally and in the major cities.

The tourism and hospitality sector is one of India's top ten industries, and it is widely believed that the hotel industry thrives on the backs of the tourism industry. In 2018, the sector's direct GDP contribution was over 98 billion US dollars, and by 2028, it was expected to reach 194 billion US dollars, according to a Statista Research Department report published on August 24, 2023 (Source: Statista.com) Even after the GST was

implemented in 2017, the tax rate on hotels has undergone two revisions. This research aims to answer the following question “Whether further revision in GST rates for Hotel Industry is required or not?”

## 2.0 History of GST Rates

### 2.1 Hotel room tariff (GST on accommodation in hotels)

Rates announced in the 14<sup>th</sup> GST Council Meeting held on 18<sup>th</sup> & 19<sup>th</sup> May 2017, effective from 01-07-2017 (Table 1).

**Table 1: GST Rates on Hotel Tariffs Effective from 01-07-2017**

S. No.	Room Rent	GST Rates
1	Rs. 0 to Rs. 1,000/day	Exempt
2	Rs. 1,001 to Rs. 2,499/day	12% with full ITC
3	Rs. 2,500 to Rs. 4,999/day	18% with full ITC
4	Rs. 5,000 and above/day	28% with full ITC

Source: Authors' compilation

Amendment Made in the 37<sup>th</sup> GST Council Meeting Held on 20<sup>th</sup> Sept 2019 and Became Effective from 1<sup>st</sup> Oct 2019 (Table 2).

**Table 2: GST Rates on Hotel Tariffs Effective from 01-10-2019**

S. No.	Room Rent	GST Rates
1	Rs. 0 to Rs. 1,000/day	Exempt
2	Rs. 1,001 to Rs. 7,500/day	12% with full ITC
3	Rs. 7,501 and above/day	18% with full ITC

Source: Authors' compilation

Further Amendment was made in the 47<sup>th</sup> GST Council Meeting Held on 28<sup>th</sup> and 29<sup>th</sup> June 2022 and became Effective from 18<sup>th</sup> July 2022 (Table 3).

**Table 3: GST Rates on Hotel Tariffs Effective from 18-07-2022**

S. No.	Room Rent	GST Rates
1	Rs. 1 to Rs. 7,500/day	12% with full ITC
2	Rs. 7,501 and above/day	18% with full ITC

Source: Authors' compilation

## 2.2 Restaurant industry

Rates announced in the 14<sup>th</sup> GST Council Meeting held on 18<sup>th</sup> and 19<sup>th</sup> May, 2017 effect from 1<sup>st</sup> July, 2017 (Table 4).

**Table 4: GST Rates on Restaurant Bills Effective from 01-07-2017**

S. No.	Restaurant	GST Rates
1	Restaurants not having facility of air-conditioning or central heating at any time during the year	12% GST
2	Restaurants having facility of air-conditioning or central heating at any time during the year	18% GST
3	Restaurants with Five Star Hotels category	28% GST

*Source: Authors' compilation*

Amendment made in the 23<sup>rd</sup> GST Council Meeting held on 10<sup>th</sup> Nov 2017 and became effective from 15<sup>th</sup> Nov 2017 (Table 5).

**Table 5: GST Rates on Restaurant Bills Effective from 15-11-2017**

S. No.	Restaurant	GST Rates
1	All stand-alone restaurants irrespective of air conditioned or otherwise	5% GST without ITC
2	Food parcels (or takeaways)	5% GST without ITC
3	Restaurants in hotel premises having room tariff of less than Rs 7500 per unit per day	5% GST without ITC
4	Restaurants in hotel premises having room tariff of Rs 7500 and above per unit per day (even for a single room)	18% GST without ITC
5	Outdoor catering	18% GST without ITC

*Source: Authors' compilation*

Further Amendment made in the 37<sup>th</sup> GST Council Meeting held on 20<sup>th</sup> Sept 2019 and became effective from 1<sup>st</sup> Oct 2019 (Table 6).

