

An Analysis of GST Collection of India with Special Reference to Karnataka State

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Abstract

GST is an Indirect Tax which has replaced many Indirect Taxes in India. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017. The Act came into effect on 1st July 2017; Goods & Services Tax Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. In simple words, Goods and Service Tax (GST) is an indirect tax levied on the supply of goods and services. This law has replaced many indirect tax laws that previously existed in India.

GST is one indirect tax for the entire country. Current Study deals with Analysis of GST Collection of India.

Keywords

GST, Indirect Tax, Tax Collection & Government Revenue

Introduction:

Earlier the constitution empowered the central government to levy excise duty on manufacturing and service taxes on the supply of services. Similarly, it empowers the state government to levy the state tax on Value Added Tax (VAT) on sales of goods. This exclusive division of fiscal powers has led to a manipulation of indirect tax in the country. Further, a central tax was levied on intrastate of goods. In addition, many states also levy entry tax on the entry of goods in their locality.

So, as to overcome this problem, the government at this stage has introduced a single taxation system which includes in itself all taxes to avoid the various problems related to taxation system and thus giving this control in only one hand. GST stands for Goods and Services Tax. It is an indirect tax throughout India to replace taxes levied by the central and state government. It was introduced as the 122 Amendment Act, 2016, following passage of Constitution 122 Bill Amendment. The GST is governed by GST Council and its chairman is UNION FINANCE MINISTER OF INDIA. Its introduction is a step in the reform of indirect taxation in India. Amalgamating several central and state taxes into a single tax. This would mitigate crusading or double taxation, defoliation a common national market. This simplicity of the tax is leading to easier terms of a reduction in the overall tax burden on goods, which is currently estimated at 28-30% free movement of goods from one state to another without stopping at borders for hours for checking or state tax or entry tax and reduction of work to a large extent. GST was applicable from 1st July 2017. The reform in indirect taxes was introduced by VISHWANATH PRATAPSINGH. By introduction of Modified Value Added Tax (MODVAT), GST will be levied

Objectives of the Study:

- To gain an in-depth understanding of GST taxation system evaluation in India
- To understand a feature working and differentiating existing tax system (VAT and others Vs GST)
- To find out the construction level in GST collection from Karnataka state

- To analysis statistical data of GST collection of Karnataka state

Needs of the Study:

- There was no uniformity of tax rates and structure across states before the GST.
- There is a cascading of taxes due to "Tax on Tax". No credit excise duty and service tax are paid at the state of manufacture are available to the traders while paying the state level sales tax or VAT.
- No payment of state taxes speed in one state can be reimbursed in other states. Hence the prices of goods set artificially inflated to the extent of "Tax on Tax".
- Under the Tax Reforms GST Make huge chances in the financial system of the country.

Scope of the Study:

This paper provides a detailed insight regarding implementation of GST tax among various sectors of the country. GST after implementation will bring uniformity with tax rates and will also overcome lots of shortcomings in the Indian taxation system with regard to indirect taxation. The Good and Services Tax would surely be highly advantageous for major areas of the India economy.

Limitations of the Study:

1. The study focus only on first April 2018 to 31 March 2022 so we can find short term solutions only
2. Due to (other factors) changes in GST percentage and other economic factors involved in country GST COLLECTION may reduced
3. Data collection method is secondary data. the main sources of data is from PRESS INFORMATION BUREAU OF INDIA

Overview on history of GST:

- 2006 - First announcement of GST was made by the union minister during the 2006-2007 budget, that it would be introduced on April 1, 2010.
- 2009 - Empowered committee released the first discussion paper.
- 2011 - 115th amendment bill was introduced and subsequently lapsed
- 2014 - 122nd amendment bill was introduced in loksabha
- August 2016 - one hundred and first amendment act was enacted
- September 2016 - the first GST council meeting was conducted
- March 2017 - CGST, SGST, IGST, UTGST and compensation cess act was recommended by GST council.
- April 2017 - CGST ,SGST ,IGST , UTGST and compensation cess act were passed
- 1 July 2017 - GST laws, goods and services tax was launched all over India.
- 7 July 2017 –Jammu and Kashmir state legislature passed its GST

Classification of GST:

GST bill passed had various types of indirect taxes replaced by GST and is categorized under four categories. The four types are

- CGST - CGST is a central goods and services tax. It is applicable on suppliers dealing within the state. Taxes which are collected will be shared with the central authority body.
- SGST - SGST is a state goods and services tax. It is applicable to suppliers who dealing within the state. Taxes which are collected will be shared to state authority body.

