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## GST and its impact on Agra Tourism Industry

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**Abstract:** This study has been undertaken to investigate the impact of GST on the tourism industry of Agra and the variables on which the introduction of GST had changes the business operations in Agra. The research has been done by the use of primary data from the source of the city of Agra and have taken the responses of businesses and tourism company owners to rule out if there was any impact of GST after its introduction in 2017.

**Index Terms – GST, Tourism Industry, Agra, Regression, Correlation, ANOVA**

### I. INTRODUCTION

#### Tourism

Tourism is the voyage of people to various places or countries outside their comfortable surroundings for various purposes like leisure, business. It can be a social, cultural or economic phenomenon. Individuals who travel to different locations are called tourists and tourism comes with tourism expenditure. (United Nations World Tourism Organization, 2008)

Tourism is the process and technique of spending time away from home in search for pleasure, recreation and relaxation while making full use of the travel arrangement of administrations. In that capacity, the travel industry is an outcome of today's social arrangements, starting in Western Europe in the seventeenth century, in spite of the fact that it has precursors in Classical vestige. (Walton)

Tourism is regularly observed as a worldwide marvel with a boundlessly gigantic infrastructure.. Its significance is apparent from the way that its impact thoroughly penetrates society, politics, culture and, most importantly, the economy. There exists a perplexing, interwoven world-wide structure devoted to fulfilling the particular touristic needs of versatile people, gatherings and masses. (Gyr, 2010)

The travel industry is one of the biggest ventures around the world. It has turned into a developing industry in recent times. Numerous nations on earth are honored with natural beauty while many have developed infrastructure all alone. Truth be told numerous nations are getting their incomes from the travel industry, so it is significant as a principle wellspring of pay for those and it earns revenue through the utilization products and services by visitors. It uses financial significance, with a huge number of tourists around the globe every year, in spite of the fact that it has a responsible in environment, it might prompt environment obliteration, waste and contamination. Worldwide the travel industry got through the phases of time and it has enhanced for a considerable length of time, and it massively affects economy, environment and society. (UK essays, 2018)

### SWOT Analysis

<b>Strengths-</b> <ol style="list-style-type: none"> <li>Vast geography with deserts, forests, beaches and mountains.</li> <li>Variety of culture.</li> <li>A large number of historical monuments.</li> <li>Huge availability of skilled and unskilled labour</li> <li>Handicrafts and souvenirs.</li> </ol>	<b>Weakness-</b> <ol style="list-style-type: none"> <li>Lack of adequate infrastructure</li> <li>Lack of maintenance of monuments.</li> <li>A varied number of languages and dialects.</li> <li>Safety concerns.</li> <li>Misconceptions of India in the minds of foreigners.</li> </ol>
<b>Opportunities-</b> <ol style="list-style-type: none"> <li>Allowance of 100% FDI in this sector by Government.</li> <li>Tax holidays should be given to build hotels and convention centers</li> <li>Increased use of technology and AI</li> <li>World's best hotels and airports</li> <li>Depreciating value of RS to the USD</li> </ol>	<b>Threats-</b> <ol style="list-style-type: none"> <li>Terrorism</li> <li>Better promotion by other countries</li> <li>Economic Slowdown</li> <li>Crimes against foreigners and women.</li> <li>Extreme weather conditions.</li> </ol>

### 1.1. Tourism Industry in India

Indian Tourism is the fast developing industry. India is a nation which has a several unique temples popular for its legacy and ages old culture, different wildlife sanctuaries and it is encompassed by Indian Ocean, Himalayas, Bay of Bengal and Arabian Sea. It's a Multilingual Country where individuals talk distinctive dialects. Each foreigner has a fantasy to visit this interesting nation. It has numerous vacation destinations like Waterfalls, Deserts, Famous waterway bodies like Ganga, Yamuna, and Indus and so forth. (Maharaja's Express)

India Tourism Campaign was promoted by numerous Indian Celebrities and its slogan is "Atithi Devo Bhava" which means respecting the visitor as God. Such a thing takes place in a country like India. At whatever point a visitor enters India, it's the fundamental duty of all the citizens to approach the tourist with deference and give best services. Indians treat their outside tourist with warmth and love. India Tourism is today one of the biggest service industry. Its campaign "Incredible India" was initiated by Ministry of Tourism. (Maharaja's Express)

### Uttar Pradesh Tourism

From the ancient era, very well-known cities have developed and built up along streams of water. Inside India, the Ganga and the Yamuna have sustained a culture in light of which religious faith, customs, culture and intellectual enlightenment have advanced in spots along the two rivers. (Uttar Pradesh tourism). Placed in India's heart is Uttar Pradesh, a region where communities have grown and faiths are growing. In this juncture, as well as the emergence of cultural and religious practices along the very most influential rivers of the Indian subcontinent—the Ganga and the Yamuna—the importance of Uttar Pradesh rests.

Uttar Pradesh is the home to probably the most wonderful landmarks, monuments and cultural sights in India. The home to differing religious individuals, this state gloats of the different social and religious fests. With huge illustrious impact in the fields of dance and music and expressions, this state is home to one of the first classical dances of India, Kathak. (Holidify)

The state is additionally known for its Nawabi style in food, can publicize phenomenal street food like the samosa and kachori just as the authentic meaty feasts and kebabs. The decent variety of the state rises above all limits of workmanship, culture, food, music, dance and unites an enthusiastic blend of individuals from all around the country. (Holidify)

### Agra

Agra is a city in the Indian state of Uttar Pradesh on the banks of the Yamuna River. It is located 206 kilometres south of New Delhi, the national capital. Agra is Uttar Pradesh's fourth-most populous city, and India's 24th. Agra is a big and important destination for tourists because of the number of buildings which were built in the era of the Mughals, which include the Taj Mahal, Agra Fort and Fatehpur Sikri, all being UNESCO World Heritage Sites. Alongwith Delhi and Jaipur, Agra is included on the Golden Triangle; and the Uttar Pradesh Heritage Arc, both of which are important tourist circuits, Uttar Pradesh tourist circuit, together with Lucknow and Varanasi. Agra is a cultural part of the Braj region.

### Economy

Forty per cent of the population relies heavily on agriculture, while others rely heavily on the leather and footwear and iron foundries. In 2007, Agra was India's second-most self-employed. Agra has many branches of industry. The first plant biotech firm of Uttar Pradesh, Harihar Biotech is located near the Taj. There are around 7,000 industrial units low in size. Agra City is also renowned for its leather goods, and Sadar Bazar is home to Taj Leather Company, the oldest and most popular leather company in the world. Design of carpets, handicrafts, zari and zardozi (embroidery work), carving and inlaying of marble and stone. Agra is known for its sweets (Petha and Gajak) and Dalmoth treats, producers and exporters of clothes, as well as the automotive sector.

### Infrastructure

Agra Development Authority (ADA), which is under the Uttar Pradesh government's Department of Housing and Urban Planning, governs the development of foundation in area. The divisional magistrate of Agra goes about as the ex-officio Chairman of ADA, while a Vice-Chairman, an administration selected IAS official, takes care of the day by day matters of the position. The Agra Municipal Corporation directs the city's metro foundation.

### Agra Tourism

Agra is the home and location to one of the seven wonders of the whole wide world, the Taj Mahal, Agra is a glance into the history of architecture with number of other UNESCO World Heritage Sites such as Agra Fort and Fatehpur Sikri. History, architecture, romance all together create Agra's magic and thus render a must-visit for anyone who lives in or visits India.

### Taj Mahal

Taj Mahal is also considered to be the seventh wonder of the universe and the shrine of everlasting love, perhaps the most beautiful architectural marvel on planet Earth, and is thus part of the dream list of all to be seen in one's lifetime. The Taj Mahal was built on the banks of Yamuna in Agra in memory of the love of Mumtaz Mahal, the beloved of the great Mughal Emperor Shah Jahan, with 20,000 workers in about 22 years.

### Agra Fort

The Agra Fort was built by Akbar the Great in 1565, when he declared Agra the Indian capital. Completing it took eight years, and it involved spending three and a half million rupees The Fort is the house of the Pearl Mosque, Jahangiri Mahal, Diwan-e-Khas, Diwan-e-Am, Moti Masjid, Nagina Masjid, Mussaman Burj and Angoori Bagh. The Agra Fort is another UNESCO World Heritage Site, originally designed by Akbar as the most impregnable military structure, but over a period of time it has acquired all the charm, luxuriance and elegance of the imperial palace. The fort is situated on the right bank of the Yamuna, a kilometer from the Taj Mahal.

