

GST: An Analysis of the Collection and Contribution of GST in FY 2022-23

Abhilasha A C

Faculty, Department of Studies in Commerce, P.G Centre, University of Mysore, Hemagangotri, Hassan-573226

ABSTRACT

Tax revenue is the major source of revenue for the Indian Government. The entire tax system is segregated into direct and indirect taxes. Both have their popularity in the country's economy. Indirect tax is also called GST. GST stands for 'Goods and Service Tax'. About 175 countries have implemented GST and France was the first country to introduce the concept of GST in 1854 in the world. In India on 1st July 2017 the new concept of indirect tax i.e. GST was implemented. It is a single-livery indirect tax enforced in place of various types of indirect taxes that were imposed by central and state governments before GST such as VAT, excise duty, service tax, luxury tax, purchase tax, etc. Under GST the identical rate of tax applies to particular goods and services throughout the nation that is why it is also called ' **One Nation, One Tax**'. The responsible government either central or state imposes the GST on the supply of goods and services that take place in the country as well as outside the country (import and export). The main aims of the government behind the implementation of the GST were to bring the livery tax system, forbid the progression of black money, and simplify the Indian tax system. Goods and Service Tax has been making its contribution to the Indian economy every year since 2017. The present study sheds light on the collection of GST in FY 2022-23 and evaluates the contributions made by different constituents of businesses to GST. And also discussed the different components and objectives of Goods and Service Tax.

Keywords: Goods and Service Tax, Indirect Tax, Financial Year, Collection, Contribution.

I. INTRODUCTION:

In the world, taxation is playing a very decisive and significant role in economic development and public welfare. The main objective of the government of every country is for economic development and to meet the introductory necessities of the public. India, being a democratic country, also embodies the same objective. The concept of tax is not new to the world. About 175 countries (June 2023) have implemented GST and France was the first country to introduce the concept of GST in 1854 in the world. A county's taxes are segregated as direct and indirect based on who they are collected from. In early 2017, there were mainly two regimes, one dealt with the tax on goods whereas the other dealt with the tax on services. The tax on goods and services was enacted and regulated by the State Government and the Central Government respectively. The process of reform of taxation has been initiated by the Center and State Governments since independence in our country. In the year 2005, the first reform came into force with the implementation of Value Added Tax (VAT) and the provision of the input tax credit on the purchase of goods introduced, in the service tax, provision of the input tax credit (ITC), the rule framed in the year 2002 by introducing the SENVAT Rules. There is a need for the upgradation of the indirect tax

system in the country with the changes in the economic system and trade. In India, the country has been able to implement the Goods and Service Tax in a unified manner in the country and has taken all upgradation of taxation with comparison to the world after the long journey (two decades) of reform and unification process. The Government of India has promised several times to implement the Goods and Service Tax but the dream was come true in the year 2017. To get the legal sanction of GST the Constitutional Amendment Bill 122 paved the way to implement the present GST regime in 2014. The bill passed in Lok Sabha in May 2015 and Rajya Sabha in August 2016 and finally GST has legal sanction in the 101st Constitutional Amendment Act enacted and implemented across India. It has been implemented from 1st July 2017t in the country. President Pranav Mukarji and Prime Minister Narendra Modi launched the new tax system by pressing a button at midnight (30th June) in the Central Hall of the Parliament. The Indian GST design follows the ‘dual GST system’ of the Canadian model.

II. OBJECTIVES OF THE STUDY:

1. To analyze the GST collection made in FY 2022-23 in different dimensions.
2. To evaluate the quantum of the contribution made by different constituents of businesses to GST.

III. RESEARCH METHODOLOGY:

The study attempts a descriptive analysis based on the secondary data sourced from international journals, press reports, government reports, and publications regarding various aspects of Goods and services tax, and websites.

IV. THEORETICAL FRAMEWORK:

Clause (12A) of Article 366 of the Indian Constitution defines the expression "Goods and Service Tax" to mean any tax on the supply of goods and services or both, except tax on supply of the alcoholic liquor for human consumption.

Goods and service tax is a consumption-based tax levied where goods and services are consumed rather than where they are produced. It is a comprehensive tax regime for both goods and services, and it is collected on value-added at each stage of the supply chain. Goods and Service tax rates are divided into 0%, 5%, 12%, 18%, and 28%. 28% is the highest rate of GST in the world which is levied by India. Special rates of GST of 0.25% and 3% are levied on rough precious and semi-precious stones and gold respectively. Few necessary commodities are exempted from GST, Compensation Cess is being levied on demerit goods and certain luxury items. Petroleum products, alcoholic drinks (used for human consumption), and, electricity are not subject to GST rather they are subject to taxation by the respective state government based on the previous tax system.

