



ORIGINAL RESEARCH PAPER

GOODS AND SERVICES TAX (GST) REFORMS FOR SUSTAINABLE DEVELOPMENT POLICY CHANGES AND FUTURE ROADMAP TOWARDS VIKSIT BHARAT@2047

Law

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ABSTRACT

The Goods and Services Tax (GST) represents a significant transformation in India's indirect taxation system and plays an important role in advancing economic integration, fiscal transparency, and sustainable development. GST assumes importance as an instrument of economic governance and fiscal reform. This research examines the historical evolution, constitutional foundations, and changing policy framework of GST in India, with particular emphasis on recent reforms, digital tax administration, input tax credit mechanisms, compliance simplification, and the relationship between tax policy and inclusive economic growth. It further explores the potential contribution of GST to formalising economic activity, improving revenue mobilisation, supporting small businesses, and strengthening cooperative federalism. The study also identifies continuing challenges, including compliance burdens, differential tax treatment across sectors, revenue-sharing concerns, and the need to ensure that the tax system supports social equity and environmentally responsible production and consumption. Adopting a doctrinal and analytical research methodology based on constitutional provisions, legislation, judicial decisions, government reports, and secondary literature, the paper proposes a future roadmap centred on simplified tax structures, technology-driven compliance, transparent fiscal governance, and evidence-based policy evaluation. It argues that a fair, efficient, and development-oriented GST regime can contribute to India's long-term economic resilience and sustainable development, provided that future reforms balance revenue objectives with equity, administrative efficiency, and the constitutional principles of cooperative federalism.

INTRODUCTION:

Economic development and sustainable growth are essential components of India's aspiration as to become a developed nation by 2047 under the vision of *Viksit Bharat@2047*. Achieving this objective requires a transparent, efficient, inclusive, and sustainable economic framework supported by sound fiscal policies, effective governance, technological innovation, and institutional reforms.

India's progress towards *Viksit Bharat@2047* requires a fiscal framework capable of supporting long-term economic growth while addressing regional disparities, social inequalities, and environmental concerns. In this regard, GST reforms must respond to the changing requirements of businesses, consumers, governments, and the wider economy. Digitalisation of tax administration, improvements in return filing and refund mechanisms, the prevention of tax evasion, and the simplification of compliance procedures are important areas for continued reform. Small and medium enterprises, in particular, require accessible compliance systems and timely resolution of tax-related difficulties to participate effectively in the formal economy. Similarly, a balanced approach to tax-rate rationalisation and input tax credit mechanisms can help reduce avoidable disputes and improve economic efficiency. Strengthening coordination between the Centre and the States is equally important for maintaining fiscal stability and ensuring that the benefits of tax reform are distributed fairly across different regions and economic sectors.

Against this background, the present research examines the historical evolution, constitutional framework, and changing policy dimensions of GST in India, with particular emphasis on its potential contribution to sustainable development and the vision of *Viksit Bharat@2047*. The study analyses the relationship between GST reforms, cooperative federalism, digital tax administration, inclusive economic growth, and selected Sustainable Development Goals. It also considers the principal challenges affecting the effectiveness and equity of GST and explores possible measures for strengthening its future implementation. By adopting a doctrinal and analytical approach based on constitutional

provisions, legislation, judicial decisions, government publications, and relevant academic literature, the research seeks to develop a comprehensive understanding of GST as an instrument of fiscal governance and economic transformation. Ultimately, the study argues that a simplified, equitable, transparent, and technologically responsive GST regime, supported by effective Centre-State cooperation and complementary development policies, can contribute meaningfully to India's long-term aspiration of achieving a prosperous, inclusive, and sustainable *Viksit Bharat* by 2047.

RESEARCH OBJECTIVES

1. To analyse the historical evolution and constitutional foundations of GST in India.
2. To evaluate the relationship between GST and selected Sustainable Development Goals, particularly SDGs 8, 9, 10, 12, and 16.
3. To identify legal, administrative, and fiscal challenges affecting the effectiveness and equity of GST.
4. To propose a future roadmap for GST reforms in alignment with the vision of *Viksit Bharat@2047*.

RESEARCH METHODOLOGY

The study is based primarily on secondary sources, including constitutional provisions, statutory legislation, GST Council recommendations, government publications, judicial decisions, academic research papers, policy documents, and reports published by relevant national and international organisations.