### Itmad-Ud-Daulah's Tomb

This tomb is the exquisite and elaborately designed tomb of the Persian nobleman Mirza Ghiyas Beg, Mumtaz Mahal's grandfather and the father-in-law of Emperor Jahangir. It stands as the first Mughal building to be built entirely from marble, the very first to make the extensive use of pietra-dura and also the first tomb to be built on the banks of the Yamuna. Folklores and stories state that it is assumed that Jahangir kept himself busy in writing poetry, drawing birds and drinking wine while his wife Nur Jahan controlled the kingdom with the aid of her family including her father, brother and uncle.

### Mehtab Bagh

Often known as the Moon-light Park, as it is the branch of the Taj Mahal Garden on the other side of the river. Mehtab Bagh, originally made as the last park on the eastern banks of the Yamuna River by the emperor Babur. The tourists get to see the octagonal pool and its arena that is always held in good condition to suit the viewer's eyes.

### Chini-Ka-Rauza

The Persian-style tomb consists of carved tiles and is devoted to the memory of Afzal Khan, a Persian writer who joined the government of Mughal Emperor Jahangir and eventually became Prime Minister of Shahjahan. His tomb reveals the great use of painted tiles, originally an interesting form of Persian craftsmanship, which had become a home in Agra.

### Fatehpur Sikri

This old capital of the Mughal empire, Fatehpur Sikri is situated about 40 kilometres west of Agra, built by Akbar as a token of gratitude to the Sufi Saint Sheikh Salim Chishti. Fatehpur Sikri is conserved as a World Heritage site in the district of Agra and is the most well preserved archaeological monument of Mughal Era. The Panch Mahal, Buland Darwaza, Sheikh Salim Chishti's Tomb, Khas Mahal, Deewan-e-Khas, Deewan-e-Aam, Hiran Minar and Anoop Talab are finest specimens of this kind of architecture.

### Akbar's Tomb at Sikandra

Akbar's Tomb, was described by Akbar himself and was completed after his death in 1605 by his son Jahangir. This demonstrates the decorative change from sandstone to white marble in Mughal form. Dripstones, domes, balcony windows and perforated screens view architectural type Hindu.

## 1.2 Indirect Taxes

An indirect tax is a tax received from the individual who bears the final economic burden of the tax by an intermediary. Subsequently, the applicant shall file a tax return and forward the proceeds of the tax to the government with the refund. Indirect tax could increase the price of goods in order to increase the price of products for consumers. The indirect tax before 2017 in India were Value Added Tax, Service Tax, Entertainment tax, Customs Tax, Cess, Purchase Tax, Luxury Tax, Entry Tax, Tax on Advertisements etc.

### History of Indirect Taxes in India

The Indirect Taxation history of India dates back to a few decades and in Kautilya's Arthashastra, we get some hint of the same. Taxes for those days were obtained in crop form and/or other agricultural commodity. In addition, these collections were earmarked for certain specific purposes or for the creation of the Government. Taxes were also increased simultaneously to satisfy internal and external needs, such as drought, flooding, battle, etc. It was also known as 'Lagaan.' Kautilya described the tax administration system in the Mauryan Empire in great detail, too. It is interesting that the current tax system is similar in many ways to the vogue tax system around 2300 years ago. Arthashastra stated that each tax was unique, and that there was no arbitrary scope. Tax collectors determined the date of each bill, and pre-determined the period, manner and quantity.

Most of the raw materials were shipped from India during the British Raj and later it was used to return as finished products and consumables. They sold most of the raw materials to Britain. Those days, the Rulers used to prohibit any finished product production in India so that they could have the biggest benefit by adding value. In the Indian market UK goods were overwhelmed. India's costs of manufactured products were much lower than the imported UK goods, for obvious reasons. At that point, only the British thought of putting taxes on manufactured products made by India. The modern history of Indirect Taxes starts in the early 20th century with the introduction of Excise Duty on Salt, Sugar, Motor Spirit etc.. The scope of Excise duties gradually increased. The Central Excise Act was enacted in 1944, and gradually the physical regulation was largely abolished with few exceptions for gradual change year after year until 1969.

In sovereign India, in the early 1960s, the Boothalingam Committee had proposed the implementation of a general 10 per cent excise tax on all goods produced in the country (with some exceptions). Sales tax, in India was levied for the first time in the state of Bombay, where the Bombay Tobacco (Amendment) Act, 1938, which came into force on 24 March 1938, imposed a levy on tobacco sales in some very small urban and suburban areas. Thereafter a number of indirect taxes were applied to the tax system and we had about 20 indirect taxes before GST in India.

### GST

GST is an indirect tax that has absorbed other indirect taxes in India. On 29 March 2017 Parliament passed the Goods and Service Tax Act. The Act came into force on July 1st, 2017; Goods & Services Tax Law in India is a comprehensive, multi-stage, destination-based tax levied on any added value.

Goods and services are classified into five different tax slabs for tax collection that are 0%, 5%, 12%, 18% and 28% of rate.

There are many change-of-hands that an object moves through its supply chain: from production to final consumer sales. On these value adds, GST is applied i.e. the numerical value introduced at each point to reach the final sale to the end customer. Goods and Service Tax is levied at the destination at where the goods are finally used or consumed.



**History of GST in India**

<b>1994</b>	Introduction of Value Added Tax or VAT will serve as the basis of Goods and Services Tax as per the Bagchi Report
<b>2000</b>	Under the PM ship of Atal Bihari Vajpayee, a committee was set up with Asim Dasgupta as the head to design the GST model
<b>2004</b>	A comprehensive GST model was suggested as the tax system then had numerous problems
<b>2005</b>	Finance Minister Chidambaram states in the speech of the budget that there should be a single tax likely to be a Goods and Services Tax
<b>2006</b>	The talks between Central and State Government start with the change in the tax system and the compensation of the taxes directly.
<b>2007</b>	The budget this year stated 2010 to be the deadline of the GST
<b>2008</b>	Progress in the making of the Goods and Services Tax as stated in the budget
<b>2010</b>	The project for digitalization and computerization of the taxes was launched which is supposedly the way to implement GST.
<b>2011</b>	The UPA Government passes a bill in the Lok Sabha for the implementation of the GST but it was rejected by the opposition parties.
<b>2012, June</b>	Discussion are begun in the standing committee but the opposition leads rejection under the clause that the Central Government will have more discretionary powers over the GST dispute Authority
<b>2012, November</b>	Finance minister meets with State Finance Ministers and the deadline is pushed to December, 2012 to resolve the troubles
<b>2013, February</b>	Rs 9,000 crore as compensation to the states as announced in the budget and convince the state governments to help in the implementation of the GST bill
<b>2013, August</b>	Report from the standing committee is submitted to the Parliament. The tax structure is approved with a bit of amendments and a resolution mechanism is set
<b>2014</b>	The BJP government now send the bill to the Lok Sabha, where the opposition, Congress, states to send the bill to the standing committee
<b>2015</b>	Lok Sabha passes the bill but it is not passed in the Rajya Sabha.
<b>2016, March</b>	Congress demanded that the tax rate should not be more than 18%. If the permission was taken for a specific rate from the parliament, it would have to be done every time the rate is changed
<b>2016, August</b>	There were four amendments made and the Congress finally agreed to the bill with the BJP

**Purpose of implementing GST in India**

Integrating various central and state taxes into a GST structure will allow full credit to be provided for the tax collected on inputs. GST being a destination-based on VAT-based consumption tax would also greatly contribute to the reduction of economic inequalities created by the present complex tax system and help to develop a single national market. The implementation of GST together with sensible accounting practices, accountability and rigorous electronic controls would bring down peak tax rates and fuel revenue growth. Simply put, the implementation of Value Added Tax [VAT] at the central and state levels has been seen as a major step—a major breakthrough—in India's field of indirect tax reform.