GST Council: GST council is set up in New Delhi as per Article 279(1) of the amended Indian Constitution. The council chaired by the union finance minister (Nirmala Sitharaman) and the minister in charge of finance or taxation of each state government are its members. It is the key decision-making body that has the power to make decisions and recommendations to the union and state governments concerning the issues of tax rate, tax exemption, registration, due dates, tax law, payments, valuation, ITC, return, refund, etc.

Table: 1 List of GST rates approved by GST Council for Goods and Services

GST Rate	Goods And Services
0%	<p>Goods: Milk, Butter Milk, Curd, Cereals, Natural Honey, Flour, Puffed Rice, Bread, Prasad, Salt, Bindi And Sindoor, Firewood, Newspaper, Printed Books, Fresh Fruits And Vegetable, Agricultural Implements, Unworked Coconut Shell, Human Blood Etc.</p> <p>Services: Basic Savings Bank Deposit Account opens Under The PMJDY (Pradhan Mantri Jan Dhan Yojana)</p>
5%	<p>Goods: Cane Sugar, Pizza Bread, Medicines, Skimmed Milk Powder, Coffee, Tea, Cane Sugar, Paste, Blankets And Travelling Bags, Copper Utensils, Bakery Mixes, Beet Sugar, Vegetable Oils And Fats, Sunflower Seeds, Groundnut, Soybean Rusk, Cotton And Natural Fiber Etc.</p> <p>Services: Railways-Transportation of Goods And Passengers, Renting a Motor Cab Without Flue Cost, Tour Operator Services, Leasing Of Air Crafts, Print Media And Space, Working For The Printing Of Newspapers Etc.</p>
12%	<p>Goods: Tooth Powder, Pencil Sharpeners, Artificial Parts Of The Body, Maps, And Charts, Fruits And Vegetable Juice, Coloring Books, Vegetable Books, Ayurvedic, Calenders, Bicycles, Napkins, Sports Goods, .Curry Paste, Umbrella, Sewing Machine, Bio-Gas Etc.</p> <p>Services: Rail Transportation Of Goods In Containers From a Third Party Other Than Indian Railways, Air Travel Excluding Economy, Construction Of Building For Sale, IP Rights Temporarily, Renting Accommodation For More Than ₹ 1,000 And Less Than ₹ 2,500 Per Day Etc.</p>
18%	<p>Goods: Bicycle Pump, Writing And Drawing Ink, Printing, LED Light, Copper, Aluminum, Zinc, Hand-Wash Sanitizer, Jam, Camera Smartphones, Toothpaste, Soap, Insecticides, Nuts, Bolts, Biscuit, School Bag, Electrical Board, Switches, Hair Oil, Essential Oil Etc.</p> <p>Services: Renting of Truck/Goods Carriage where the cost of fuel is included, Transport of Goods and Passengers by Rope-Way (With ITC), Services Supplied To Chit Fund, Job Work In Relation To The Processing Of Hides, Skins, Manufacturing Of Footwear And Clay Bricks, Food/Drinks At Restaurants With Ac/ Heating, Outdoor Catering, Renting Accommodation For More Than ₹ 2,500 But Less Than ₹ 5,000 Per Day Etc.</p>
28%	<p>Goods: Automobiles, Motorcycle, Aerated Water, ATMs, Vending Machine, Commercial Plastic, Printer, Gas-Rings, Pedicure Set, Photocopier, Electrical Heaters, Razors, Motor Car, Aroma Coffee, Liquid Soap, Dish-Wash Etc.</p> <p>Services: entertainment events- amusement facility, water parks, theme parks, joy rides, food/drink at AC 5-star hotel, accommodation a 5-star hotel or above.</p>

Components of GST:

GST has four components such as IGST, CGST, SGST, and UTGST.

Integrated Goods and Services Tax (IGST): IGST is levied on interstate supply where the supply of goods and services takes place between two states or two countries (import and export). IGST is levied by the Central Government, later it will be distributed among the state government. IGST is regulated by The IGST Act of 2017.

Central Goods and Services Tax (CGST): CGST is levied along with SGST/UTGST on intrastate supply where the supply of goods and services takes place within the state/union territory. The Central government levies CGST and the revenue collected from the CGST is remitted to the central government. CGST is regulated by The CGST Act, of 2017.

State Goods and Services Tax (SGST): SGST is levied along with CGST on intrastate supply where the supply of goods and services takes place within the state. State governments are responsible for levying the SGST and revenue collected from the SGST is remitted to the respective state governments. SGST is regulated by The SGST Act, of 2017.

Union Territory Goods and Services Tax (UTGST): UTGST is levied along with the CGST on intrastate supply where the supply of goods and services takes place within the union territory. The Union territory is responsible for levying the UTGST (except Delhi and Puducherry which have a Legislature of their own) and revenue remitted to respective UT. UTGST is regulated by The UTGST Act, of 2017.