- IGST - IGST stands for an integrated goods and services tax. It is applicable to suppliers who dealing interstate business and import transaction. Taxes which are collected will be shared to central and state authority body.
- UTGST - if the transaction is related to any union territory

Benefits of GST:

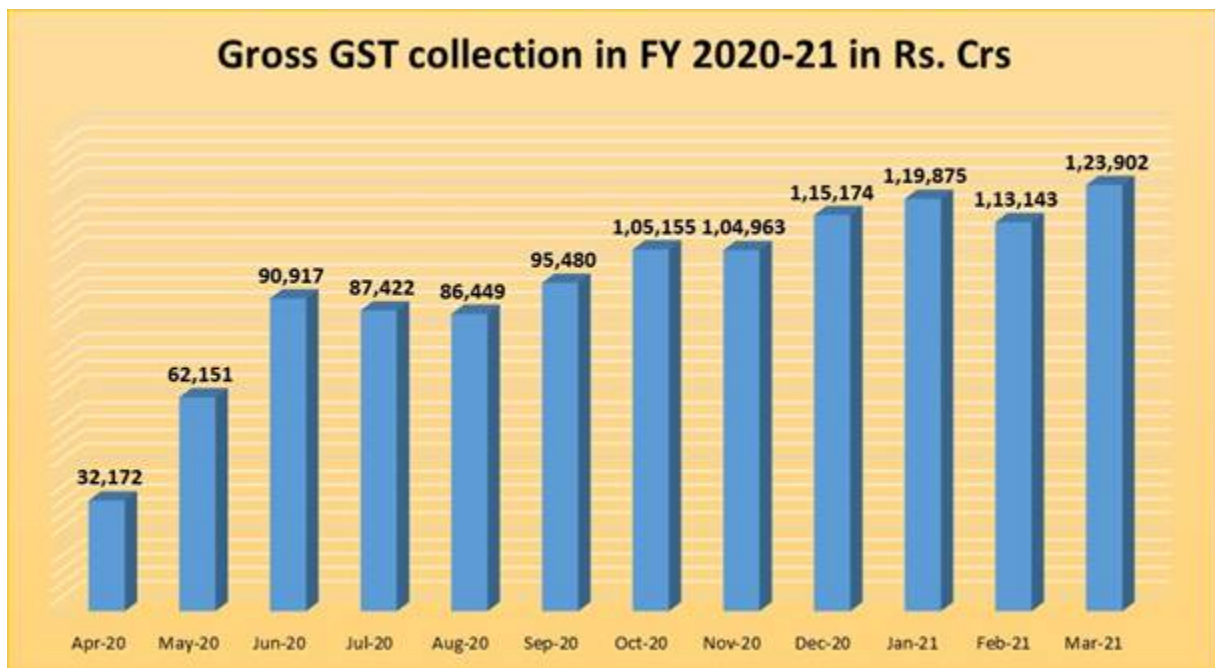
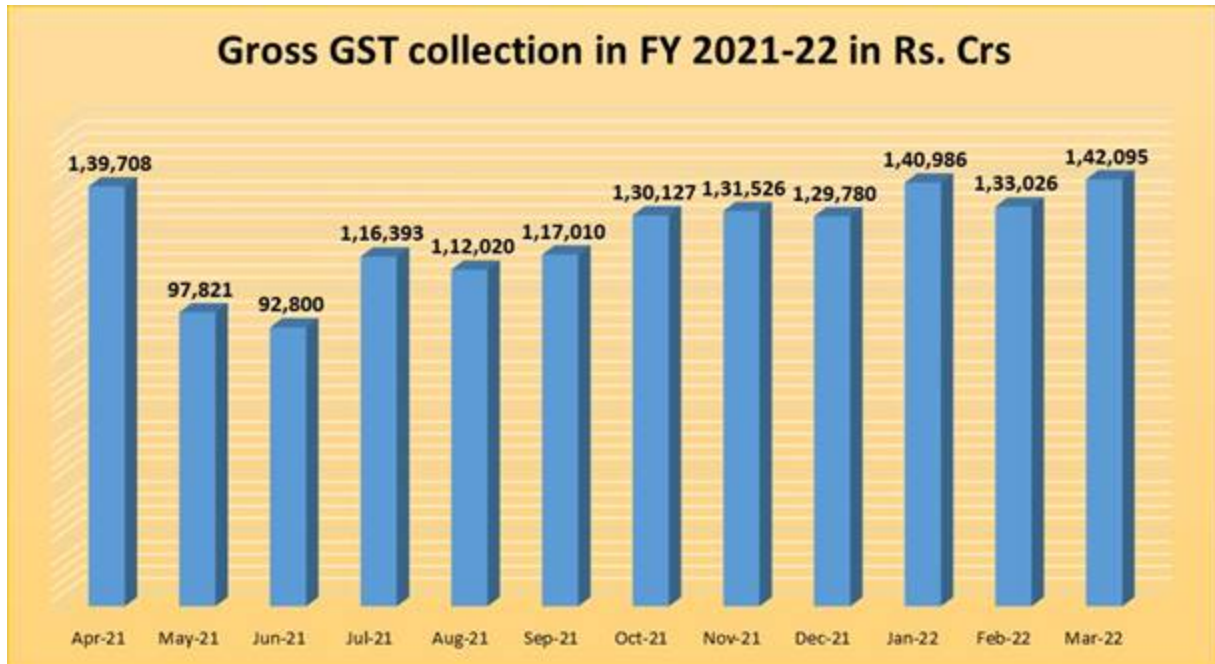
With the introduction of GST, there are various benefits globally. The main motive is to maintain a uniform tax and develop the country's products and introduce it globally. Some of the benefits of GST are listed below.