The purpose of the new taxation system, in brief as in the following:

- No Revenue cascading
- Cost of compliance fell
- Seamless Cash transfer
- More time and effort lost to follow
- No taxes to pay
- Transparent and free from corruption
- Supportive of domestic and international market competition
- Tax collection buoyancy both for Central and State / UT
- Pay effects should have on inflation

**GST on Tourism Industry**

Like every other business in the Indian economy, the hospitality industry has been liable to pay several taxes. The cascading impact of the VAT scheme, where a tax is paid by the end consumer, reduces the end cost. Hoteliers and hospitality companies did not receive any input tax credit on the taxes they collected, since federal taxes, such as service tax, could not be weighed against state taxes (VAT) and vice versa. The hospitality industry stands to take advantage of fair and stable tax rates under the Goods and Service Tax, as well as allow easier and better use of input tax credit. As the final cost to end users rises, we would predict the market to receive more tourists abroad than ever before. Ideally this would lead to better government taxes and there are many benefits to this new tax system.

The tourism and hospitality sector of India is expected to grow to US\$ 280.5 billion by 2026, and the initial turbulences caused by the following of the introduction of GST are highly unlikely to hamper this growth. Whether the disadvantages outweigh the pros for this field needs to be seen, however.

The following tables show the rates at which the GST was applicable on the various services of Tourism Industry with effect from 1<sup>st</sup> Oct, 2019-

GST on Food and Beverages	
Standalone Restaurants (A/c and Non A/c)	5%
Restaurants in Hotels (with room rate < Rs 7,500)	5%
Restaurants in Hotels (with room rate > Rs 7,500)	18%
A/C Restaurants with liquor licence	18%

GST on Hotel Rooms	
Room Rate < Rs 1,000	0%
Room Rate between Rs 1,000- Rs 7,500	12%
Room Rate > Rs 7,500	18%

GST on Tour Services	
Guide Service	18%
Transport	5%
Transport + Hotel + Guide Package	5%

## II. REVIEW OF LITERATURE

(Vankhate, 2017) in his paper states that one of the most hyped countries to visit for tourists is India. Due to various reasons, India is not trying hard enough to attract tourists to the country; also the introduction of GST has led to various problems and decline in tourism. This descriptive paper uses secondary data to iterate the provision of GST on tourism sector in India and its impact on the footfall of tourists in the country. It can be seen that the following rates are proposed for GST in tourism sector- 0%, 5%, 12%, 18%, 28% based on the location of supplier, recipient, type of input supply, and place of supply etc. with an additional cess of up to 12%. Due to these taxes a number of impacts can be seen, tourism is hampered with a large number of interest rates, changes in restaurant operations, centrally registered companies need to be registered in individual states of operations, provision of receipts and invoices for every transaction is tiresome, with a high number of tax returns to be filed and a lot of trouble for e-commerce companies can be seen due to introduction of GST regime. Although, the writer feels that it was too early to react in any way for the regime.

Indian tourism sector has been impacted by the introduction of GST according to (R, 2018). The companies in the sector expected a better structure due to introduction of a single tax but the GST regime made it worse, which may change in the few coming years. The seventh largest sector as per its contribution of GDP in the world, Indian tourism and hospitality sector, supported around 40 million jobs in 2016. The rate of taxes in the GST regime changed from service tax of 6% and VAT of 14.5% to a fixed GST on services of about 18%. The positive impact includes the introduction of single system tax, increase in revenue for state and central governments, and better working operations for the F&B sector. However, there are a few negative impacts, there needs to be multiple registrations for company in every state of operation, more invoicing and receipt making and increased burden for construction and contractual services. The researchers believe that these negative impacts will change to positive ones in the long run and there is no need to react negatively for the current scenario.

(Kumar, 2017) in his paper says that the tourism in India is one of the most beneficial sectors in the Indian economy with a very high volume of Foreign Direct Investment and biggest way of foreign exchange for India. The GST on this sector has been poor and the higher tax slabs, instead of making the industry profitable, has reduced the margins of the companies in this sector. GST on the sectors from the travel industry is researched to be as follows-

- GST on air travel will become cheaper for economy class traveller whereas business class travellers will have to pay more.
- GST on food bill from restaurants will be less on normal food and high on processed foods.
- GST on hotel accommodation will get really expensive under the new tax regime for hotel rates higher than that of Rs 7,500.

Such high tax rates have made it difficult for the Indian travel industry to compete with the other players in the tourism business, while also attracting just budget travellers.

GST being the biggest tax reform in India is a spin on the Value Added Tax (VAT) as stated by (K.Anjaneyulu, 2018). The previous tax structure in India consisted of the customs duty, excise duty, service tax, sales tax or VAT and entertainment tax. The objective of the GST is to eradicate all the indirect taxes in the country. The research shows that the revenue collected from GST from the various states of the country was much lower than the estimated amount. The impact of the tax on the state of Telangana shows that-

- Change in the airline traffic as in case of Indigo
- Chaos in the business operations due to lack of clear rules and regulations.

- It may decrease gold sales and increase the tax burden on consumers.
- GST is levied as an extra tax on consumers
- There is double tax charge on interstate transactions

The paper says that even though GST is very important and helpful to the country at large, in its present form, it is causing hindrances in the business working in the state of Telangana and the tourism is the one being affected the most. It is suggested that the transport, entertainment and insurance sectors should either be charged at 2% GST or be exempted from it,

The paper by (Sahil Gupta, 2017) states that there are three kinds of GST existing in the country, SGST (State GST), CGST (Central GST) and IGST (Interstate GST) stating that the rate of tax would always depend on the cost of item in the case of tangible goods. It refers that in the previous system of taxation for hospitality industry, the state government used to put VAT and an entirely different set of taxes from the central government. It states that the implementation of GST has been a way forward by the government to reduce the taxation rates in the hospitality industry by charging tax rates on the annual turnover of the hotels and restaurants. Still, it also doesn't fail to notice that the rate classification of GST is very complex and cannot be understood by all. The rates differ in case of non-AC to AC restaurants, liquor licensing to no licensing, five star status etc. Many people feel that there will be technological difficulties while filing for GST with high costs and very less competition. The North Indian hotel Association has been looking forward to a lower tax rate of just 5%.

The paper by (Binoy, 2017) leads to the evaluation of the tourism industry pre and post the implementation of tax regime of GST. The study on the basis of the secondary data states that even though the Indian tourism industry ranks 7<sup>th</sup> in the world; it is one of the fastest growing industries in the world. The author researched that the GST regime on the travel sector in India is not as satisfactory and the higher slabs of taxes are putting a lot of pressure on the lower wrung on this sector. But, the class economy of travel is remaining same, rather getting lowered but the business class travel has become expensive. The tax on food bill is lower and budget hotels have a lower tax rate than expensive rooms. The FHRAI has expressed its concerns over the GST regime stating it will be harmful to the growth of industry and the HRAWI states that the tourists will travel everywhere leaving India. Even though the GST is bad, it is expected to make the tourism grow by the year 2026.

(Dr. Rajeev K. Saxena, 2018) in their paper cite that after the introduction of GST in 2016, the regime is said to be the mixture of state and central level taxes in the country. The objectives of the authors study is to see the opportunities and challenges that happened after the introduction of GST. By the use of secondary data, the following could be deciphered-

- Elimination of multiple taxes and the taxes in the tourism sector are reduced.
- The GST rate on hotel industry is not apt as it should be to ensure a good working for the sector, it was expected to be 18% rather than 28% to survive the international market,
- The meeting incentives conferences and exhibitions industry of the MICE will be affected negatively as their availability is only in 5 star hotels whose rooms are charged more than Rs 5000 which is charged at 28% GST.
- The e-bill and billing service will be more transparent to the customers in this industry now.
- As the end users have to pay less tax, the rates fall and the tourists are more attracted to visit India.
- There will be an increase in the earning by the means of foreign exchanges and reserves
- The service industry would now be forced to provide less quality services due to very less profit margins due to the implementation of high rates of tax.