Objectives of GST:

To achieve the testament of ‘One Nation One Tax’: The testament of One Nation One Tax makes tax administration easier for the government both in policy making and rate setting. This testament aims to follow the identical rate of tax for particular goods and services by each state throughout the nation.

To exclude the cascading effect of taxes: Formerly, the tax was levied on goods or services at every stage of production. But taxpayers couldn't set off the tax credit of one tax against the other, due to the different indirect tax laws. Under GST, the tax is levied on the net value added at each stage of the supply chain. It excluded the cascading effect of taxes.

To increase the taxpayer base: GST has a fixed minimum threshold limit of ₹ 40,00,000 (for goods) and ₹ 20,00,000 (for services) for enrollment and allows taxpayers to claim input tax credits. This leads to an increase in the number of taxpayers and brings certain unorganized sectors under the tax net.

To promote competitive pricing and increase consumption: GST removed the cascading effect of tax, which leads to a drop in the price of goods. It aims to increase consumption and induce maximum tax revenue by offering the goods at low prices.

A bettered logistics and distribution system: The identical rate of tax system reduces the documentary procedure for the supply of goods and services. It also minimizes transportation cycle time and cuts down the high logistic and warehousing costs through an e-way bill system.

Online procedure for ease of doing business: Almost all tax procedures i.e. registration, return filling, refunding, to generating e-way bills carried out online. It makes it easy to do business in India and simplifies taxpayer compliance.

To curb tax evasion: GST allows taxpayers to claim ITC only on invoices uploaded by their suppliers. It minimizes the fake invoice input tax credit claiming. It creates a comprehensive and transparent tax system to promote tax compliance among taxpayers.

V. ANALYSIS AND DISCUSSION:

The contribution of GST to the Indian economy varies from year to year, however, it is essential to analyze the contribution of GST from various dimensions.

Table: 2 GST COLLECTION FROM FY 2017-18 to 2022- 23

FY	GST (₹ in Crore)
2017-18	7,40,648
2018-19	11,77,369
2019-20	12,22,116
2020-21	11,36,801
2021-22	14,88,227
2022-23	18,07,680

The above data shows the amount of GST collected from the FY 2017-18 to 2022-23. The maximum amount of GST i.e. ₹ 18,07,680 crore was collected in the FY 2022-23. Similarly, the lowest GST ₹ 7,19,078 crore was collected in the FY 2017-18. The collection of GST gradually increases from year to year except for FY 2020-21 (due to Covid-19 pandemic). The total GST collection in the FY 2022-23 ₹ 18,07,680 crore is 22% higher than the previous year.

Chart: 1 GST COLLECTION FROM FY 2017-18 to 2022- 23

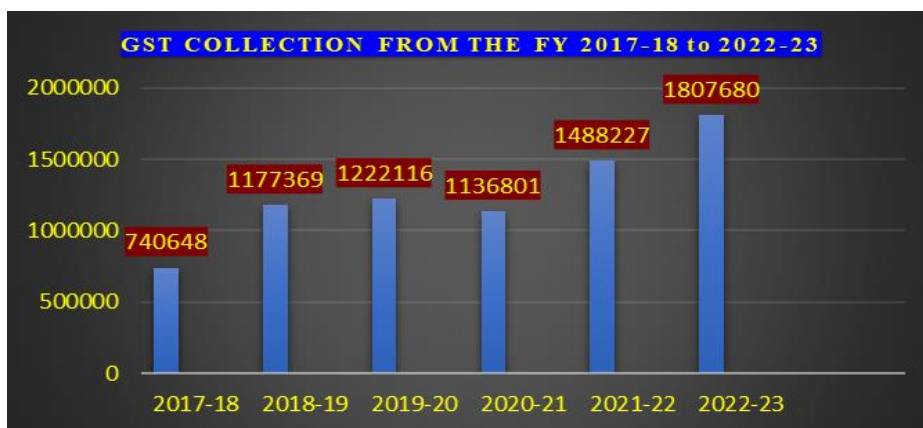


Table: 3 COLLECTION OF GST FROM FOUR COMPONENTS IN FY 2022-23

Type of GST	GST Collection (₹ in crore)
CGST	3,23,923

SGST	4,10,251
IGST	9,45,220
Compensation Cess	1,28,286
Total	18,07,680

The above table shows the amount of GST collected from four components of GST. SGST includes both SGST and UTGST collections made in FY 2022-23. Both domestic supplies and imports included in IGST/Cess.

