



# IAS PARLIAMENT

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## **GST Revenue Collections.**

### **Why in news?**

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Collections from the Goods and Services Tax crossed the Rs. 1 lakh crore mark in April, 2018.

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### **What is the tax collection picture?**

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  - Revenue from the GST has crossed the Rs.1 lakh crore threshold in April.
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  - This is the highest recorded in a single month, since the GST implementation in July 2017.
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  - The total Gross GST revenue collected is around Rs. 1,03,000 crore.
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  - Of this, CGST is around Rs. 18,000 crore and SGST is around Rs. 25,000 crore.
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  - IGST collected is nearly Rs. 50,000 crore, including close to Rs.21,000 crore on imports.
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  - Cess collected is nearly Rs. 8,500 crore, including roughly Rs. 700 crore on imports.

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### **What is the significance?**

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  - The average monthly collection has gone from around Rs. 89,000 crore in the

first 8 months to over Rs. 91,300 crore.

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- This is only by virtue of the April inflows.

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- This is significant because the government's own limit was Rs. 91,000 crore a month.

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- This was the amount projected to ensure that revenues lost by the Centre and the States under the earlier indirect tax system are covered.

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### What does it imply?

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- The GST revenue collections in April show a phenomenal buoyancy as compared to previous months.

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- It is seen as an indication of the increased economic activity in the country.

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- It also implies a stabilising trend with the tax collections.

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- It suggests the indirect tax regime is overcoming the initial problems.

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- This would be complemented by e-way bill and improved GST compliance.

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- All these are expected to make a positive trend in the GST collections.

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### What is the need for caution?

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- **Trend** - Usually in the last month of the financial year, people try to pay arrears of some of the previous months also.

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- So, April month's revenue cannot be taken as trend for the future.

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- However, even delayed compliance is a welcome 'new normal'.

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- **Compliance** - Tax compliance also still remains a problem.

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- Out of around 87 lakh who were eligible to file GSTR 3B returns, only around 60 lakh had actually filed.  
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- Evidently, the compliance rate is just 69.5%.  
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- Also, out of around 19 lakh composition dealers, only around 11 lakh have filed their quarterly, which is just around 59%.  
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- The total tax paid by composition dealers is only Rs. 579 crores, which is very low.  
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### **What lies ahead?**

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- It is now essential to allow the reform to stabilise for increased tax compliance.  
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- Making constant changes would disturb this development.  
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- The government has to investigate in detail the low filing of returns from the composition dealers and address it.  
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- In its next meet, the GST Council is expected to unveil a new and simplified return filing format.  
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- This can be hoped to increase the compliance.  
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- These aside, a sustained revival in consumption and investment demand is essential, which policymakers need to focus on.  
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**Source: The Hindu**

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