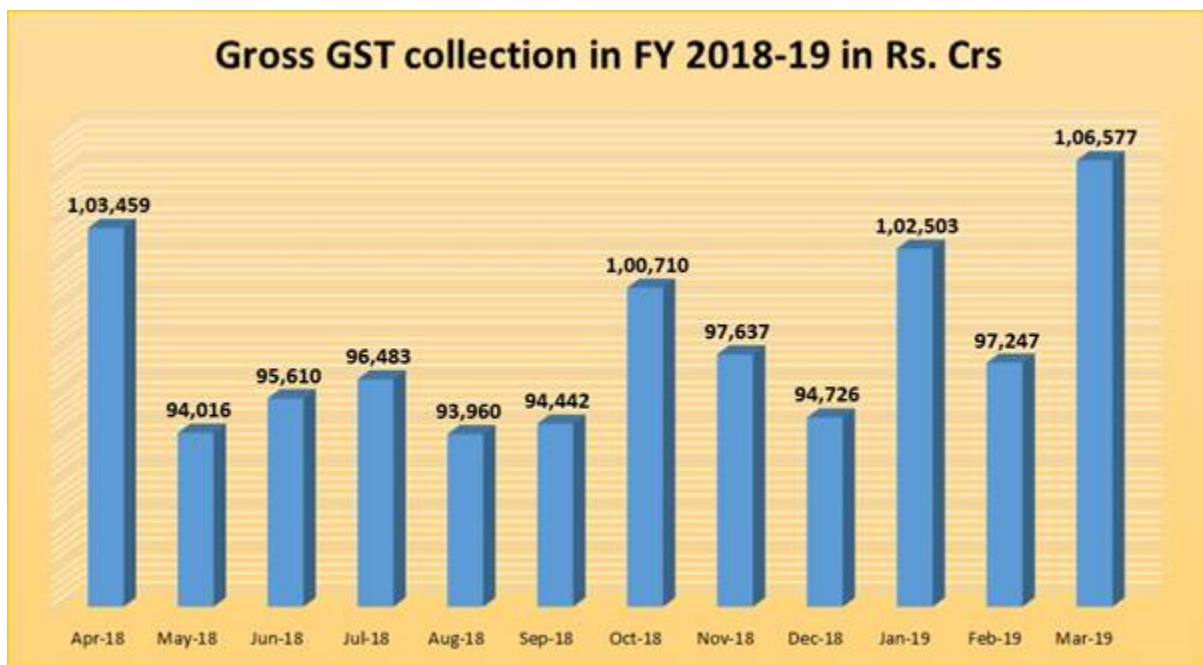
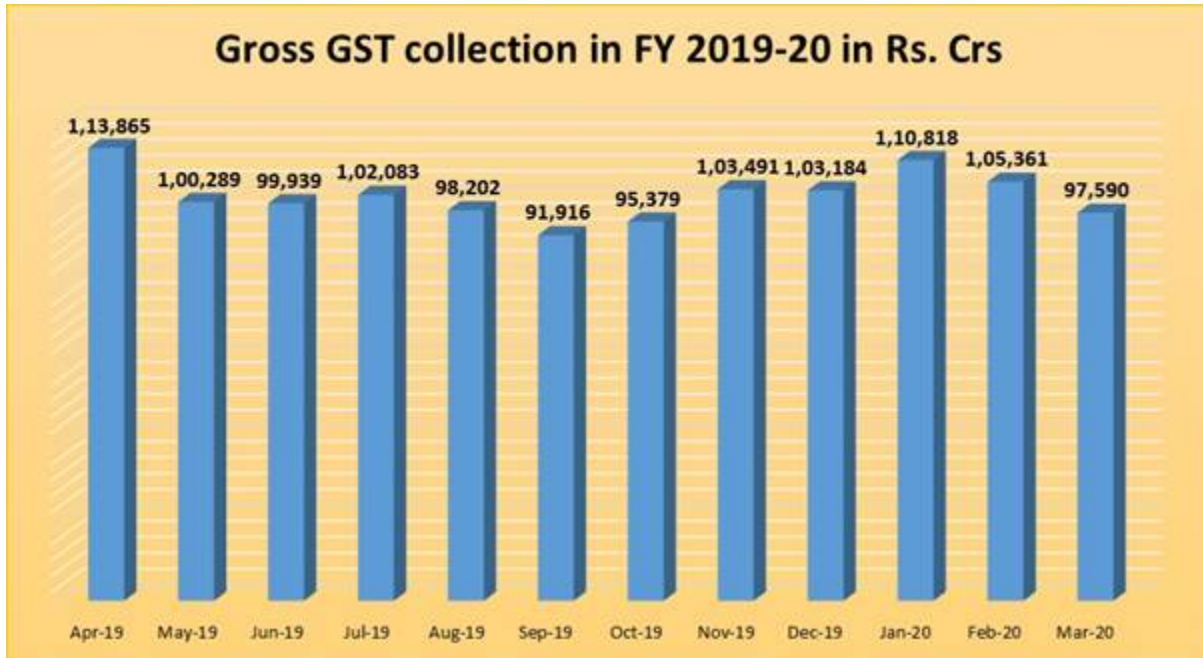
- GST creates common market nationally.
- Attracts foreign investment.
- Helps to have uniform taxation.
- Helps improve production and encourage entering international market.
- Small retailers have nil tax or low tax.
- Consumers are benefited by purchasing from the small retailers.