Hotels and accommodation plays a very crucial aspect in the travel industry and any effect on the travel and tourism industry would have a direct effect on the hotel industry by (Mathew, 2019) The paper where the author takes into accounts the opinions and problems faced by the hoteliers. The paper takes into study the sample of 60 hotels and collected data on the basis of questionnaires. GST is supposed to have a change in the prices, tax structure and benefits. Out of the 60 hotels more than 56% hotels have agreed that there is an increase in the prices of goods, and about 23% denied with the rest having no opinion. 60% have faced difficulty with the introduction of GST and only 40% agree that GST has been beneficial to them. There were various problems faced by the hoteliers out of which few are maintaining books of accounts, delay in getting refund, compliance and filing issues, additional cost of setting up software, training and development etc. even though the one nation single tax policy is useful, the above mentioned problems face a lot of loss.

Goods and service tax Tax (GST) is an underhanded cost claimed in India on the idea of items and adventures according to (S, 2018). The One Hundred and Twenty-Second Amendment Bill of the Constitution of India, legitimately known as The Constitution (One Hundred and First Amendment) Act, 2016, introduced a national Goods and Services Tax in India from 1 July 2017. The essentialness of the movement business to the neighbourliness business is apparent and is growing each year. The movement business is the variety of advantageous associations and authoritative affiliations that serve the explorer away from home. These affiliations consolidate diners, hotels, motels, and resorts; all highlights of transportation, including rental cars, travel administrators, and gas organization stations; national and state parks or delight zones; and diverse private attractions. The business in like manner consolidates those affiliations that help these associations' retail works out, including advancing associations, creations, transportation gear creators, and travel imaginative work workplaces. Introduction of GST was regarded to be a dynamic move done to the Indian economy. This assessment to grasp the effect of GST upon the five-star dwelling organizations taken from Cochin. With the end goal of concentrate the example were gathered from representatives working in five star inns in Cochin and gathered information were examined utilizing factual strategies, for example, t test and ANNOVA.

(Diksha Panwar, 2017) stated in their paper that restaurants and Food Service Businesses in India, is the snappiest creating business. Accordingly, in view of the changes in control arrangement framework the improvement of the business is being affected. Items and endeavors. Obligation introduction has made some perplexity among the diner proprietors. Merchandise and adventures charge was realized to annul all extra money charging plans which was before gotten a handle on by the retailer in order to benefit. This change will clearly lessen the consistence cost for the resident as under this system the action will change into uniform substance across states and the cost structure will similarly be mix. The restaurant fragment was messed with different high costing costs and changes under past appraisal collection structure. In advance clients use to pay VAT, organization charge and additional assistance charge on each bistro bill anyway in GST all the extra and silly charges were murdered. In the GST charge appraisal system all of the areas were doubtlessly communicated at this point various restaurants in spite of everything are puzzled and diner owners are applying rates and obligations as they decode, or according to their own longing. This examination assessments impact of GST on Restaurants and Food Service Businesses in India. This will offer encounters to see how GST will function right currently will enable us to know the points of interest



and weaknesses of GST at the present time. The examination finds that GST has both preferred position and drawbacks on bistros and sustenance organization business. GST has similarly impacted the restricted time plans of the different associations with this the associations are presently scanning for the alternative uncommon plans.

Price and cost factor passes on the heaviest loads in affecting when all is said in done satisfaction level for Asian explorers broke down for Western guests according to (Salbiah Nur Shahrul, 2016). Past composed works also showed that the decisions made by the tourists will influence the motels and the movement business salary as a result of the higher tax collection rate. In like manner, the objective of this paper is to review continuous assessment into the cognizance of obligation structure on the movement business region and to offer framework reliant on the organization hint which to avoid huge impact on the product and adventures cost. Other than speculative information, the proposed framework will give supportive information to the movement business portion since government bearing test task in giving cognizance and conviction to society that GST is a money related methodology that helps the headway of the country. This sensible reason paper blends theory of Ibn Khaldun, Pigovian charge speculation, Laffer twist and the available existing abstract works in protecting its conflicts.

(Acharjee, 2018) states that in the past abnormal duty appraisal framework, the state government would at first charge VAT, lavishness and preoccupation charge, while the central government would then force a whole particular course of action of costs such as concentrate commitment, organization charge, customs commitment and central state charge. Consider the VAT, for instance, which is routinely charged by state governments on a regard beforehand including a concentrate commitment. In this way, with different states having their own cost rates, hotels likewise, friendliness associations had no way out to benefit an input charge credit since the heaviness of central appraisals can't be set off against state charges like VAT, or the a different way. In the past framework, a housing with room obligations outperforming Rs. 1,000 would be in danger to pay 15 percent organization charge. A finish of 40% allowed on the toll worth would bring the ground-breaking pace of organization run after to 9%, anyway its effect was immaterial since the VAT and excess cost would even now apply. Such a falling effect of the cost framework descends right to the end customer, who bears the heaviness of paying charges on charges. Assigning GST rates for hotels and restaurants against yearly turnovers is a unique move by the authorities. One of the noteworthy points of interest of GST to the neighborliness and the movement business region is that it will clear out various duty evaluations by subsuming all obligations as of late gathered under one single substance. The assurance of 'one nation, one cost' will in like manner increase the straightforwardness of cooperating in the country with the course of action of systematized cost rates and versatile criteria to benefit input charge credit.

The research article from (Aswathy Krishna, 2017) states that the central, state and interstate GST has caused turmoil in the hotel industry of India. The rate of tax changes on the serving of food, room rates, beauty parlor and spa services, laundry, cab services etc. before the implementation of GST, the numerous numbers of taxes like VAT, service and luxury tax caused a high difficulty in compliance of the taxes. The whole objective of the paper is to understand the use of one tax than multiple taxes, registration on the centralized basis, invoicing and billing along with the reason for the tax rate not being the same. The tax rates under the regime are specified as-

- Room tariff of less than Rs 1000 is exempt with a 12% rate till Rs 2500 and 18% till Rs7500 and 28% for the rate of Rs 7500 or more.
- Cab rent if fuel is paid by service provider, the rate is 5% and 18% if customer bears the fuel cost
- MICE rent of 28%
- Telecom rate of 18% tax
- Support services like gym, laundry etc. at a rate of 18%
- Alcohol charges a rate of 18% tax.

According to the author (Agarwal, 2017), hotel industry is a priority industry and its importance is being realized by the Government of India, the industry has been suffering with a number of taxes like VAT, luxury Tax and Service Tax, out of which the former two are levied by the State Government whereas the latter has been levied by Central Government. All the taxes vary in rates, VAT differs from every state, and Luxury tax from room rates and service tax varies from the type of service availed. All the three taxes amalgamated together leads to a total of 20- 27%. But, under the GST scenario, the range of the tax rates is supposed to be in the range of about 18-20%, which is much lower than the previous tax rates. There will be problems in the billing, providing of discounts and policies. Even the use of government level registration, every company should be registered state wise as well. The money used as the site construction cannot be used for the use of u=input expenses.

### Research Gap

The research gaps that could be identified from the review of the above literature are firstly, there has been no study done for the specific region of the country, namely Agra. Agra is one of the most blooming cities of the heritage of India and most visited tourist destinations. The impact of the GST is necessary to be measured in the city as it caters to such a large inflow of tourists from around the globe.

Secondly, the literature that was reviewed do not depict a particular kind of tourism that was affected or not affected due to the introduction of GST. The kind of tourism here depicts, medical tourism, leisure travellers, business tourism etc. it is important to determine which are of tourism was impacted or affected by the introduction of the new tax system because the tax rates are different for different industries and the amount tourists wish to bear the taxes is also different,

Thirdly, the research has been done with the secondary data provided by the Government and the primary data from the customer's point of view. No study was done from the point of view of the Tourism Companies. It is important to know the perspective of the tourist companies because they are the ones which were first to bear the change and implement them in order for the whole GST system to be used in the tourism industry. The government shows the data they have and the consumers just portray the change in prices, the reason for change in prices, the change in flow of business, the change in operations etc., if any, are to be seen from the point of view of the business companies.

## III. RESEARCH DESIGN

### Objectives of the Study

- To understand the impact of the GST regime on the Travel Companies of Agra
- To highlight the problems faced by the companies due to the GST regime, if any
- To assess the change in business operations at compliance levels

### Statement of the Problem

Tourism Industry is one of the most blossoming industries of India, one which provides a high employment and good revenue in terms of both domestic and foreign currency. The introduction of GST leads to a change in the working of a lot of industries of the country, tourism industry being one of the most evident one. Since Agra is one of the leading tourist destinations, it is evident to figure out the impact of indirect taxes on the sector. .

