

Analytical Study of GST (Goods and Service Tax) with Reference to Madhya Pradesh

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Abstract: *This paper describes the significant role of GST in Madhya Pradesh fiscal state, revenue collection with transparency and smooth functioning of GST. It also covers the recent growth of GST as well as its impact on households. It explains uniformity in tax structure and convenient procedure of getting registration in GST.*

Keywords: Cascading, reduction, SGST, CGST, IGST, UGST, E-wallet, Global, VAT

I. INTRODUCTION

The introduction of the Goods and Services Tax (GST) is a very significant step in the field of indirect tax reforms in India. By amalgamating a large number of Central and State taxes into a single tax, GST will lessen ill effects of cascading or double taxation in a major way and pave the way for a common national market. From the consumers point of view, the biggest advantage would be in terms of reduction in the overall tax burden on goods, which is currently estimated to be around 25%-30%. It would also imply that the actual burden of indirect taxes on goods and services would be much more transparent to the consumer. Introduction of GST would also make Indian products competitive in the domestic and international markets owing to the full neutralization of input taxes across the value chain of production and distribution. Studies show that this would have a boosting impact on economic growth. Last but not the least, this tax, because of its transparent and self-policing character, would be easier to administer. It would also encourage a shift from the informal to formal economy. The government proposes to introduce GST with effect from 1st July 2017.

After an Intense debate over implementation of GST bill. The MP ruling Govt passed the GST bill on 03 May 2017 and 1st July 2017 the GST has come into effect with GST code 23. When finance minister Jayant Malaiya moved the MP Goods and Service Bill, 2017 at the day-long special session on Wednesday. Kailash Vijayvargiya the renowned minister advocated, Even World Bank has stated that the GST will enhance capital investment and generate more employment. He said GST regime will put a check on inflation and at the same time also render more tax revenue to the government treasury. Madhya Pradesh became the 6th State to implement GST (Goods and Services Tax). GST is 23 state code in GST? 23 is the GST state code for Madhya Pradesh.

Who will come under GST regime.

Aggregate turnover: A service provider, who provides services more than Rs.20 lakh in a year is required to get GST registration in Madhya Pradesh. Whereas an entity that is engaged in the supply of goods is required to cross Rs. 40 lakh is required to get the GST registration in Madhya Pradesh mandatorily. Starting off with what is GST (**Goods and Service Tax**), it is a destination-based tax based on the consumption of services and goods. Replacing the multiple State and Central Government taxes, the GST came into effect on July 1, 2017. The **GST Council** which contains a finance minister of central and all states governs the rules, rates, **GST certificate** and regulations with **GST Registration**. Its tax varies from 0% to 28% depending upon the nature of good and services that you consume. Also, the GST is paid by consumers and it provides revenue for the Government. **Registration process** GST Registration in Madhya Pradesh now become very easy for Indian citizen. People of Madhya Pradesh can apply GST number online with minimum documents of the business. Citizen of Madhya Pradesh not need to go anywhere physically to apply new GST number in Madhya Pradesh. Your door step is a platform which offer new GST registration number to citizen and business of Madhya Pradesh. Taxpayer and Business Person of Madhya Pradesh can apply for GST Certificate and GST related query.

Applications of GST in India: In India GST is applied in following ways

- SGST (State Goods and Services Tax)
- CGST (Central Goods and Services Tax)
- IGST (Integrated Goods and Services Tax)
- UGST (Union Territory Goods and Services Tax)

Objectives: -Major objectives of GST applying in MP are under as follows

1. One of the major objectives of GST was to eradicate the cascading effect of the taxes that existed under the VAT and the Service tax.
2. GST is designed to bring all the indirect taxes under one umbrella. Get the GST registration done in Madhya Pradesh & be a part of the biggest tax reforms in India. Improve the efficiency of your business operations at reduced costs.
3. To eliminate cascading effect
4. Ease of doing of business
5. Regularization of Unorganised sector
6. Uniformity in tax Structure
7. Easy Online Procedure for getting GST registration
8. Increase Revenue
9. Product Competitiveness