Chart: 2 COLLECTION OF GST FROM FOUR COMPONENTS IN FY 2022-23

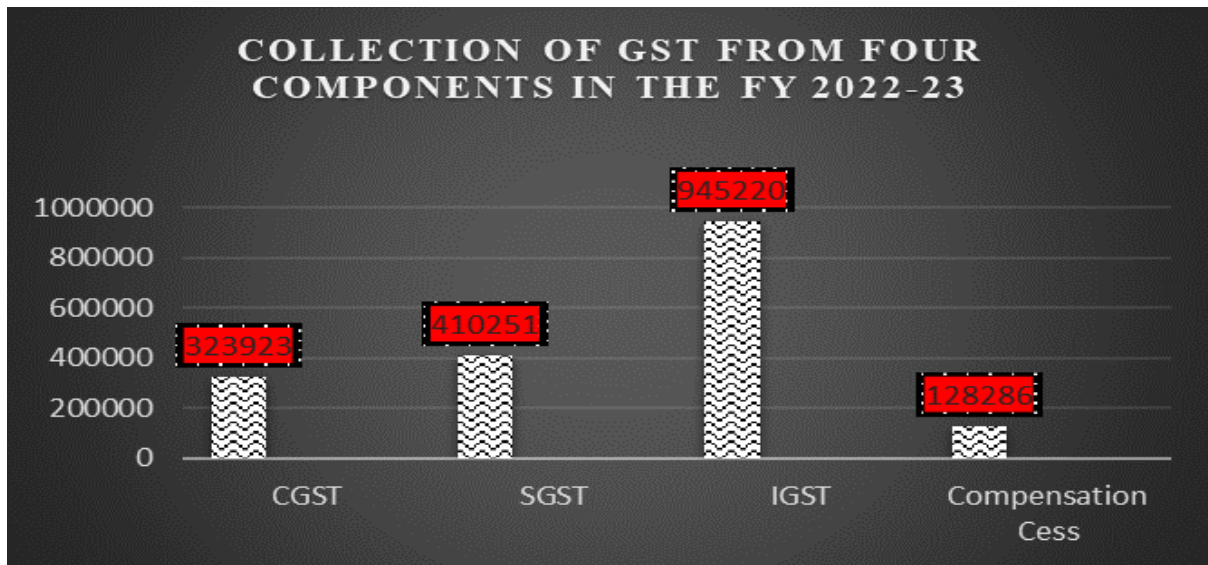


Table: 4 MONTHLY GST COLLECTION FOR FY 2021-22 AND FY 2022-23

Month	FY 2021-22 (₹ in crore)	FY 2022-23 (₹ in crore)
April	1,39,708	1,67,540
May	97,821	1,40,885
June	92,800	1,44,616
July	1,16,393	1,48,995
August	1,12,020	1,43,612
September	1,17,010	1,47,686
October	1,30,127	1,51,718
November	1,31,526	1,45,867
December	1,29,780	1,49,507
January	1,40,986	1,57,554
February	1,33,026	1,49,577
March	1,42,095	1,60,122

The above data reflects the monthly GST collection in FY 2021-22 and FY 2022-23. In FY 2021-22, the maximum collection is made in March and the FY 2022-23 maximum collection is made in April. Gross GST revenue collected for March 2023 ₹ 1,60,122 crore is the second highest collection ever, next

only to the collection ₹ 1,67,540 in April 2022. Out of 1,60,122 crore of which CGST is ₹ 29,546 crore, SGST is ₹ 37,315 crore, IGST is 82,907 Crore (including ₹ 42,503 crore collected on import of goods) and Cess is ₹ 10,355 crore (including ₹ 960 crore collected on import of goods). It is for the 4TH time (April, Oct, Jan, and March) in the FY 2022-23 that the gross GST collection has crossed ₹ 1.5 lakh crore registering 2nd highest collection since the implementation of GST. This month witnessed the highest IGST collected ever (₹ 82,907 crore). The revenue for March 2023 is 13% higher than the GST revenue in the same month of the last year.