Understanding the company perception about the concept of GST is important and to know if there was enough awareness among the local companies. This will help Agra to improve its present condition and work towards attaining a growing future.

### Scope of the Study

The study focuses on the involvement of the GST regime and its effects in understanding its implementation in various tourism companies in Agra, a city in the state of Uttar Pradesh. Even though the government has made policies to change the taxation system, there has been no study to see if it impacted the business. The study mainly concentrates on understanding how aware the companies are about the various policies and initiatives and the measures taken by them to ensure a bright future for the business.

### Variables and Operational Definition

Independent Variable- GST and its implementation in India

Dependent Variable- Tourism Industry of Agra

- Flow of business of the industry
- Price level changes
- Satisfaction among business and companies
- Compliance and claiming of returns

GST- The GST rates and the implementation of the new tax regime has been new to all the industries of the country. The research is based on the impact that the new tax regime has caused on the tourism industry of Agra and therefore is an independent variable. The GST rates are fixed by the Government and the variable cannot be affected by any aspect.

Tourism Industry of Agra- The tourism industry of Agra is a dependent variable which will hold the impact of the implementation of the GST regime and will show if there is any change in the following factors of the Tourism industry business

- Flow of business- the GST implementation has changed or not changed the flow of business and if the footfall of tourists has changed post GST, the working of the accounting and service operations of the business
- Price level changes- the GST levels were different for every other kind of service in the industry with a difference in also due to the scale of the business. This intervening variable is used to check if the GST regime lead to an increase or decrease in the price level.
- Satisfaction among business and companies- the introduction of GST may have changed the way the business houses and the companies conduct their operations and work, therefore, the satisfaction level of these companies in the Tourism industry.
- Compliance and claiming of returns- the GST implementation has changed the way billing, invoicing and return filing is done, this variable tries to look forward to the impact the GST has on the flow and compliance difficulties if any faced by the companies.

### Hypotheses

H0- GST in India does not impact the business in the Tourism Industry of Agra

H1- GST in India directly impacts the business in the Tourism Industry of Agra

### Questionnaire

Questionnaire is a technique and means of gathering and collecting the primary data through responses. The questionnaire in this study comprised and consisted of a total of 16 numbers of questions which were aimed to collect both demographic as well as contextual type of data.

The demographic questions contained the name of the respondent, the name of the business or organisation, the designation of the respondent in the business along with the address of the business to ensure that all the data collected belonged to the city of Agra. All these questions were added to know the type of business, ensure they belong to the hospitality and tourism sector and to emphasize on the location of the business houses and hotels.

The other questions that were added in the questionnaire were regarding the introduction of the GST, were there any issues faced by it, were there a change in prices or flow of business regarding the introduction of GST. These questions were marked as 'yes', 'no', 'maybe' type questions to simplify the analysis from the data. The other few questions were on the fact whether the Goods and Services Tax (GST) was a more preferable form of tax for the businesses or the Value Added System or Sales Tax. The other questions included in the questionnaire were where the problems faced were huge or the companies could manage their business even though the problems existed. This was done through the answers in the form of a likert scale.

A few questions included were also regarding suggestions and preventive measures, if any, the government could take before and after the introduction of the tax.

### Methods of Data Collection

#### Primary data:

Questionnaire

Telephonic Interviews

The data used for the research is the Primary Data which is collected by the framing of a questionnaire and being sent to the travel companies of Agra in order to find out the data from the primary source of travel industry companies.



### Sampling Size/ Type

The total population of the number of travel companies in Agra is about 100 travel agents and travel companies (registered).

The sample size therefore is 80 according to the Krejcie and Morgan's table of determining sample size out of number of population.

The sampling unit used for this research is the Travel Business Companies and Hotel owners and Employees of Agra. These determine the primary data required for the study of impact of GST in the tourism industry of Agra.

The type of sampling done is Simple Random Sampling. This is a method where every number in the population has equal and effective chance to be selected as the sample of the study. The questionnaire therefore was sent to the owners, executive directors, managers, managing directors and board members of the travel companies and hotels in Agra.

### Statistical Design

The below mentioned tools are used for the statistical design and the use of these tools is helpful in determining the results of the research.

**ANOVA-** An ANOVA check is a means of finding out whether the results of a survey or trial are important. In other words, they help you figure out if the null hypothesis is to be denied or the alternative hypothesis accepted. There are two types of ANOVA out of which this study is conducted by the One Way ANOVA.

**Correlation-** Correlation is a statistical tool that can indicate whether or not the pairs of variables are strongly related. In statistical terms, the correlation is used to denote the association between two quantitative variables. It is therefore presume that the relationship is additive, that one component increases or decreases the fixed amount for an increase or decrease in the other.

**Regression-** The other method often used in these situations is regression, which includes determining the best straight line to represent the relationship. Regression is a mathematical method used in accounting, business, and other fields that seeks to assess the strength of one dependent variable's relationship. Linear regression uses one independent variable to describe or forecast the outcome of dependent variable Y while multiple regression uses two or more

### Limitations of the Study

Despite Agra being one of the oldest and well know tourist destination, there were various hindrances caused during the study. Awareness among the people about the concept of GST is still new and every aspect of the taxes is different for every sector even in the tourism industry. Many people also see the GST regime as a part of a political ideology and the responses and the data collected can be biased due to these stances of respondents. It is also difficult to assess the level of taxation rates for each and every company as it depends on the fact at which the price they provide the services. Finding out the effectiveness of such regime is also difficult. Since the general public has less information about the government taxation policies and initiatives by various groups, they find it difficult to evaluate the situation.

Therefore, a few limitations that can be listed are-

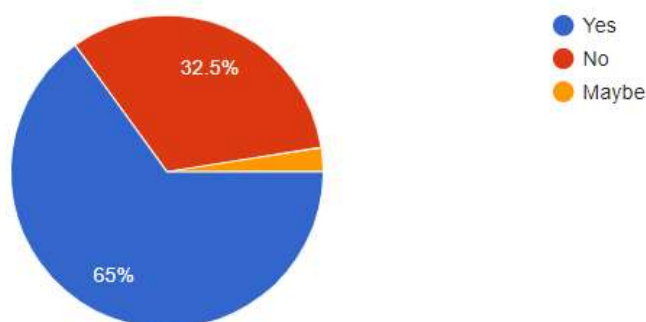
- Lack of awareness about the rules, regulations and the effect of GST on the business
- Being a part of political idea and propaganda leads to biased results
- The taxation level and rates differ from company to company based on the size of the companies and operations.

## IV. ANALYSIS

### 4.1 Analysis based on Descriptive Statistics

#### Flow of Business

Has the introduction of GST impacted the flow of business?	
Yes	52
No	26
Maybe	2



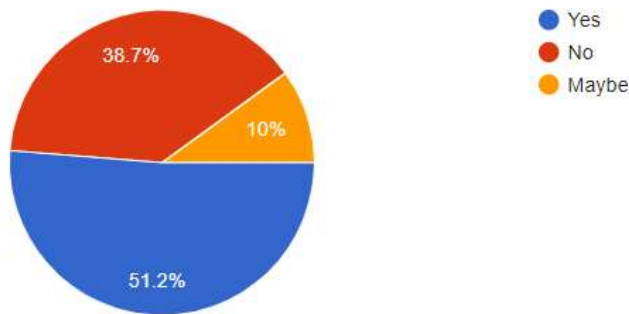
### Interpretation-

From the above table and chart, it can be inferred that out of the 80 companies from Agra that were used for the collection of first hand data, 65% of such respondents have agreed to the fact that the introduction of GST regime impacted the flow of business in the tourism industry. A mere 33% states that the GST didn't impact the tourism business.

The reason for such a result is that because of the introduction of the GST, the tax rates which used to be about 20% - 22% under the Service tax and VAT slabs has been changed to a range of 18% - 20% under the Goods and Services Tax regime. This change in tax rates and the new system of taxation has impacted the flow of many businesses in Agra.

**Price level changes**

Has the introduction of GST lead to higher prices in the Tourism Industry?	
Yes	41
No	31
Maybe	8

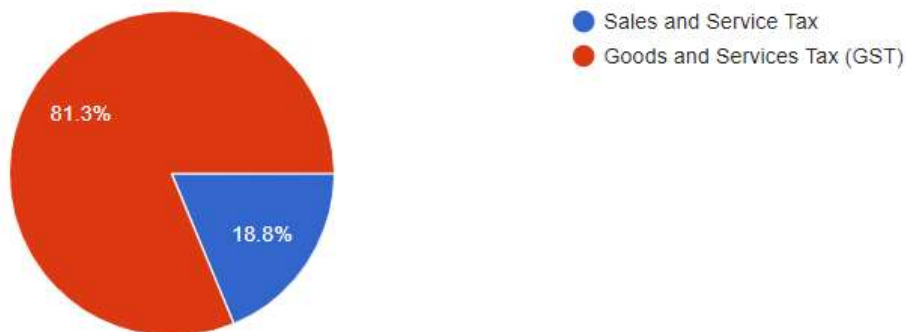
**Interpretation-**

The above table and the graph show that according to 51% of 80 respondents, i.e. 41 companies of Agra, the introduction of GST lead to higher prices of the tourism industry and the rest state that about 37% companies neglected the impact of GST on higher prices in this service industry with a 10% of the sample population not having a concrete opinion about the same.

The reason for an increase in the price level changes of the tourism in Agra post the introduction of GST is that majority of services under this industry fall under the luxury category and are charged at a higher rate of tax than services in any other industry. The rates at which hotel rooms, transport and meeting etc. are charged are higher than what it used to be charged before.

**Beneficiality of Tax system**

Which system was more beneficial according to you?	
Goods and Services Tax (GST)	65
Sales and Service Tax	15

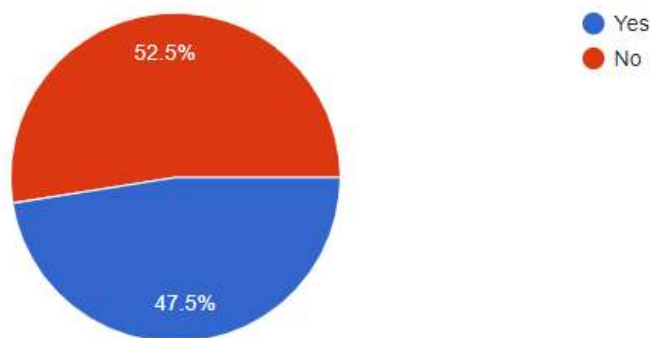
**Interpretation-**

The above table and diagram represent that according to a majority of respondents, the companies agreed that the system of Goods and Services Tax (GST) was more beneficial for the working of the business rather than the old tax regime of Sales and Service Tax. The 65 companies out of 80 responded that they are benefiting from the taxes and the new GST rules and regulations.

The GST regime is more beneficial and attractive to the service industry providers because of the single rate tax slabs and no numerous taxes to be collected from the consumers. This has simplified the job of business owners by providing comprehensive schemes.

**Difficulty in operations**

Did the company face any difficulty in operations due to the introduction of GST?	
Yes	38
No	42
Maybe	0



### Interpretation-

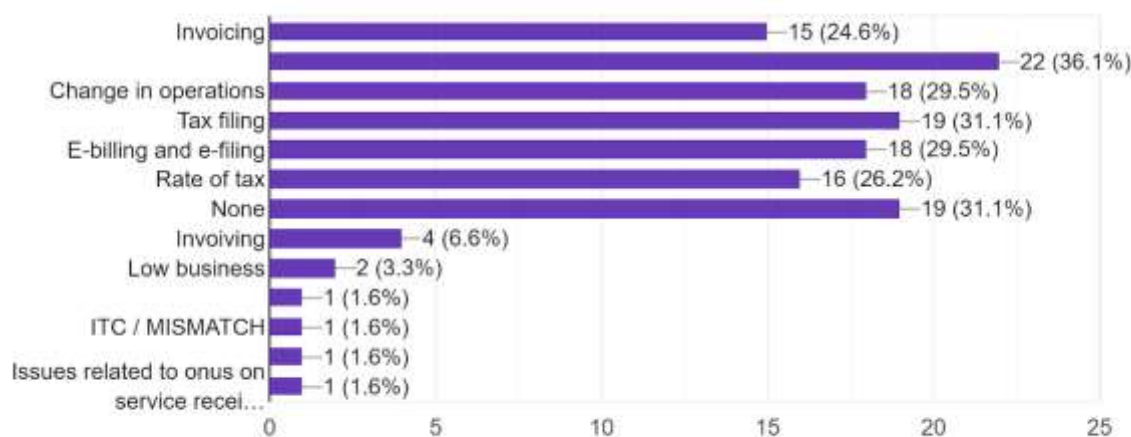
The above pie diagram and table shows that almost half the respondent companies, 42 companies, felt that the GST regime didn't lead to any difficulties in their working and the others thought that it did.

This shows that there is still a discrepancy among a number of businesses with the effect of GST in the business operations. The above is due to the fact that a lot of companies still did not acquaint themselves to the new rules and the rest are well aware and are comfortable with the GST regime and have not faced much difficulty.

The graphical diagram below shows the major issues faced by the companies-

If yes, what were the difficulties faced by the company due to the new tax regime

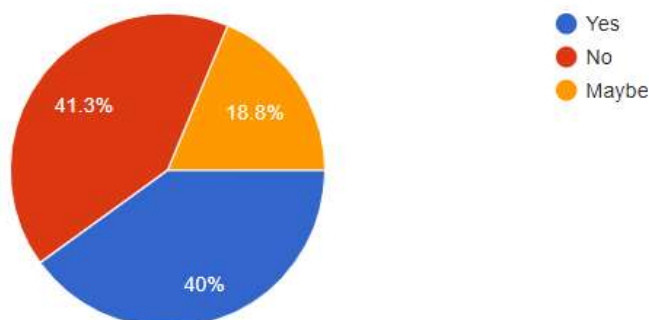
61 responses



It can be seen from the above graph clearly shows that the most difficulty the companies faced was in invoicing and understanding the tax structure, rest was in tax filing and the change the companies had to face in operations due to new taxes. The rate of tax was a concern for about 26% of the companies whereas there was not much difficulty due to loss in business. The e-billing and e-filing of returns lead to a difficulty for 18 respondents out of the 38 that did face a problem due to introduction of GST.

### Satisfaction on GST rates

Was the proposed rate of GST for tourism sector satisfactory?	
Yes	32
No	33
Maybe	15





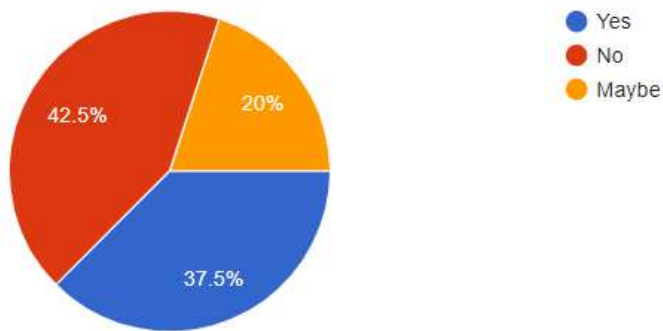
**Interpretation-**

From the above table and the diagram it can be interpreted that 41% respondents, 33 companies, were not satisfied with the rates of taxes for tourism industry, 40 %, 32 companies were satisfied and the other 19% were unsure of the fact the GST affected them satisfactorily or not.

The reason is that even though the rates were different for the Sales Tax and VAT regime, the companies still prefer that the tax rates be lower than the existing GST rates and the other companies are satisfied with the tax rates that have been implemented.

**Issues under claiming returns of GST**

Were there issues in claiming returns under GST regime?	
Yes	30
No	34
Maybe	16

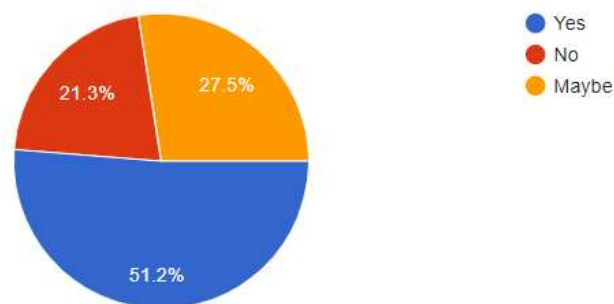
**Interpretation-**

The above pie diagram and table shows that 42% respondents faced a difficulty in claiming returns under the tax regime of GST but 37.5% companies did not face any difficulty for compliance with the other 20% not having a concrete opinion.

