

## CHEERING NUMBERS

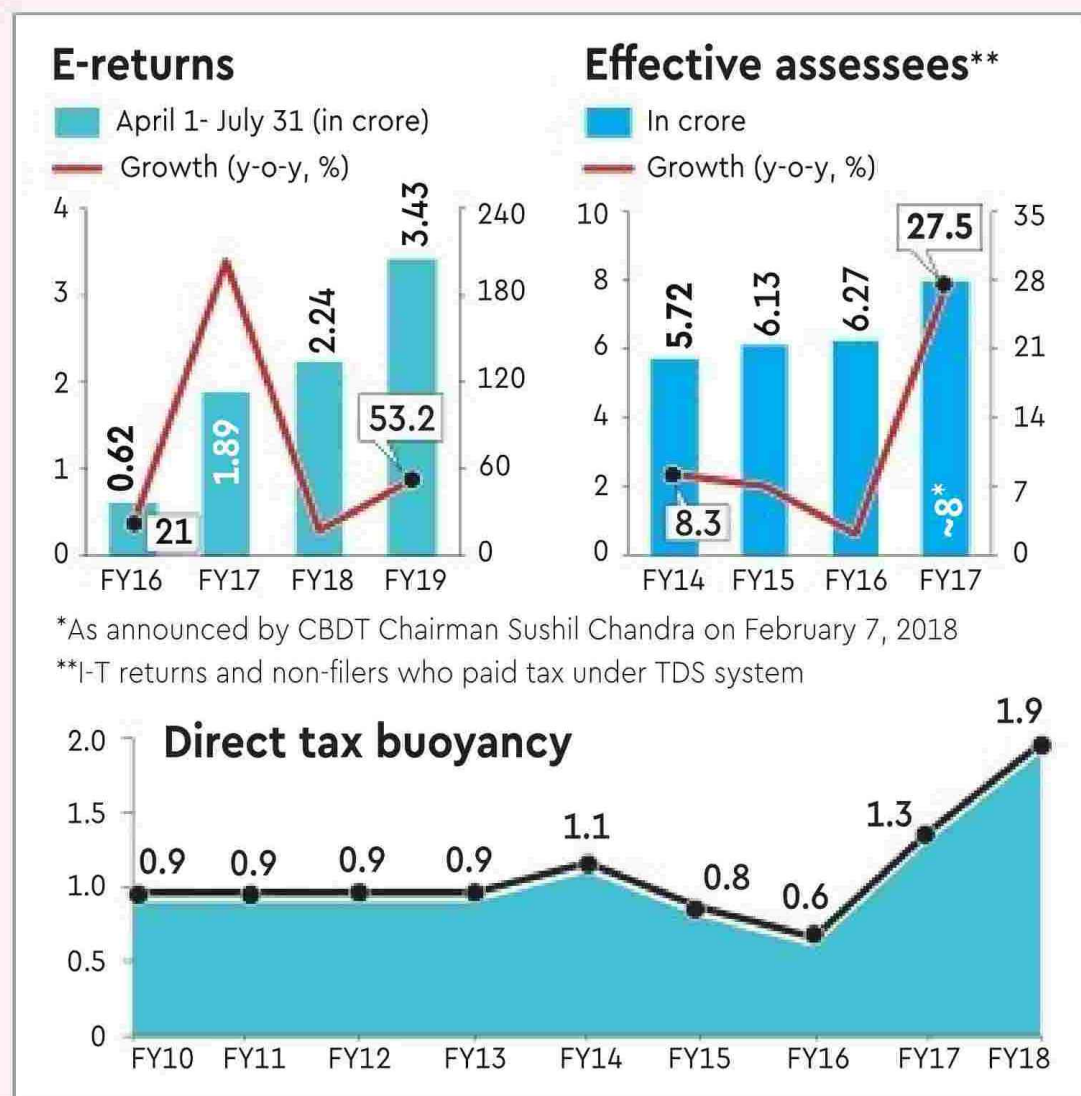
# GST imparts a big push to I-T base

Over 53% increase in e>Returns in April-July 2018 compared with 18% in the year-ago period

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**ASPECTACULAR 53%** increase in the number of income-tax returns filed electronically till July 31 has given the government renewed hope of continued high-paced growth in compliance and taxpayer base, even 21 months after demonetisation. The goods and services tax (GST), launched in July 2017, seems to have contributed to the government's project to expand the I-T base to a much higher degree than the note ban itself. According to official data, e>Returns of 3.43 crore were filed between April 1 and July 31, 2018, compared with 2.24 crore in the year-ago period.

Last year saw one of the sharpest increases (28%) in total I-T returns — electronic and otherwise — to 6.74 crore (returns mostly pertaining to 2016-17, the demonetisation year) although the growth in e>Returns by the initial deadline of July 31 was a just 18%. The effective assessee base (filers and TDS cases) expanded by a whopping 1.7 crore in 2016-17, the surge in e>Returns has brightened the chances of a similar or higher rise in the base for 2017-18.



in 2015-16 to 1.3 in 2016-17 and 1.9 in 2017-18. While all these bear out the how the note ban helped expand the tax base, the latest spurt in e>Returns indicate the trend is not only being sustained but accelerated.

In the last week of July, the government extended the deadline for filing I-T returns by a month to August 31 after a section of taxpayers and tax practitioners sought more time to comprehend the changes made in return forms.

Economic Survey 2017-18 had noted that the total number of "new taxpayers" in the 13 months since demonetisation (November 2016-November 2017) were 10.1 million

compared with an average of 6.2 million in the preceding six years. It estimated additional taxpayers of about 1.8 million due to demonetisation-cum-GST, roughly 3% of the taxpayer base that existed before.

The I-T department in its central action plan for the current fiscal has set a target of adding 1.25 "new taxpayers" (those haven't paid/filed taxes earlier). While the effective assessee base (filers and TDS cases) expanded by a whopping 1.7 crore in 2016-17, the surge in e>Returns has brightened the chances of a similar or higher rise in the base for 2017-18.

Continued on Page 2



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THE 2018-19 budget estimate for growth in direct tax collections is 14% over the previous year when the collections were Rs 10.05 lakh crore. In the April-June quarter, a sum of Rs 1.52 lakh crore was collected, a growth of just 7.7% over the year-ago period.