Chart: 3 MONTHLY GST COLLECTION FOR FY 2021-22 AND FY 2022-23

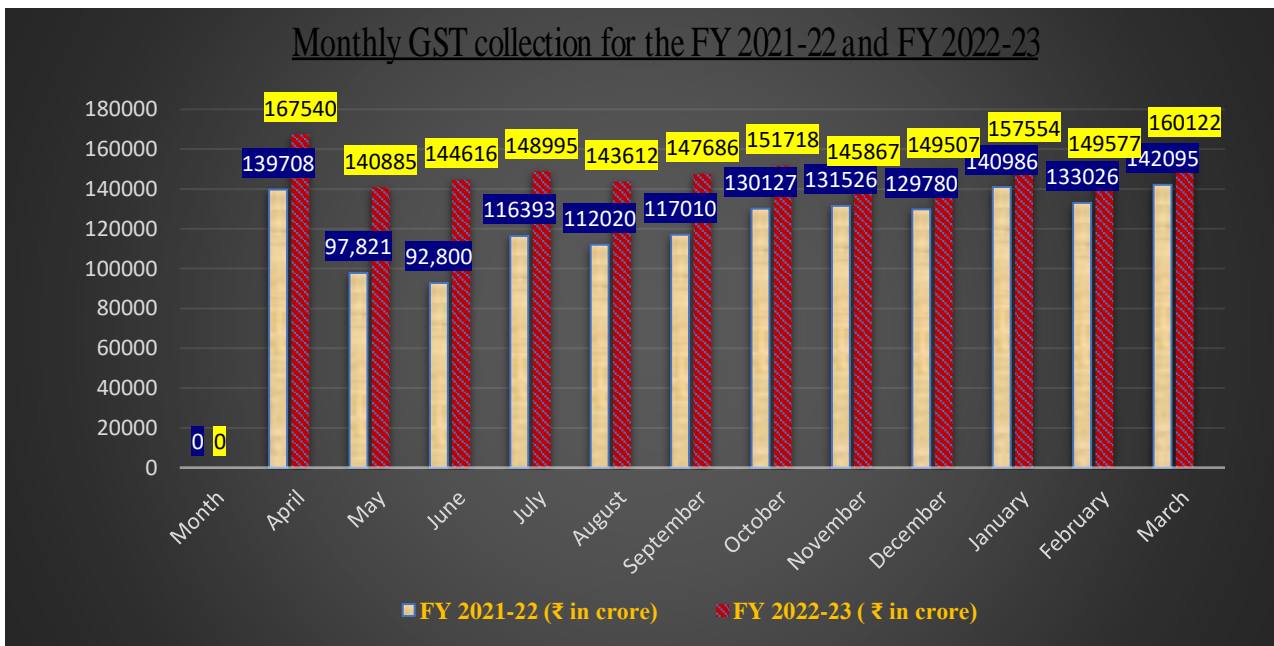


Table: 5 AVERAGE MONTHLY GROSS GST COLLECTION

FY	GST (₹ In Crore)
2020-21	94,734
2021-22	1,23,608
2022-23	1,50,640

The above table reflects the monthly average gross GST collection on the supply of goods and services (Domestic + Import) for the FY 2020-21, 2021-22, and 2022-23. Monthly average gross GST collection is increasing from year to year. The monthly average gross GST collection for the FY 2021-22 and 2022-23 have shown 30% and 22% year-on-year growth respectively.

Chart: 4 AVERAGE MONTHLY GROSS GST COLLECTION

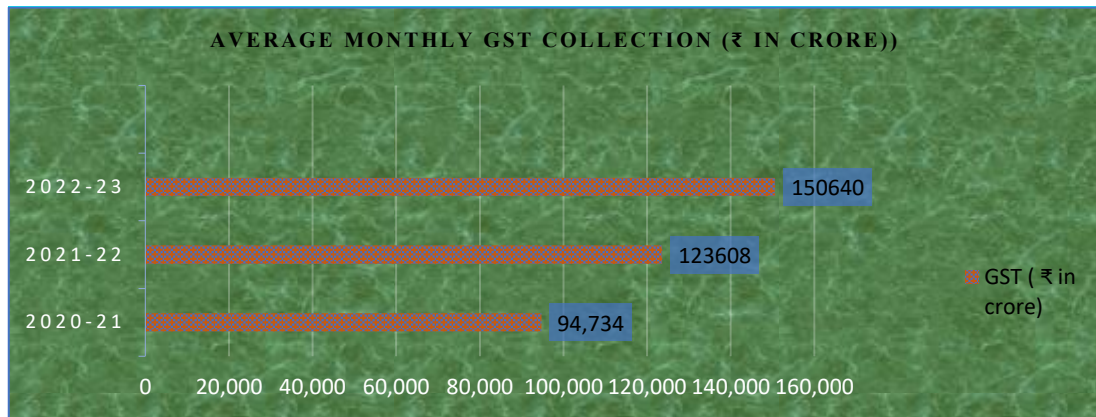


Table: 6 QUARTERLY AVERAGE GST COLLECTION FOR FY 2022-23

Quarter	GST (₹ in lakh crore)
Q1	1.51
Q2	1.46
Q3	1.49
Q4	1.55

The above data shows the average quarterly GST collection made in the FY 2022-23. The average monthly gross GST collection for the last quarter for the FY 2022-23 has been ₹ 1.55 lakh crore against the average monthly collection of ₹ 1,15 lakh crore, ₹ 1,46 lakh crore, and ₹ 1.49 lakh crore in the first, second and third quarters respectively. Average gross collection crossed ₹ 1.5 lakh crore in the first and last quarter. Highest collection made in the last quarter.

