

HIGHEST EVER

GST collections in April hit ₹1-lakh crore milestone

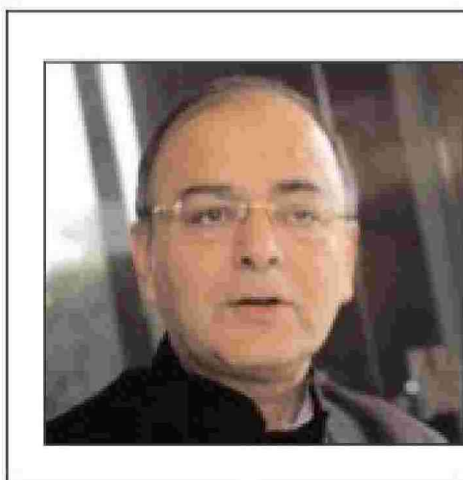
‘Landmark achievement and confirmation of increased economic activity’

ENS ECONOMIC BUREAU
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GOODS AND services tax (GST) collections topped Rs 1 lakh crore in April, the highest ever since its rollout. Finance Minister Arun Jaitley termed the April numbers, which accrued from sales of goods and services in March, as a “landmark achievement” and a “confirmation of increased economic activity” as brought out by other reports.

The monthly average revenue for the first eight months of the GST rollout, July-February 2017-18, was Rs 89,885 crore.

The finance ministry said that the high GST revenue reflects upswing in economy but cautioned against it being viewed as a trend for future as taxpayers tend to pay arrears in March, the last month of the financial year. “The buoyancy in the tax revenue of GST reflects the upswing in the economy and better compliance. However, it is usually noticed that in the last month of the financial year, people also try to pay arrears of some of the previous months also and, therefore, this month’s revenue cannot be taken as trend for the future,” the Ministry said in a statement.



“Increased tax collections will help the nation to expand its economic horizons and take it to loftier heights”

ARUN JAITLEY
FINANCE MINISTER

The compliance rate for GST returns remained low at 69.5 per cent with the total number of GSTR 3B Returns filed up to April 30 (for March) at 60.47 lakh as against the required 87.12 lakh taxpayers.

Going ahead, the GST collections are expected to benefit from the rollout of e-way bill, with the revenue impact likely to be visible from May onward, the official said. Also, GST officials will start questioning taxpayers after their annual returns if they are lagging in compliance, he added.

Jaitley said increased tax collections will help the nation to “expand its economic horizons” and “take it to loftier heights”. “With the improved economic climate, introduction of e-way bill and improved GST compliance, GST collections would continue to show a positive trend,”

Jaitley said in a tweet.

At Rs 1,03,458 crore, GST mop up in April accrued from domestic sales in the month of March along with Integrated GST (IGST) and cess on imports in April. It also included Rs 579 crore paid by composition dealers for the January-March quarter. The compliance rate for composition dealers remained low with 11.47 lakh out of 19.31 lakh composition dealers filing their GSTR 4 quarterly return for January-March quarter.

Out of Rs 1,03,458 crore gross GST collections, Central GST (CGST) was Rs 18,652 crore, State GST (SGST) was Rs 25,704 crore, IGST was Rs 50,548 crore (including Rs 21,246 crore collected on imports) and cess was Rs 8,554 crore (including Rs 702 crore collected on imports).

The government will

hereon announce GST collections for a month on the first day of the next month, a senior finance ministry official said.

Earlier, the Comptroller and Auditor General of India (CAG) had raised objections about the GST collections for March being included in 2017-18 fiscal data as the government follows a cash-based accounting system, according to which the government accounts for a month should reflect the money flowing in government coffers in that month, the official said.

Since the tax on domestic supplies in a month comes in through returns and gets collected in the next month, therefore, GST on domestic supplies was collected only in eight months from July-February and the March collections are being accounted for April of this fiscal. IGST and cess on imports gets collected in the same month, so they were collected for nine months from July-March.

The government had collected Rs 7.41 lakh crore as GST during July-March 2017-18. Out of Rs 7.41 lakh crore, GST on domestic supplies was Rs 7.19 lakh crore (July-February), while rest of the amount was from IGST and cess on imports collected for nine months of July-March.