Tax Revenue Collection by Government during April 2018 to March 2022

Months	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
April	–	1,03,459.00	1,13,865.00	32,172.00	1,39,708.00
May	–	94,016.00	1,00,289.00	62,151.00	97,821.00
June	–	95,610.00	99,939.00	90,917.00	92,800.00
July	–	96,483.00	1,02,083.00	87,422.00	1,16,393.00
August	95,633.00	93,960.00	98,202.00	86,449.00	1,12,020.00
September	94,064.00	94,442.00	91,916.00	95,480.00	1,17,010.00
October	93,333.00	1,00,710.00	95,379.00	1,05,155.00	1,30,127.00
November	83,780.00	97,637.00	1,03,491.00	1,04,963.00	1,31,526.00
December	84,314.00	94,726.00	1,03,184.00	1,15,174.00	1,29,780.00
January	89,825.00	1,02,503.00	1,10,818.00	1,19,875.00	1,40,986.00
February	85,962.00	97,247.00	1,05,361.00	1,13,143.00	1,33,026.00
March	92,167.00	1,06,577.00	97,590.00	1,23,902.00	1,42,095.00
Grant Total	7,19,078.00	11,77,370.00	12,22,117.00	11,36,803.00	14,83,292.00

Source: <https://www.pib.gov.in/FactsheetDetails.aspx?Id=148644>





Karnataka States GST Collections for the Fianacial Year 2021-22

Sl. No.	Months	CGST	SGST	IGST	CESS	TOTAL
1	April	2,438.17	3,064.05	3,570.32	882.87	9,955.41
2	May	1,229.73	1,538.50	2,156.76	828.88	5,753.87

3	June	1,237.19	1,501.72	2,119.16	245.02	5,103.09
4	July	1,797.44	2,263.53	2,393.74	281.80	6,736.50
5	August	1,789.71	2,284.47	2,551.26	804.02	7,429.46
6	September	1,798.44	2,312.33	2,712.04	959.89	7,782.70
7	October	1,890.91	2,449.91	3,041.36	876.67	8,258.86
8	November	2,044.08	2,632.66	3,400.37	970.97	9,048.08
9	December	1895.64	2409.75	3029.08	1000.41	8,334.88
10	January	2,195.53	2,835.47	3,644.53	920.74	9,596.27
11	February	2,177.58	2,678.54	3,393.69	926.51	9,176.32
12	March	2202.46	2688.59	3088.67	770.4	8,750.12
Total		22,696.89	28,659.52	35,100.99	9,468.17	95,925.57

Source: <https://www.gst.gov.in/download/gststatistics>

Findings:

- Financial year 2021-22 records highest GST collection of Rs. 14,86,292 crores.
- In the financial year 2021-22 march 2022 month records highest GST collection of Rs. 1,42,095 crores.
- Month of April 2021 shows highest collection while compare with month of April 2020.
- Month of May 2020 shows highest collection while compare with month of May 2021.
- Month of June 2021 shows highest collection while compare with month of June 2020.
- Month of July 2021 shows highest collection while compare with month of July 2020.
- Month of August 2021 shows highest collection while compare with month of August 2020.

- Month of September 2021 shows highest collection while compare with month of September 2020.
- Month of October 2021 shows highest collection while compare with month of October 2020.
- Month of November 2021 shows highest collection while compare with month of November 2020.
- Month of December 2020 shows highest collection while compare with month of December 2019.
- Month of January 2022 shows highest collection while compare with month of January 2021.
- Month of February 2022 shows highest collection while compare with month of February 2021.
- Month of March 2022 shows highest collection while compare with month of March 2021.
- Due to Covid-19 first five months of the financial year 2020-21 GST Revenue has affected adversely.
- Many of the business still not registered under GST.
- Many of the taxpayers facing problem while filing the returns.

Suggestions:

1. Government of India should make a clear cut decision in rates of GST on the recommendation of GST Council.
2. Government of India must reduce the various GST slab rates 5 into 3 or two at the GST Council Meetings with consultation of the state representatives.
3. Finance ministry want to make various awareness Programs and camps in association with local bodies.
4. Individual tax payers want to know their roles.

Conclusion:

Implementation of GST is one of the best decisions taken by the Indian government. For the same reason, July 1 was celebrated as Financial Independence day in India when all the Members of Parliament attended the function in Parliament House. The transition to the GST regime which is accepted by 159 countries would not be easy. Confusions and complexities were expected and will happen. India, at some point, had to comply with such regime. Though the structure might not be a perfect one but once in place, such a tax structure will make India a better economy favorable for foreign investments. Until now India was a union of 29 small tax economies and 7 union territories with different levies unique to each state. It is a much accepted and appreciated regime because it does away with multiple tax rates by Centre and States. And if you are doing any kind of business then you should register for GST as it is not only going to help Indian government but will help you also to track your business weekly as in GST you have to make your business activity statement each week.

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