Chart: 5 QUARTERLY AVERAGE GST COLLECTION FOR FY 2022-23

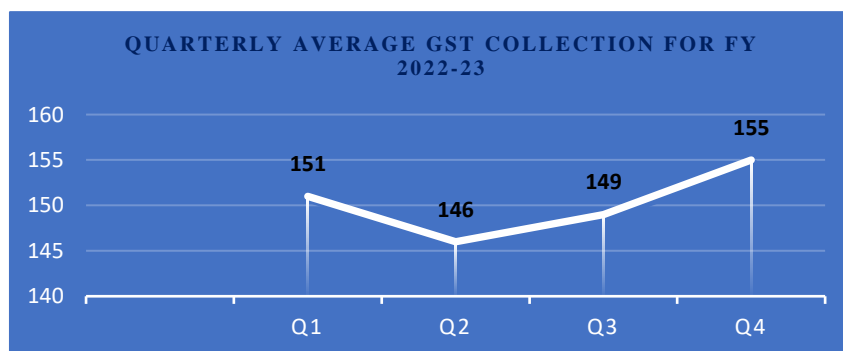


Table:7 CONTRIBUTION OF GST REVENUE FROM DIFFERENT CONSTITUENTS OF BUSINESSES

Constitution Of Business	Tax Payers (%)	GST Collection (₹ in crore)	Collection (%)
Public Limited Company	0.52	19,37,533	34.40
Private Limited Company	6.11	15,89,707	28.23
Proprietorship	80.41	7,50,373	13.32

Public Sector Undertaking	0.02	5,59,996	9.94
Partnership	10.34	4,09,578	7.27
others	0.21	1,11,461	1.98
Society/Club/Trust/AOP	0.88	78,711	1.40
Limited Liability Partnership	0.80	72,374	1.29
Government Department	0.05	51,815	0.92
Statutory Body	0.01	21,500	0.38
Foreign Company	0.01	20,554	0.36
Hindu Undivided Family	0.60	13,909	0.25
Local Authority	0.05	13,312	0.24
Unlimited Company	0.00	543	0.01
Foreign Limited Liability Partnership	0.00	165	0.00
Any other body notified by the committee	0.00	15	0.00
Grand Total	100	56,31,547	100

The above table indicates the amount of contribution made by different constituents of businesses to GST till FY 2022-23 (March 2023). This data doesn't include IGST on Import. As represented in the above table, the percentage of taxpayers (80.41%) is higher in the case of partnership. But Public Limited Company has made a maximum contribution (34.40%) to GST.

Chart: 6 CONTRIBUTION OF GST REVENUE FROM DIFFERENT CONSTITUENTS OF BUSINESSES

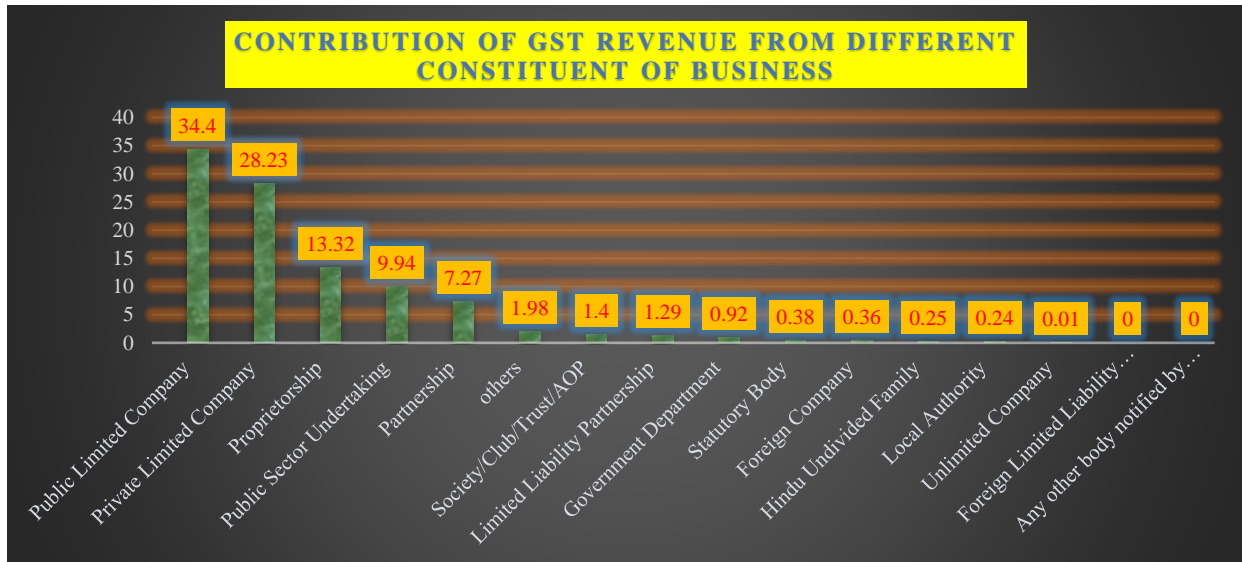


Table: 8 TOP 10 STATES WITH HIGHEST GST COLLECTION IN FY 2022-23 (IN CRORE)