The most difficulty that people faced was in the technical issues of the GST portal, second being the problem of navigation, then the non availability of bank account data along with the mismatch of dat. The least difficulty the companies faced was in seamlessness of rules.

**User friendliness of GST rules**

Is the GST Portal and rules under the regime user friendly with respect to the Tourism Industry?	
Yes	41
No	17
Maybe	22

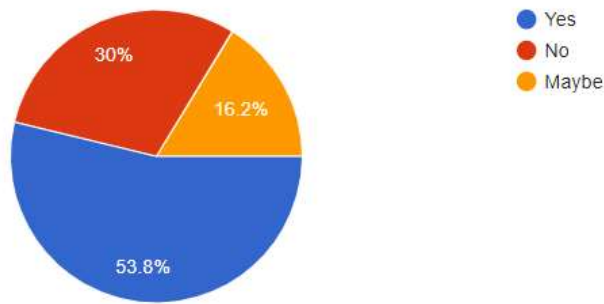
**Interpretation-**

The rules under the GST portal and the new tax regime was user friendly, which can be seen from the above table and graph, according to a majority of about 51% of respondents, 41 companies in the tourism industry, the other 21% denied but the rest did not have any opinion about the same.

This can be due to the issues faced by the companies in invoicing, technical error which claiming returns and compliance, lack of seamless rules and regulations and non availability of enough material to help companies to learn about GST.

**Adequacy of steps taken by Government**

Has the Government been taking adequate steps to respond to industry needs such as accepting the need to make the changes in the rate structure, provide clarity on rules, processes, guidelines etc.?	
Yes	43
No	24
Maybe	13



#### Interpretation-

The above graph and table shows that 53.6% of the companies have agreed that the steps taken by the Government to respond to the needs of the tourism industry are satisfactory and about the 30% of the respondents deny and do not comply with the steps taken by the government of India to ensure to the industry needs of the tourism sector in India.

The few suggestions and reasons why company owners thought so was because they wanted a single and lower tax rate, uniformity in tax structures, discussion with the tourism industry before implementing taxes on them with more clarity in rules and regulations of the new tax structure with no ambiguity.

#### 4.2 Analysis based on Hypothesis

The analysis of the Hypothesis is conducted on the IBM SPSS software Statistics 21 version and the result tables from the same have been attached for the simplification of analysis and interpretation.

#### Reliability Analysis

Reliability test is conducted to ascertain, to what extent the scale produces a consistent result and to check to what extent the measurement repeats a number of times.

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.701	.735	13

Taking into consideration the number of respondent companies of 80, a Cronbach Alpha of **0.701** ensures a moderate to high level of consistency in the answers given through the questionnaire. This level of the Alpha is acceptable and the data is consistent enough for further analysis. It also shows that majority of the respondent companies from Agra have a coherent response and thinking for the questions asked about the GST regime.

#### One way ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
HastheintroductionofGSTleadtohigherpricesint heTourism	Between Groups	4.714	2	2.357	5.917	.004
	Within Groups	30.673	77	.398		
	Total	35.388	79			
Didthecompanyfaceanydifficultyinoperationsdu etotheint	Between Groups	1.488	2	.744	3.104	.051
	Within Groups	18.462	77	.240		
	Total	19.950	79			
WastheproposedrateofGSTfortourismsectorsati sfactory	Between Groups	.253	2	.126	.226	.798
	Within Groups	43.135	77	.560		
	Total	43.388	79			
WerethereissuesinclaimingreturnsunderGSTreg ime	Between Groups	1.300	2	.650	1.185	.311
	Within Groups	42.250	77	.549		
	Total	43.550	79			
IstheGSTPortalandrulésundertheregimeuserfrie ndlywith	Between Groups	1.276	2	.638	.859	.428
	Within Groups	57.212	77	.743		

Total	58.488	79			
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The above table represents the ANOVA analysis which is done to check whether the respondents are significant statistically. As per the output it can be seen that, p value for 4 out of the 5 variables stated above are more than the significant level of 5%. This means that the null hypothesis is accepted. The only variable where the null hypothesis is not accepted is the change in prices, where the p value= 0.004 which is less than the significant level of 5%, which also means that not all the population means are equal.

The result implies that the GST has directly impacted the business in Tourism Industry of Agra, just in the ways of change in prices. The rest of the intervening variables do not impact the business due to the introduction of GST.

### Correlation

#### Correlation of Independent Variable with the dependent variable of Flow of Business

		Has the introduction of GST impacted the flow of business	Did the company face any difficulty in operations due to the introduction of GST
Has the introduction of GST impacted the flow of business	Pearson Correlation	1	.106
	Sig. (2-tailed)		<b>.351</b>
	N	80	80
Did the company face any difficulty in operations due to the introduction of GST	Pearson Correlation	.106	1
	Sig. (2-tailed)	<b>.351</b>	
	N	80	80

The table above shows the correlation between the independent variable of GST with the variable of flow of business. The p value for the same is **0.351** which is higher than the significant value of 0.05 null hypotheses is accepted, which clearly states that there is no impact of GST on the flow of business for the tourism industry of Agra

#### Correlation of Independent Variable with the dependent variable of Price Level Changes

		Has the introduction of GST impacted the flow of business	Has the introduction of GST led to higher prices in the Tourism industry
Has the introduction of GST impacted the flow of business	Pearson Correlation	1	<b>.225*</b>
	Sig. (2-tailed)		<b>.045</b>
	N	80	80
Has the introduction of GST led to higher prices in the Tourism industry	Pearson Correlation	<b>.225*</b>	1
	Sig. (2-tailed)	<b>.045</b>	
	N	80	80

\*. Correlation is significant at the 0.05 level (2-tailed).

The table is a depiction of the correlation of the independent variable of GST with the dependent variable of the changes in the price level changes. Here the p value is **0.045** with the significance level of 0.05. Here the p value is less than the significance value, thus the null hypothesis is not accepted. Rather the alternative hypothesis is accepted, which states that there is a direct impact between the introduction of GST and the business operations of the tourism industry of Agra.

Also, as the alternative hypothesis is accepted, the level of correlation for the same is taken into consideration. The correlation value here is **0.225** which shows there is a positive correlation, which implies that the increase in the tax rates of GST will lead to an increase in the price of the services offered by the tourism industry of Agra and vice versa. But as it is a lower value of correlation it shows a weak correlation between the two variables.



**Correlation of Independent Variable with the dependent variable of Satisfaction among Companies**

		Has the introduction of GST impacted the flow of business	Was the proposed rate of GST for tourism sectors satisfactory
Has the introduction of GST impacted the flow of business	Pearson Correlation	1	.076
	Sig. (2-tailed)		<b>.505</b>
	N	80	80
Was the proposed rate of GST for tourism sectors satisfactory	Pearson Correlation	.076	1
	Sig. (2-tailed)	<b>.505</b>	
	N	80	80

The above table is the one showing the correlation between the independent variable i.e. GST and the variable of satisfaction levels among the business houses and the companies of Agra. The p value in this table is **0.505** with significant value being 0.05; hence the p value is larger than the alpha value. Therefore, the null hypothesis is accepted and shows that there is no impact of GST on the tourism industry in levels of satisfaction among the companies of Agra after the introduction of the new tax regime.

**Correlation of Independent Variable with the dependent variable of Compliance and claiming of Returns**

		Has the introduction of GST impacted the flow of business	Is the GST Portal and rules under the regime user friendly with
Has the introduction of GST impacted the flow of business	Pearson Correlation	1	.113
	Sig. (2-tailed)		<b>.318</b>
	N	80	80
Is the GST Portal and rules under the regime user friendly with	Pearson Correlation	.113	1
	Sig. (2-tailed)	<b>.318</b>	
	N	80	80

The table is the correlation between the GST, independent variable, and the compliance of taxes and the claiming of returns under the new regime of taxes. The p values as shown in the table is **0.318** and the alpha value is 0.05, which shows that the p value is much higher than the significant value, rather the null hypothesis is accepted and the correlation therefore shows that there is no impact of GST on the difficulties faced by companies on the claiming of returns and other compliance issues in Agra.