Furthermore, the study evaluates the major challenges associated with GST implementation and considers possible policy reforms for improving transparency, administrative efficiency, tax compliance, and Centre-State coordination. The analysis is qualitative in nature and does not involve primary data collection or statistical testing. Accordingly, the findings and recommendations are derived from a critical examination of available legal materials, policy developments, and academic literature. The study ultimately seeks to assess how an efficient, equitable, and transparent GST framework can contribute to India's sustainable economic development and support the long-term objectives of *Viksit Bharat@2047*.

RESEARCH QUESTIONS

1. How can GST promote cooperative federalism, improve tax compliance, and strengthen fiscal coordination between the Union and the States?
2. What role can digitalisation, tax-rate rationalisation, and simplified compliance procedures play in improving the efficiency, transparency, and inclusiveness of GST administration?
3. What future policy reforms are required to make India's GST framework more equitable, economically efficient, and supportive of sustainable development by 2047?

RESEARCH GAP

Existing literature has extensively examined the historical development of the Goods and Services Tax (GST), its constitutional framework, tax administration, and its role in transforming India's indirect taxation system. Considerable attention has also been given to GST implementation, revenue mobilisation, cooperative federalism, and economic integration. Although GST has the potential to support selected United Nations Sustainable Development Goals (SDGs), its contribution depends on tax policy design, effective implementation, and the utilisation of public revenue for developmental purposes. There remains a need for a comprehensive analytical framework connecting constitutional principles, ongoing GST reforms, and future policy measures with measurable sustainable development objectives. Furthermore, the implications of tax-rate rationalisation, compliance simplification, digitalisation, and Centre-State fiscal coordination for equitable and sustainable economic development require further examination.

POLICY AND STRATEGIC FRAMEWORKS

1. Sectoral Policies

India's developmental vision for 2047 emphasises sustainable economic growth, fiscal stability, technological advancement, social inclusion, and effective governance. Within this broader framework, taxation policy plays an important role in mobilising public revenue, supporting infrastructure development, encouraging business formalisation, and strengthening the financial capacity of governments. Its contribution to Viksit Bharat@2047 must be assessed not only in terms of revenue generation but also through its implications for economic efficiency, social equity, cooperative federalism, and sustainable development.

2. GST and India's Vision of Viksit Bharat@2047

The vision of Viksit Bharat@2047 seeks to transform India into a developed nation by the centenary of its independence. Achieving this objective requires a resilient economic structure supported by efficient taxation, strong institutions, modern infrastructure, innovation, and inclusive growth. GST can contribute to this vision by facilitating interstate trade, improving tax administration, reducing the cascading effect of taxation where input tax credits are available, and encouraging businesses to participate in the formal economy.

3. Constitutional and Legislative Framework of GST

The constitutional framework also reflects the importance of cooperative federalism by providing an institutional mechanism through which the Union and States can deliberate on tax policy. Nevertheless, the balance between coordinated decision-making and the fiscal autonomy of individual States remains an important subject for legal and policy analysis.

4. Major GST Policy and Administrative Initiatives

A) Digitalisation of GST Administration - Digitalisation is a major component of GST administration. E-invoicing and e-way bill systems also contribute to the digitisation of relevant business transactions and the movement of goods.

B) GST Rate Rationalisation - India's GST structure has

historically included multiple tax rates and special treatments for specified goods and services. Although differentiated rates can serve social and fiscal objectives, complexity may create classification disputes and compliance difficulties.

C) GST and Small Business Formalisation - GST may encourage businesses to maintain formal accounts, issue tax invoices, and participate in documented supply chains. Formalisation can improve access to institutional finance and organised markets for eligible businesses, although the extent of these benefits varies across sectors and business sizes.