State	GST(₹ in crore)
Maharashtra	2,45,834
Karnataka	1,11,499
Gujarat	1,04,212
Tamil Nadu	95,567
Uttara Pradesh	80,213

Haryana	78,739
West Bengal	53,084
Delhi	50,960
Telangana	47,089
Odisha	45,185

The above data reflects the state-wise contribution to GST (TOP 10). Maharashtra's collection from the GST was ₹ 2,70,346 crore, which was 15% of the country's collection of ₹ 18,07,680 crore. It was much more than Karnataka (₹ 1.2 lakh crore) and Gujrat (₹ 1.1 lakh crore) that stood second and third respectively. The reason behind this disparity is that GST is a consumption-based tax. However, the higher the consumption in any state, the higher the GST collection.

Note: The GST collection figure in FY 2022-23 does not include the monthly GST collection for January 2023.

Chart: 7 TOP 10 STATES WITH HIGHEST GST COLLECTION IN FY 2022-23 (IN CRORE)

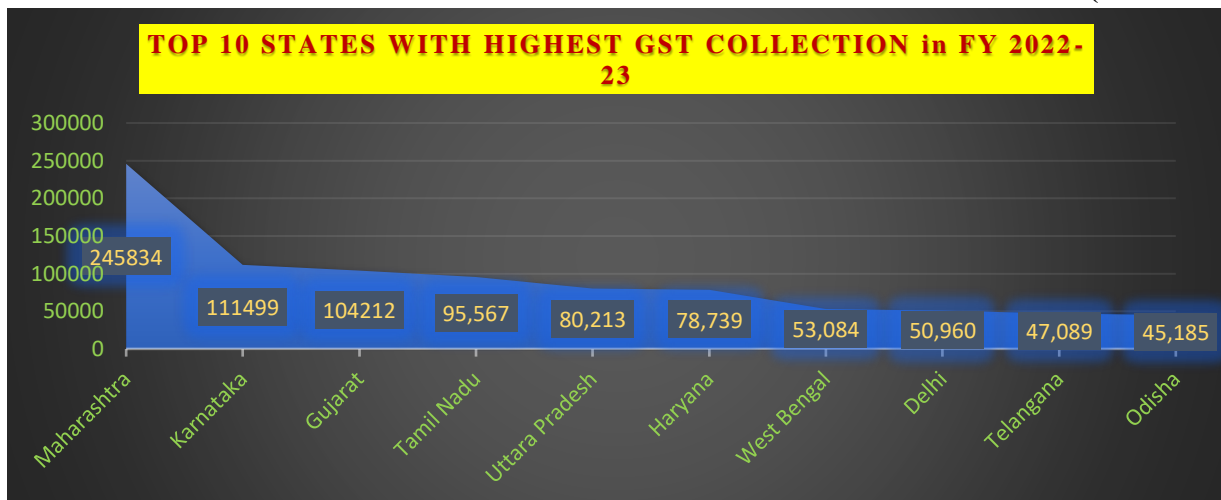


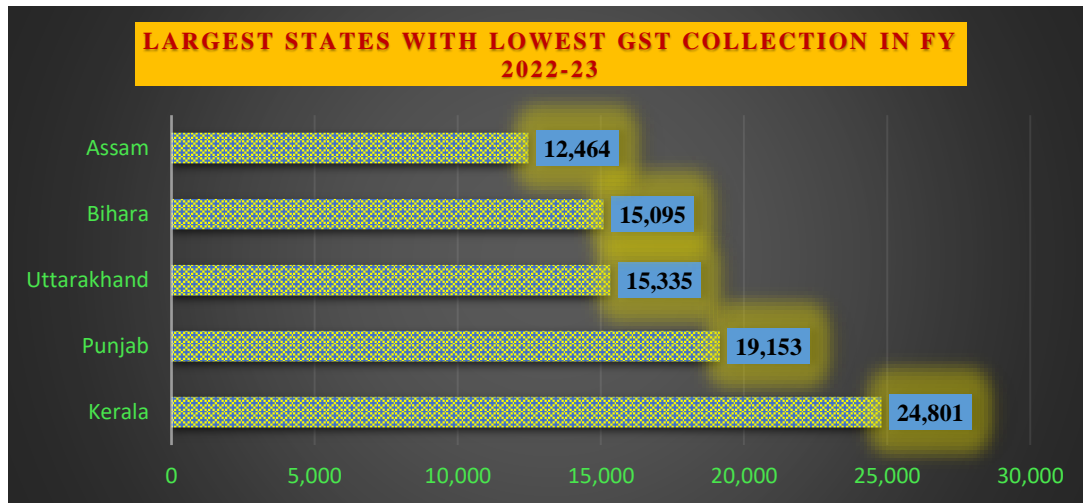
Table:9 LARGEST STATES WITH LOWEST GST COLLECTION IN FY 2022-23

State	GST (₹ in crore)
Kerala	24,801
Punjab	19,153
Uttarakhand	15,335
Bihara	15,095
Assam	12,464

The above data shows the GST contribution made by the largest states of the country with lower rates. Assam has registered the lowest GST collection of ₹ 12, 464 crore in FY 2022-23 followed by Bihar with ₹ 15,095 crore and Uttarakhand with a GST collection of ₹ 15,335 crore.

