**Abstract**

The Government of any country needs money for its functioning and taxes are a major source of revenue for a Government. The taxes thus collected are spent by Government on the public. India has adopted dual GST instead of national GST. It has made the entire structure of GST fairly complicated in India. The sharing of revenues between the states and the centre is still a matter of contention with no consensus arrived regarding revenue neutral rate. Multiplicity of taxes at the State and Central levels has resulted in a complex indirect tax structure in the country that is ridden with hidden costs for the trade and industry. Firstly, there is no uniformity of tax rates and structure across States. Secondly, there is cascading of taxes due to ‘tax on tax’. No credit of excise duty and service tax paid at the stage of manufacture is available to the traders while paying the State level sales tax or VAT, and vice-versa. Further, no credit of State taxes paid in one State can be availed in other States. Hence, the prices of goods and services get artificially inflated to the extent of this ‘tax on tax’. Future improvement of the service industry is likely to grow with the car industry and in the future additional study on commercial car industry with GST can through more light on the effect and affect on the car industry. In order to dealt with various tools like Chi-Square and Pearson Correlation has been used. Finally the study concludes that there is a relationship between GST brough down and its impact on Coimbatore City.