**Regression****Regression with Flow of Business****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.106 <sup>a</sup>	.011	-.002	.503

a. Predictors: (Constant),

Has the introduction of GST impacted the flow of business

The above table shows the regression of the independent variable with the dependent variable of flow of business, the table provides the R and R<sup>2</sup> values. The R value represents the simple correlation and is 0.106 which indicates a low degree of correlation. The R<sup>2</sup> value indicates how much of the total variation in the dependent variable can be explained by the independent variable. In this case, 1.1% can be explained, which is very small.

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.223	1	.223	.880	.351 <sup>b</sup>
	Residual	19.727	78	.253		
	Total	19.950	79			

a. Dependent Variable: Did the company face any difficulty in operations due to the int

b. Predictors: (Constant), Has the introduction of GST impacted the flow of business

This table indicates that the regression model does not predict the dependent variable well. This indicates the statistical significance of the regression model that was run. Here, p value is equal to 0.351, which is greater than 0.05, and indicates that, overall, the regression model statistically significantly does not predict the outcome variable.

**Regression with the Price Level Changes****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.225 <sup>a</sup>	.050	.038	.656

a. Predictors: (Constant),  
HastheintroductionofGSTimpactedtheflowofbusiness

The above table show the regression of the independent variable with the dependent variable of change in price levels, the table provides the R and R<sup>2</sup> values. The R value represents the simple correlation which is 0.225 which indicates a moderate degree of correlation. The R<sup>2</sup> value indicates how much of the total variation in the dependent variable can be explained by the independent variable. In this case, 5% can be explained, which is relatively small.

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1.786	1	1.786	4.147	.045 <sup>b</sup>
Residual	33.601	78	.431		
Total	35.388	79			

a. Dependent Variable: HastheintroductionofGSTleadtohigherpricesintheTourism

b. Predictors: (Constant), HastheintroductionofGSTimpactedtheflowofbusiness

This ANOVA table shows that the regression model presumes the dependent variable well. Here, p value is equal to 0.045, which is less than 0.05, and indicates that; overall, the regression model statistically significantly predicts the outcome variable of the price level changes with respect to the independent variable of GST.

**Regression with Satisfaction among Companies****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.076 <sup>a</sup>	.006	-.007	.744

a. Predictors: (Constant),  
HastheintroductionofGSTimpactedtheflowofbusiness

The above table show the regression of the independent variable with the dependent variable of flow of business, the table provides the R and R<sup>2</sup> values. The R value represents the simple correlation and is 0.076 which indicates a low degree of correlation. The R<sup>2</sup> value indicates how much of the total variation in the dependent variable can be explained by the independent variable. In this case, 0.06% can be explained, which is extremely small.

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.248	1	.248	.448	.505 <sup>b</sup>
Residual	43.140	78	.553		
Total	43.388	79			

a. Dependent Variable: WastheproposedrateofGSTfortourismsectorsatisfactory

b. Predictors: (Constant), HastheintroductionofGSTimpactedtheflowofbusiness

This table indicates that the regression model predicts the dependent variable significantly well. This indicates the statistical significance of the regression model that was run. Here, p value is equal to 0.505, which is greater than the alpha value of 0.05, which states that the null hypothesis is accepted and therefore, it indicates that; overall, the regression model statistically significantly does not predict the outcome variable.

**Regression with Compliance and claiming of returns****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.103 <sup>a</sup>	.011	-.002	.743

a. Predictors: (Constant),  
HastheintroductionofGSTimpactedtheflowofbusiness

The above table show the regression of the independent variable with the dependent variable of flow of business, the table provides the R and R<sup>2</sup> values. The R value represents the simple correlation and is 0.106 which indicates a low degree of correlation. The R<sup>2</sup> value indicates how much of the total variation in the dependent variable can be explained by the independent variable. In this case, 1.1% can be explained, which is very small.

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.464	1	.464	.841	.362 <sup>b</sup>
Residual	43.086	78	.552		
Total	43.550	79			

a. Dependent Variable: WerethereissuesinclaimingreturnsunderGSTregime

b. Predictors: (Constant), HastheintroductionofGSTimpactedtheflowofbusiness

This table indicates that the regression model predicts the dependent variable significantly well. This indicates the statistical significance of the regression model that was run. Here, p value is equal to 0.362, which is greater than the significant value 0.05, and indicates that, overall, the regression model statistically significantly does not predict the outcome variable and thus the null hypothesis is accepted which in turn states that there is no impact of GST on the compliance and claiming of returns for tourism industry in Agra.

**V. SUMMARY OF FINDINGS**

Tourism is a fast-growing global sector. It is gaining universal acceptance as a powerful driver for holistic socio-economic development due to the job opportunities it generated and the subsequent growth of infrastructure. With its forward and backward linkages, it has the potential to encourage other economic indicators. It also has the capacity to create more jobs because of its economic multiplier effect. Goods and services tax specifically defines the difference between the value of the supplied goods or services and the value of the bought goods or services as intermediate inputs. Consequently, GST is a tax levied on value added across various stages of production and service generation.

After interpreting each question separately on the basis of descriptive statistics and few questions based on SPSS and its tools it can be analysed that there has been a seemingly less impact of GST on the tourism industry of Agra. Tourism is a major contributor to the economy and the foreign exchange of India as well as one of the most booming sectors of business in Agra. Most of the companies are familiar about the idea of GST are still show a very less impact of the same on the business.

It can be observed that though a lot of previous research papers have showed that the Goods and Services Tax (GST) has impacted the industry of travel and tourism in a direct way, the research conducted has showed that this is not true now. The GST has not shown any big impact on the travel and tourism condition of Agra, exception being the change in prices.

According to the SPSS tests performed, it is clear that the flow of business has no relation with the introduction of GST. While the correlation test also negates any relation between the satisfaction of companies and claiming of returns, it proves a positive relation between the introduction of the tax regime of GST and the change in the prices of the services in the tourism industry of Agra.

The change in prices of the services offered by the Tourism Industry is the only variable that has shown any impact in the region of Agra. The correlation, regression and ANOVA test have shown that GST has only impacted the price level changes in the industry due to a change in tax slabs and rates. This change can be tracked by the change in the number of services that are treated as luxury rated services under the GST regime.

It seems to be consistent with previous research that the demand for tourists and tour services will fluctuate on the basis of the quality and expense of the tax imposed and that the tax will have a direct impact on tourism revenue. It can also be found that the tax rate and the tax system play a major role in the income generation of the tourism sector of Agra.

The earlier researches state that there has been a negative impact or a mixed impact of the introduction of GST which would change with the passage of time. After 3 years of implementation of GST the research conducted here states that there has rather been a positive impact of the GST in tourism of Agra, companies are used to the products taxed=x and the compliance rules and a majority of companies prefer this system of taxation over the previous system of VAT and luxury tax.

**VI. CONCLUSION**

Tourism has been an important aspect in Agra since many decades. Not only domestic but also international tourists visit the destination for its spiritual significance. The number of tourist has been excessive in number in the recent years which brings in the scenario of the negative impacts of tourism due to overcrowding. It not only spoils the authenticity of the destination but also affects the lives of the people residing in the city.

The Goods and Service tax system was introduced in India to remove the defects in the indirect tax system and to have a common market across the country. The introduction of GST rates in Tourism and Hotel industry was initially met with resistance from the company owners. However after the revised rates were implemented on Nov 15, 2017, majority of the businesses have expressed faith in the system. Even though they have incurred additional costs in transitioning towards the new system, it has been as expected that in the long run GST proved to be beneficial.

**Recommendations**

Since Agra is one of the leading tourist destinations in India due to its pilgrimage and spiritual significance, the taxes should be maintained as such to cut down the cost of the services. The rates should be maintained simultaneously so that the tourist count does not fall and the destination does not decline. GST is a glimmer of hope for the Hotel and Tourism Industry if we can keep the GST rate between 10 to 15%. GST might herald with its uniformity of tax To combat such issues steps should be taken not only by the government but also the host community and tourist to protect the rates of the services in the destination.



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