5. GST and the Sustainable Development Goals: Strategic Alignment

The relationship between GST and sustainable development can be analysed through the following framework:

Sustainable Development Goal	Relevance to GST	Potential policy direction
SDG 8: Decent Work and Economic Growth	Formalisation, trade facilitation, and business activity	Simplified compliance and predictable tax administration
SDG 9: Industry, Innovation and Infrastructure	Industrial supply chains and infrastructure development	Efficient input tax credit and reduced tax-related friction
SDG 10: Reduced Inequalities	Distributional effects of indirect taxation	Assessment of tax burdens and protection of vulnerable consumers
SDG 12: Responsible Consumption and Production	Relative costs of goods and consumption patterns	Evaluation of environmentally informed tax policy
SDG 16: Peace, Justice and Strong Institutions	Transparency, accountability, and tax administration	Digital governance, fair procedures, and effective dispute resolution

The framework illustrates possible areas of alignment rather than proving a direct causal relationship between GST and the achievement of any SDG. Further empirical research would be necessary to measure the actual contribution of GST reforms to these outcomes.

6 Future Strategic Framework for GST Towards Viksit Bharat@2047

i) Simplification and Predictability - Future reforms should seek to reduce unnecessary complexity in tax rates, product classification, and compliance procedures. Clear guidance and consistent administrative practices can improve taxpayer confidence and reduce avoidable litigation.

ii) Technology-Driven Tax Governance - Further improvements in digital systems can support timely refunds, automated compliance checks, better taxpayer services, and the detection of suspicious transactions. Such reforms should also preserve data privacy, cybersecurity, and accessible alternatives for taxpayers who face digital barriers.

iii) Inclusive and Equitable Tax Administration - GST reforms should consider the relative compliance capacity of businesses of different sizes and the effects of indirect taxation on consumers. Accessible grievance mechanisms, proportionate compliance requirements, and careful assessment of tax changes can strengthen the fairness of the system.

iv) Monitoring and Evaluation - A structured assessment framework can be developed to monitor GST performance against measurable indicators, including compliance costs, refund-processing times, dispute resolution, revenue predictability, taxpayer participation, and the distributional effects of tax policy. The resulting evidence can help policymakers identify areas requiring improvement and assess the contribution of reforms to the objectives of Viksit Bharat@2047.

DEVELOPMENT-FIRST APPROACH TO SUSTAINABLE VIKSIT BHARAT THROUGH GST REFORMS

A development-first approach to GST requires tax reforms to be evaluated not merely on the basis of revenue collection but also in terms of their implications for economic productivity, business competitiveness, employment, and equitable development. Simplified compliance procedures, effective digital administration, timely refunds, and transparent tax policies can help create a more predictable business environment, particularly for micro, small, and medium enterprises. At the same time, the relationship between GST and environmental sustainability requires careful consideration, as tax-rate structures and related fiscal measures may influence consumption patterns and the relative costs of environmentally beneficial goods and services. Such measures should complement broader climate and industrial policies while taking account of affordability, fiscal stability, and distributional effects. Therefore, a balanced and development-oriented GST framework can contribute to India's aspiration to become a developed nation by 2047, provided that tax reforms are supported by effective implementation, cooperative federalism, and complementary social and environmental policies.

CONCLUSION

The principles of *Sabka Saath, Sabka Vikas, Sabka Vishwas, and Sabka Prayas* provide a broader policy context for inclusive and participatory development. In this context, effective GST administration should seek to balance revenue requirements with the legitimate interests of businesses, consumers, and State Governments. Simplifying compliance procedures, improving access to input tax credits and refunds in accordance with the law, strengthening digital infrastructure, and ensuring accessible grievance-redressal mechanisms can help create a more inclusive tax environment. Furthermore, the GST Council remains an important constitutional institution for coordinating tax policy and addressing differences between the fiscal interests of the Union and the States.

Looking towards 2047, future GST reforms should place greater emphasis on predictability, procedural fairness, technology-enabled governance, and evidence-based policy evaluation. Policymakers should also examine how GST can complement wider initiatives concerning renewable energy, resource efficiency, sustainable production, and responsible consumption without compromising fiscal stability or imposing disproportionate burdens on vulnerable sections of society. Regular assessment of compliance costs, revenue performance, administrative efficiency, and distributional outcomes can help identify areas requiring further reform.

Ultimately, a development-first approach to GST requires the integration of economic efficiency with social equity, environmental responsibility, and accountable governance. Through sustained reforms, effective Centre-State cooperation, and alignment with broader national development priorities, GST can contribute to building a transparent, resilient, and inclusive fiscal system. Such an approach can support India's long-term aspiration of achieving Viksit Bharat@2047 while advancing its wider commitment to sustainable and equitable development

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