Global Recognition of GST

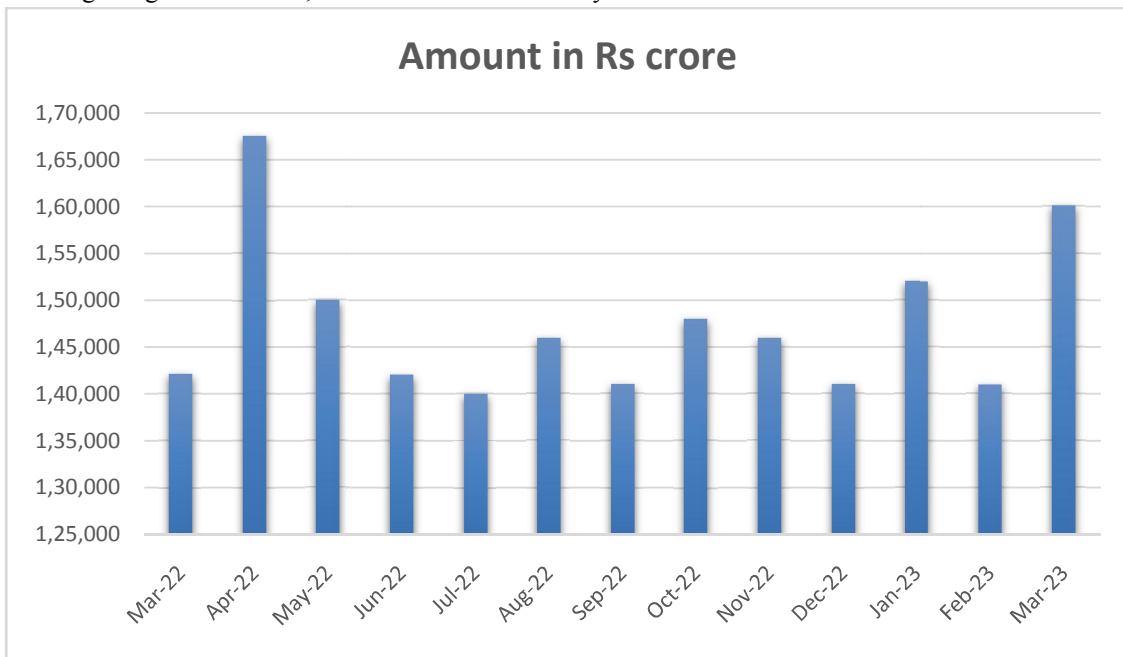
1. France was the first country to implement GST to reduce tax evasion. Since then, over 160 countries have implemented GST or VAT (on both goods and services), with some countries having a dual-GST model. For example, Brazil, Canada and India.
2. Similar to the US, the states have the power to administer and collect taxes. Transactions done within a state are subject to a central GST (CGST) levy as well as a state GST (SGST) levy by the Central and state governments, respectively. Interstate transactions attract integrated GST (IGST) levied by the Central Government.
3. Since GST is a consumption-based tax/destination-based tax, the taxes are paid to the state where the goods or services are consumed and not the state in which they were produced. However, IGST complicates the tax collection process as the revenue goes to the Central Government. The Central Government then allocates this amount between the Centre and the state concerned.
4. Goods and service tax took India by a storm. It brought in the “One nation one tax” concept to unite indirect taxes under one umbrella and facilitate Indian businesses to be globally competitive. The Indian GST regime is structured for efficient tax collections, reduction in corruption, easy inter-state movement of goods, and more.