**Table 6: GST Rates on Restaurant Bills effective from 01-10-2019**

S. No.	Restaurant	GST Rates
1	Outdoor catering services other than in premises having daily tariff of unity of accommodation of Rs 7501	5% GST without ITC
2	Catering in premises with daily tariff of unit of accommodation in Rs 7501 and above	18% with GST
3	Indian Railways Catering and Tourism Corporation Ltd. Or their licensees/Indian Railways	5% GST without ITC

*Source: Authors' compilation*

The Final Applicable Rate Structure for Restaurants is as follows (Table 7).

**Table 7: Final GST Rates on Restaurants**

S. No.	Restaurant	GST Rates
1	All stand-alone restaurants irrespective of air-conditioned otherwise	5% GST without ITC
2	Food parcels (or takeaways)	5% GST without ITC
3	Restaurants in hotel premises having room tariff of less than Rs 7500 per unit per day	5% GST without ITC
4	Restaurants in hotel premises having room tariff of Rs 7500 and above per unit per day (even for a single room)	18% GST with full ITC
5	Indian Railways Catering and Tourism Corporation Ltd. Or their licensees/Indian Railways	5% GST without ITC
6	Outdoor catering services other than in premises having daily tariff of unit of accommodation of Rs 7501	5% GST without ITC
7	Catering in premises with daily tariff of unit of accommodation in Rs 7501 and above	18% with ITC

*Source: Authors' compilation*

### 3.0 Review of Literature

Aravind (2023) studied the hospitality sector (which includes tourism). It is the fastest growing sector with a growth rate of 8 % between 2007 and 2016. India is the attractive tourism spot. Now, when GST was implemented in India, it affected the different taxes levied by the State governments on their respective tourist sites. The present study has been taken up to determine whether the GST has increased or decreased the burden on the hotel industry. Researcher came to a conclusion that GST has a mixed impact. It has reduced the tax burden but made compliance requirement complex. The impact of GST majorly depends upon the size, location and size of operation.

Das (2023) made an attempt to examine customers' perception towards Goods and Services Tax on Restaurants. For this purpose Questionnaire was prepared and data was collected from 120 customers who dined at Hotels and Restaurants in Bhanjanagar, Ganjam and Odisha. Sample is collected using convenience sampling method. To reach at appropriate conclusion t-test is applied. The researcher found that Hoteliers opposed the implementation of GST rates. The frequent changes in tax rates and policy discouraged new restaurant industry entrants. The new GST rate structure will benefit small restaurants and positively impact the cloud kitchen and food delivery industries, as these businesses will be able to charge significantly less than AC food establishments and high-end restaurants. People will only frequent restaurants if the government reduces restaurant

taxes; only then will diners appreciate the cuisine. Revankar (2022) the purpose of this study is to look into how the GST will affect the hospitality industry. The report clearly shows that the majority of respondents have gone through the detailed process and are aware of the areas in which they are having trouble paying the GST. The survey was also conducted to comprehend the challenges posed by the typical citizen purchasing habits that have either increased or decreased in the entertainment sector. Both businessmen and the general public's investing habits have decreased as a result of the GST.

Manoj *et al.* (2020) proposes to investigate the effect of GST on the Jaipur tourism industry. For this purpose, researcher collected data from businesses and tourism companies operating within Jaipur. The study revealed that the hoteliers faced problems in transitioning to the new system, leading to an increase in the administrative and compliance requirement. However, it is believed that in long run GST will prove beneficial and make the dream of One Nation One Tax come true.

Todi (2020) focused on analysing the impacts of GST on the restaurants in Pune. Primary data was collected by conducting interviews of 5 respondents and surveys of 35 respondents who reside in Pune. For sample collection, a mixed method is used. After collecting data, author came to a conclusion that the impact of GST on restaurants is positive. GST has reduced tax burden for many but increased for others. The sudden change lead to several issues and has impacted the economy of the country.

Priya & Premkumar (2020) determine how GST has affected Chennai's hotel industry. Five independent variables were selected to gauge respondents' opinions regarding the implementation of the Goods and Services Tax (GST): effectiveness, ease of understanding, taxing, profit margin, and customer growth after the tax. The research used empirical methods. 50 hotels (20 of which are 3 stars, 20 of which are 4 stars, and 10 of which are 5 stars) provided data for the study through the use of scheduled, structured interviews. The study used a disproportionate stratified random sample method. The study discovered that the hotel industry in Chennai city has been significantly impacted by the adoption of GST. According to the study's conclusion, the hotel industry's use of GST will increase consumer demand for hotel services and increase government revenue.