Note: The GST collection figure in FY 2022-23 does not include the monthly GST collection for January 2023.

Chart: 8 LARGEST STATES WITH LOWEST GST COLLECTION IN FY 2022-23



VI. MAJOR FINDINGS OF THE RESEARCH PAPER:

1. The maximum amount of GST ₹ 18,07,680 crore was collected in the FY 2022-23. It is 22% higher than that of FY 2021-22. Similarly, the lowest GST ₹ 7,19,078 crore was collected in the FY 2017-18.
2. ₹ 18,07,680 crore of GST includes CGST of ₹ 3,23,923 crore, SGST of ₹ 4,10,251 crore, IGST of ₹ 9,45,220 crore and Compensation Cess ₹ 1,28,286 crore.
3. Gross GST revenue collected for March 2023 ₹ 1,60,122 crore is the second highest collection ever, next only to the collection ₹ 1,67,540 in April 2022. The revenue for March 2023 is 13% higher than the GST revenue in the same month of the last year. It is for the 4TH time (April, Oct, Jan, and March) in the FY 2022-23 that the gross GST collection has crossed ₹ 1.5 lakh crore registering 2nd highest collection since the implementation of GST.
4. The monthly average gross GST collection for the FY 2021-22 and 2022-23 have shown 30% and 22% year-on-year growth respectively.
5. The average monthly gross GST collection for Q1, Q2, Q3 and Q4 ₹ 1.15 lakh crore, ₹ 1.46 lakh crore, ₹ 1.49 lakh crore and ₹ 1.55 lakh crore respectively. Average gross collection crossed ₹ 1.5 lakh crore in the first and last quarter. Highest collection made in the last quarter.
6. Public Limited Companies have made a maximum contribution to GST i.e. 34.40%.
7. Maharashtra's collection from the GST was ₹ 2,70,346 crore, which was 15% of the country's collection of ₹ 18,07,680 crore. It was much more than Karnataka (₹ 1.2 lakh crore) and Gujrat (₹ 1.1 lakh crore) that stood second and third respectively.
8. Assam has registered the lowest GST collection of ₹ 12, 464 crore in the FY 2022-23 followed by Bihar with ₹ 15,095 crore and Uttarakhand with a GST collection of ₹ 15,335 crore.

VII. CONCLUSION:

Goods and Service Tax is a radical reform in the Indian economy with a uniform rate of tax for particular goods and services throughout the country and eliminating the cascading effect of tax. It can be observed that the contribution of GST to the Indian economy is gradually increasing from year to year. The share of GST in GDP has increased from 2.8% in FY21 to 3.1% in FY23. It indicates that the importation of GST revenue to the government is increasing. Different constituents of businesses have their contribution to GST, out of which Public Limited Companies made the maximum contribution till

the FY 2022-23. GST council plays a key role in goods and service taxes by making various recommendations regarding GST to the both central and state governments.

VIII. REFERENCE :

1. Ministry of finance-Department of revenue, CBIC (GST). (2023, April 01). Retrieved from <http://cbic-gst.gov.in/gst-goods-services-rates.html>: <http://cbic-gst.gov.in/gst-goods-services-rates.html>
2. admin. (2023, July 27). GSTN releases a statistical report on the completion of 6 Years of GST | A2Z Taxcorp LLP. <https://www.a2ztaxcorp.com/gstn-releases-a-statistical-report-on-the-completion-of-6-years-of-gst/>
3. GST Revenue | Goods and Services Tax Council. (n.d.). Retrieved September 30, 2023, from <https://gstcouncil.gov.in/gst-revenue>
4. Azhagesan, J. G. (2021). A STUDY ON COLLECTION, COMPOSITION AND BUSINESS-WISE CONTRIBUTION OF GST IN INDIA. Vol-44 No.-01(XIII) : 2021, 21–29.
5. sakshi. (2023, April 11). Goods and Services Tax, History, Objectives, Features, Subsumed Taxes. StudyIQ. <https://www.studyiq.com/articles/goods-and-services-tax-gst/>
6. Jayaswal, r. (2023, April 01). Hindustan Times. Retrieved from <http://www.hindustantimes.com/india-news/gat-revenue-in-march-2023-hits-1-6-laks-crore-fy23-collections-surpass-18-lakh-crore-with-22-yoy-growth-finance-ministry-101680348518273-amp.html>: