

GST

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Public Finance, Taxation & Black Money incl. Government Budgeting

New Delhi: GST collections by the Centre missed the budgeted target set for the current fiscal by Rs 1 lakh crore, while total mop-up from the indirect tax has been pegged at over Rs 7.61 lakh crore for 2019-20.

The government had budgeted to collect over Rs 7.43 lakh crore from Goods and Services Tax (GST) in the current fiscal ending March. However, in the revised estimates, the revenue mop-up has been pegged at over Rs 6.43 lakh crore.

So far, in the 10 months (April-January) of the current fiscal, total GST collections by the Centre and states stood at over Rs 9.71 lakh crore.

For the full fiscal 2018-19, the GST collection target of the Centre and states was Rs 13.48 lakh crore.

Presenting the [Interim Budget](#) for 2019-20, Finance Minister Piyush Goyal said in spite of major rate reductions and relaxations, revenue trends are encouraging.

"The average monthly tax collection in the current year is Rs 97,100 crore per month as compared to Rs 89,700 crore per month in the first year," Goyal said.

The state revenues, he said, are improving with guaranteed 14 per cent annual revenue increase for the first five years from the implementation of GST.

The Goods and Services Tax (GST) was rolled out on July 1, 2017 and has consolidated 17 central and state levies.

Goyal added that GST has resulted in increased tax base, higher collections and ease of trade.

"This will reduce the interface between the tax payer and the government for day-to-day operations and assessments. Now returns are fully online and e-way bill system is in place," he said.

Goyal said with the introduction of GST, inter-state movement of goods has become faster, more efficient, and hassle free with no entry tax, check posts, and truck queues.

The minister also said that GST rate has been continuously reduced, providing relief of about Rs 80,000 crore annually to consumers.

Most items of daily use for the poor and middle class are now in the zero per cent or 5 per cent tax slab, he said.

"Our government wants the GST burden on home buyers to be reduced and accordingly we have moved the GST Council to appoint a group of ministers to examine and make recommendations in this regard at the earliest," he added.

Further, he said more than 35 lakh small traders, manufacturers and service providers will benefit from the trader-friendly measures.

"Soon, businesses comprising over 90 per cent of GST payers will be allowed to file quarterly return," Goyal said.

GST collection stood at Rs 1.03 lakh crore in April, Rs 94,016 crore in May, Rs 95,610 crore in June, Rs 96,483 crore in July, Rs 93,960 crore in August, Rs 94,442 crore in September, Rs 1,00,710 crore in October, Rs 97,637 crore in November, Rs 94,725 crore in December 2018 and over Rs 1 lakh crore in January 2019.

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