Deshani (2017) made an attempt to know the impact of Goods and Services Tax (GST) on restaurant industry and consumers. Data is collected from journals, articles, newspapers and magazines. On the basis of findings, researcher concluded that GST has brought reasons to rejoice for both consumers and restaurant owners under new regime. Vasanthagopal (2011) analyzed the positive impact of GST on the various areas viz. agriculture, manufacturing industry, MSME, housing, poverty, employment, price level, EXIM trade, GDP, government revenue, etc. for assessing the impact and for data

collection, secondary method is used. According to researcher, switchover to a 'flawless' the introduction of GST would significantly improve the indirect taxation framework and accelerate India's economic transformation.

Ameen (2020) found that GST is applicable on the supply of various goods and services. Every stage of the production process is subject to it. Other than the final customer, the benefit of input tax credit is available to all parties involved at various stages of production. Therefore, the study aims to examine consumer perceptions of GST in restaurants by analyzing consumer awareness of GST. After analysis, it is discovered that customers think GST rates ought to be lowered or that proprietors ought to pay the charges themselves rather than passing them along to customers.

Mathew (2019) found that there was a 20% decline in hotel operations nationwide following the implementation of the Goods and Services Tax (GST). Hotels were spending a lot of money on expert recruiting, staff training, and IT infrastructure in order to comply with the new GST regime. Due to GST, consumer bills also increased significantly. In order to determine the issues and potential effects of the GST reform on Kerala's hotel business, a study was conducted. According to the survey, hoteliers experienced difficulties implementing the new system, their costs associated with compliance increased, and overall prices for goods and services went up.

Sanjeev *et al.* (2012) examined the practitioners' perceptions of the financial difficulties facing the Indian hospitality sector. Senior financial professionals employed by large Indian hotels were considered for the purpose of data collection. According to the report, the hospitality sector is dealing with a number of challenges, including high financing costs, a variety of taxation, problems with licensing and the law, problems with working capital, and declining margins. Researchers have produced valuable qualitative answers that will be beneficial to politicians, researchers, and hotel operators.

After reviewing many papers, it was found that majorly studies are conducted to understand the perception of Hotel owners, consumers, employees and public. Very few studies have tried to study the perception of Accounting Professionals. For this purpose Accounting Professionals were asked to fill a semi - structured questionnaire.

#### **4.0 Research Methodology**

Research methodology is divided into following parts:

*Respondents:* Accounting Professionals.

*Sample Size:* Questionnaire was prepared and sent to 100. Out of which 76 filled the same.

*Data Collection Method:* Google Form.

*Variable in the Questionnaire:* Knowledge, Belief, Financial Matters, Ease of Administration and Compliance Requirement, Expectations and Miscellaneous.

*Data Analysis Tool:* One Way ANOVA.

## 5.0 Objectives of the Study

To study the Accounting Professional’s perception about GST in Hotel Industry.

## 6.0 Hypotheses of the Study

**H<sub>01</sub>:** There is no significant difference in accounting professionals’ perception in relation to taxation before and after implementation of GST in the hotel industry.

**H<sub>a1</sub>:** There is a significant difference in accounting professionals’ perception in relation to taxation before and after implementation of GST in the hotel industry.

## 7.0 Data Analysis and Interpretation

### 7.1 Demographic profile of respondents

Descriptive Statistics indicates demographic wise distribution of respondents. 20% of the respondents were Chartered Accountant, 32% were Company Secretary and remaining 48% were Cost and Management Accountant (Table 8).

**Table 8: Demographic Profile**

Demographic Variable	Classification	Total Respondents	Percentage
Educational Qualification	Chartered Accountant	15	20%
	Company Secretary	24	32%
	Cost and Management Accountant	37	48%
	<b>Total</b>	<b>76</b>	<b>100%</b>
Work Experience	0-5 years	45	59%
	6-10 years	22	29%
	11-15 years	09	12%
	<b>Total</b>	<b>76</b>	<b>100%</b>
Are you Practicing?	Yes	47	62%
	No	29	38%
	<b>Total</b>	<b>76</b>	<b>100%</b>
Are you linked with Hotel Industry?	Yes	47	62%
	No	29	38%
	<b>Total</b>	<b>76</b>	<b>100%</b>

*Source: Authors’ compilation*



Majority respondents have Work Experience in the range of 0-5 years (59%), followed by 29% in the range of 6-10 years and 12% in the range of 11-15 years. Nearly 62% respondents are practicing and 38% of the respondents are working in Public and Private Sector. Similar number denoting 62% respondents are associated with Hotel Industry and remaining 38% have no linkages with the same.

## 7.2 Perception of accounting professionals about GST

India's indirect taxation system has undergone numerous revisions. The government of India made a significant move with the introduction of GST. Many sectors were impacted, hotel industry being one of them. Hotel tax rates were altered three times to accommodate demand. The study is being done to determine whether or not there needs to be another modification to the GST rates for the hospitality industry. Since accounting professionals can comprehend the taxes system far better than the average person, their perception is investigated for this purpose.

**Table 9: Variables of Study**

Construct	Items
<b>Knowledge</b>	Better substitute of VAT, Service Tax and Luxury Tax
	Transparency in Taxation System has increased.
	Easy to adopt the change.
	GST has ease the doing business in India.
	Global opportunities have increased.
	GST will boost the "Make in India" campaign.
<b>Belief</b>	It has broadened the tax base and increased revenue of government.
	It is as per the Global Standards.
	Positive impact on Hotel Industry.
	GST facilitates ease in compliance as compared to the previous indirect tax regime.
<b>Financial Matters</b>	Reduced cascading effect of taxation.
	Profit margin has increased.
	Cost of hiring experts and professionals for filing return and other documents has reduced.
	Litigations have reduced.
	Maintenance of Statutory registers required for audit has reduced.
	Other procedural requirements have reduced.
<b>Ease of Administrative and Compliance Requirement</b>	Filling process of documents is complicated.
	Legal complexities have increased.
	Difficulty in maintaining proper accounting records.
	Hotel Room Tariff has increased.
	Final bill of customers has increased.
	Procedure for claiming Input Tax Credit refund is difficult.

	Tax liability of Hotel Owners has increased.
	Online mode of paying taxes is difficult.
	Additional compliance cost in terms of software requirement has increased.
<b>Expectations</b>	Penalty on delay in filing return and payment of taxes is more.
	GST will involve additional man power training cost.
	GST rates need to be further reduced by government.
	ITC should be available on all goods and services purchased/acquired by hotels e.g., Alcohol
	ITC benefit should be provided to a Composition dealer.
	Registration threshold limit should be increased.
	Number of return forms to be filed should be reduced.
<b>Miscellaneous</b>	Online server of GST has many deficiencies.
	Claiming INPUT tax credit is difficult.
	Calculation method is difficult.
	Cash flow has reduced.

Source: Authors' compilation

In order to study perception, which is a subjective concept, the following variables were taken into consideration (Table 9).

*Measurement of Variation in Perception of Accounting Professionals:* In order to measure Demographic Variation in the perception of Accounting Professionals, ANOVA was applied on different constructs of perception on the basis of the above mentioned Demographic Variables. The results of the same are summarized in the Table 10, 11, 12, 13, 14 and 15.

### 7.2.1 Knowledge

**Table 10: Knowledge**

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Educational Qualification	Between Groups	6.851	15	0.457	0.707	0.768
	Within Groups	38.780	60	0.646		
	Total	45.632	75			
Experience	Between Groups	3.191	15	0.213	0.378	0.980
	Within Groups	33.756	60	0.563		
	Total	36.947	75			
Are you Practicing or in Job	Between Groups	5.718	15	.0381	1.872	0.045
	Within Groups	12.216	60	0.204		
	Total	17.934	75			
Are you linked with Hotel Industry	Between Groups	3.289	15	0.219	0.89	0.570
	Within Groups	14.645	60	0.244		
	Total	17.934	75			

From the Table 10 it is found that Significance value of accounting professionals who are Practicing or in Job is 0.045 (i.e.,  $p = 0.045$ ), is below 0.05. Thus, Variable “Knowledge” does not vary much with respect to demographics like Educational Qualification, Experience and Linkage with Hotel Industry. But a significant variation in Accounting Professional’s knowledge is observed regarding taxation before and after implementation of GST in Hotel Industry on the basis of their Work Profile.

### 7.2.2 Belief

From the Table 11 it is found that Significance value of accounting professionals who are Practicing or in Job is 0.046 (i.e.,  $p = 0.046$ ), who are linked with Hotel Industry or not is 0.026 (i.e.,  $p = 0.026$ ) which is below 0.05.

**Table 11: Belief**

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Educational Qualification	Between Groups	3.047	16	0.190	0.293	0.996
	Within Groups	38.361	59	0.650		
	Total	41.408	75			
Experience	Between Groups	7.985	16	0.499	1.017	0.453
	Within Groups	28.963	59	0.491		
	Total	36.947	75			
Are you Practicing or in Job	Between Groups	5.982	16	0.374	1.846	0.046
	Within Groups	11.952	59	0.203		
	Total	17.934	75			
Are you linked with Hotel Industry	Between Groups	6.369	16	0.398	2.031	0.026
	Within Groups	11.565	59	0.196		
	Total	17.934	75			

Thus, Variable “Belief” does not vary much with respect to demographics like Educational Qualification and Experience. But a significant variation in Accounting Professional’s belief is observed regarding taxation before and after implementation of GST in Hotel Industry on the basis of their Work Profile and Linkage.

### 7.2.3 Financial matters

From the Table 12 it is found that Significance value of accounting professionals on the basis of their experience is 0.048 (i.e.,  $p = 0.048$ ) and who are Practicing or in Job is 0.041 (i.e.,  $p = 0.041$ ), which is below 0.05.

Thus, Variable “Financial Matter” does not vary much with respect to demographics like Educational Qualification and Linkage with Hotel Industry. But a significant variation in Accounting Professional’s thinking about Financial Matter is

observed regarding taxation before and after implementation of GST in Hotel Industry on the basis of their Experience and Work Profile.

**Table 12: Financial Matters**

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Educational Qualification	Between Groups	5.555	17	0.327	0.529	0.927
	Within Groups	35.853	58	0.618		
	Total	41.408	75			
Experience	Between Groups	12.836	17	0.755	1.816	0.048
	Within Groups	24.111	58	0.416		
	Total	36.947	75			
Are you Practicing or in Job	Between Groups	6.332	17	0.372	1.862	0.041
	Within Groups	11.603	58	0.200		
	Total	17.934	75			
Are you linked with Hotel Industry	Between Groups	3.986	17	0.234	0.975	0.497
	Within Groups	13.948	58	0.240		
	Total	17.934	75			

#### 7.2.4 Ease of administrative and compliance requirement

Variable “Ease of Administrative and Compliance Requirement” does not vary much with respect to demographics like Educational Qualification, Experience, Practicing or in Job and Linkage with Hotel Industry.

**Table 13: Ease of Administration and Compliance Requirement**

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Educational Qualification	Between Groups	8.584	22	0.390	0.630	0.882
	Within Groups	32.824	53	0.619		
	Total	41.408	75			
Experience	Between Groups	8.907	22	0.405	0.765	0.751
	Within Groups	28.040	53	0.529		
	Total	36.947	75			
Are you Practicing or in Job	Between Groups	6.241	22	0.284	1.286	0.224
	Within Groups	11.693	53	0.221		
	Total	17.934	75			
Are you linked with Hotel Industry	Between Groups	4.291	22	0.195	0.758	0.759
	Within Groups	13.643	53	0.257		
	Total	17.934	75			

### 7.2.5 Expectations

From the Table 14 it is found that Significance value of accounting professionals on the basis of their educational Qualification is 0.030 (i.e.,  $p = 0.030$ ), which is below 0.05. Thus, Variable “Expectations” does not vary much with respect to demographics like Experience, Practicing or in Job and Linkage with Hotel Industry. But a significant variation in Accounting Professional’s Expectations is observed regarding taxation before and after implementation of GST in Hotel Industry on the basis of their Educational Qualification.

**Table 14: Expectations**

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Educational Qualification	Between Groups	15.727	18	0.874	1.939	0.030
	Within Groups	25.681	57	0.451		
	Total	41.408	75			
Experience	Between Groups	6.769	18	0.376	0.710	0.786
	Within Groups	30.178	57	0.529		
	Total	36.947	75			
Are you Practicing or in Job	Between Groups	3.395	18	0.189	0.739	0.757
	Within Groups	14.539	57	0.255		
	Total	17.934	75			
Are you linked with Hotel Industry	Between Groups	4.905	18	0.272	1.192	0.298
	Within Groups	13.029	57	0.229		
	Total	17.934	75			

### 7.2.6 Miscellaneous

**Table 15: Miscellaneous**

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Educational Qualification	Between Groups	13.046	13	1.004	1.909	0.046
	Within Groups	32.585	62	0.526		
	Total	45.632	75			
Experience	Between Groups	4.277	13	0.329	0.624	0.825
	Within Groups	32.670	62	0.527		
	Total	36.947	75			
Are you Practicing or in Job	Between Groups	3.805	13	0.293	1.284	0.247
	Within Groups	14.129	62	0.228		
	Total	17.934	75			
Are you linked with Hotel Industry	Between Groups	1.719	13	0.132	0.505	0.913
	Within Groups	16.216	62	0.262		
	Total	17.934	75			

From the Table 15 it is found that Significance value of accounting professionals on the basis of their educational Qualification is 0.046 (i.e.,  $p = 0.046$ ), which is below 0.05. Thus, Variable “Miscellaneous” does not vary much with respect to demographics like Experience, Practicing or in Job and Linkage with Hotel Industry. But a significant variation in Accounting Professional’s thinking about Miscellaneous Matters is observed regarding taxation before and after implementation of GST in Hotel Industry on the basis of their Educational Qualification.

**Table 16: Summary**

Construct	Demographic Variables			
	Educational Qualification	Experience	Are you practicing or in job	Are you linked with Hotel Industry
Knowledge			Variation observed	
Belief			Variation observed	Variation observed
Financial Matters		Variation observed	Variation observed	
Ease of Administrative and Compliance Requirement				
Expectations	Variation observed			
Miscellaneous	Variation observed			

*Source: Authors' compilation*

Table 16 indicates that there are noticeable differences in the constructs of knowledge, belief, and financial matters among professionals based on whether they are working or practicing. Additionally, the expectations from the government seem to be influenced by the level of qualification attained by professionals. Experience levels also impact financial matters, while belief systems vary depending on whether respondents are associated with the hotel sector or not.

## **8.0 Conclusion**

GST is implemented in India with the perspective of having one market across the nation. But when GST was implemented, the rates were as high as 28%. Hotels were highly impacted and they suffered huge losses. Also the tax regime was very difficult to comprehend by common masses making it difficult for Hotel Owners to understand it. Many hotels were closed and therefore soon the rates were revised with a capping of

maximum 18%. On studying the perspective of accounting professionals, it is found that they have good knowledge about GST and its implications on Hotel Industry. It does not matter whether they are working or are in practice. Also on the basis of belief it could be stated that the accounting professionals who are working or are in job and who all are linked with hotel industry or not believe that GST has a positive impact on hotel industry. It has also broadened the tax base and increased revenue of government.

Looking at the experience level of professionals whether in job or in practice, it is found that profit margin of hotels have increased and litigations have reduced. But they do not believe that administrative and compliance requirement has become simple. When the Qualification level of professionals is studied, it is found that further reduction in GST rates are required, penalty on delay in filing returns is quite high, cost in terms of payment of salary has increased as additional manpower is required to comply with GST guidelines, numbers of forms to be filed should be reduced, ITC credit on alcoholic beverages should be provided by government, benefit of ITC should also be provided to Composition Dealers and registration threshold limit should further be increased. Also on the basis of miscellaneous points, on the basis of educational qualification, it is found that online server of GST has many deficiencies; claiming ITC is difficult, cash flow reduced due to blocking of funds and calculation method is difficult.

Hence, further amending and reducing GST Tax Rates could lead to removal of the above barriers. GST is a great initiative of Indian government and is a good decision taken for the Indian economy.

## **9.0 Further Scope of Research**

There are many other areas also, where tax rates have been amended many times even after the introduction of GST. Such areas could be further studied and recommendations can be given to government for the same.

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### **Web links**

<https://www.e-startupindia.com/learn/gst-on-hotel-tourism-industry/>

<https://www.gst.gov.in/>