Contribution and Growth of GST

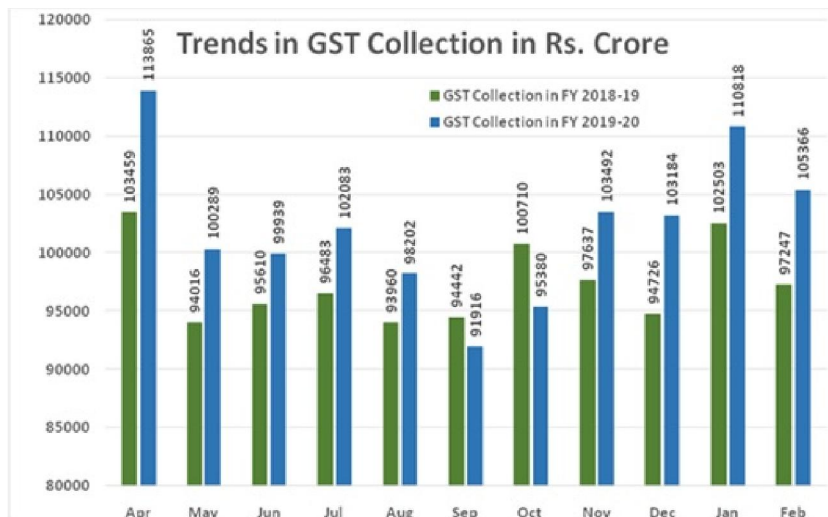
1. The total revenue of GST paid under different heads upto 29th August, 2017 is **Rs.92,283 crore**. The total CGST revenue is **Rs.14,894 crore**, SGST revenue is **Rs.22,722 crore**, IGST revenue is **Rs.47,469 crore** (of which IGST from imports is **Rs.20,964 crore**) and Cess is **Rs.7,198 crore** (of which **Rs.599 crore** is Compensation Cess from imports).
2. The GST collection in the current FY (2018-19) has been showing improvement compared to last FY (2017-18). The average gross collection of GST in the Current FY 2018-19 is Rs. 97,555 crore (till January'19) as compared to last year average collection of Rs. 89,885 crore.
3. The gross GST revenue collected in the month of March, 2020 is **Rs. 97,597 crore** of which CGST is **Rs. 19,183 crore**, SGST is **Rs. 25,601 crore**, IGST is **Rs. 44,508 crore** (including **Rs. 18,056 crore** collected on imports) and Cess is **Rs. 8,306 crore** (including **Rs. 841 crore** collected on imports). The total number of GSTR-3B Returns filed for the month of February up to 31st March, 2020 is 76.5 lakh.



- The GST revenues during the month of March, 2020 from domestic transactions has shown anegative growth of 4% over the revenue during the month of March, 2019. Taking into account the GST collected from import of goods, the total revenue during March, 2020has also decreasedby 8% in comparison to the revenue during March, 2019. During this month, the GST on import of goods has shown a negative growth of (-) 23% as compared to March, 2019.
- For the full financial year, 2019-20, the GST for domestic transaction has shown a growth rate of 8% over the revenues during last year. During the year, GST from import on goods fell down by 8% as compared to last year. Overall, gross GST revenues grew at 4% over the last year’s GST revenue.
- GST collections increase 13% to 1.6 lakh crore in March 2023. Goods and Services tax collections rose 12.7% to Rs 1,60,122 crore in March 2023, The second highest monthly mop up, with the integrated GST kitty swelling to a new high. Collection of integrated GST or IGST, levied on inter-state sales and imports, was pegged at Rs 82,907 crore in March, highr than the previous record of Rs 81,939 crore in 2022. Mizoram saw the highest growth of 91%, while Ladakh was the only one to see a fall.

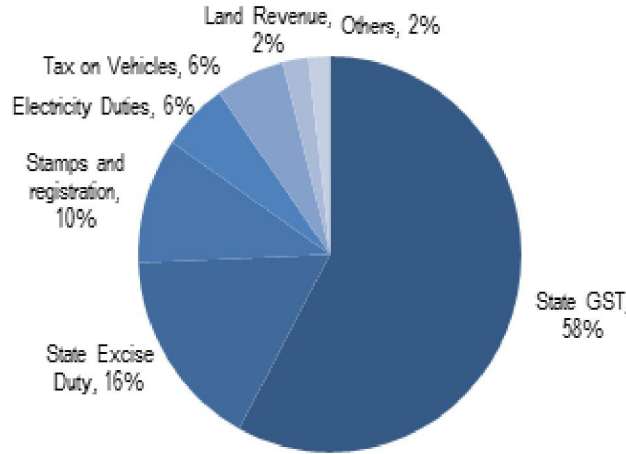


The chart shows trends in monthly gross GST revenues during the current year. The table shows the state-wise figures of GST collected in each State during the month of March, 2020 as compared to March, 2019 and for the full year.





GST (The goods and services tax) is a value-added tax levied on most goods and services sold for domestic consumption. The GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services.



State GST is expected to be the largest component of the tax revenue of Madhya Pradesh. It is expected to contribute Rs 31,624 crore

Madhya Pradesh GST Revenue collection Year Wise

Year	In Crores
2018-2019	2624
2019-2020	2407
2020-2021	2728
2021-2022	2935
2022-2023	3346

(Sources: Ministry of Finance)

GST Commissioner Commercial Tax Shri Lokesh Jatav informed that 26 percent more revenue has been received from GST this year as compared to last year. In the year 2017-18, a revenue of Rs 9 thousand 800 crore was acquired from GST, which has increased to more than Rs 22 thousand crore in the year 2021-22. There were 3 lakh 84 thousand taxpayers under GST in the year 2017-18 which has increased to more than 5 lakh. To fulfil the resolve of Chief Minister Shri Chouhan to make Atmanirbhar Madhya Pradesh, success has been achieved in increasing revenue collection. At the time of establishment of the state in Madhya Pradesh, there was a revenue collection of Rs. 5 crore. At present it is Rs 49 thousand crores. 86 circles of Commercial Tax Department are working in the state. A help desk has also been started by the department. Human intervention in the works is minimal. Madhya Pradesh is the leader in the country in GST collection. The highest monthly collection has been registered in the month of October.

New GST Changes, 28% Tax Only For 50 Items Now

Daily use items like shampoo, deodorant, toothpaste, shaving-cream, aftershave lotion, shoe polish, chocolate, chewing gums and nutritious drinks would become cheaper. Service providers with turnover up to Rs.20 lakh need not register even if making interstate supplies.

- More time for filling returns for those under composition scheme.
- Refunds to be released every month
- E-wallet facility by APR

- No Tax on duty free scrips
- Merchant exporters need to pay 0.1% tax on domestic goods procurement.
- E-way bill to be rolled out from 1 April, 2018
- A committee to review the levy on restaurants.

Impact of GST on Household

Category	Before GST	After GST
Food	12.5%	5.00%
Entertainment	30.00%	28.00%
Transportation	15.00%	18.00%
Household – Personal Care	28.00%	18.00%
Mobile Phone	15.00%	18.00%
Insurance Premium	15.00%	18.00%
Credit Card Bills	15.00%	18.00%

GST Tax Slab Rates List 2023: 5%, 12%, 18% and 28%. Taxes to be subsumed under GST are Excise Duty, Service Tax, Central Sales Tax, Surcharge & Fees, VAT, Taxes on Lottery, Luxury Tax, Entry Tax, Entertainment Tax (These are the parts of Central Tax & State Tax). Category wise products GST Updated Rates is described under as follows.

Under GST slab of 5%	Goods	The goods of Basic amenities, Household necessities, and life-saving drugs are covered under this slab Sugar, oil, spices, coffee, coal, fertilizers, tea, ayurvedic medicines, Agarbatti, sliced dry mango, cashew nuts, sweets, handmade carpets, lifeboats, fish fillet, unbranded snacks, and life-saving drugs, etc. are few products covered under 5% GST slab.
	Services	Further, services like Railways, airways, takeaway food, AC and Non-AC restaurants, hotel rooms with a tariff less than Rs. 7,500, and special flights for pilgrims, etc. are covered under 5% tax slab of GST.
Under GST slab of 12% GST	Goods	Goods like cell phones, sewing machines, a Drip irrigation system, jewelry box, Mechanical sprayers, processed foods like frozen meat, fruit juices, butter, cheese, ghee are covered under the 12% tax slab of GST.
	Services	The services under this slab include Air travel apart from economy class, Hotel accommodation with per room per night charge upto Rs 7500.
Under GST slab of 18% GST	Goods	Goods like washing machine, vacuum cleaner, pasta, detergent, scent sprays, leather clothing, cookers, oil powder, artificial flowers, wristwatches, Travelling bags, furniture, stationery items, mattress monitors, television screen, lithium-ion batteries, video games are covered under 18% tax slab of GST.
	Services	The services under this slab include restaurants within hotels whose tariffs are above Rs. 7,500, actual hotel bill below Rs. 7,500, movie tickets above Rs. 100.
Under GST slab of 28% GST	Goods	Over 200 products like cars, cigarettes, durable consumer products, high-end motorcycles, ATM vending machine, pan masala, weighing machine, cement, dish-washer are covered under 28% tax slab of GST.
	Services	Services under this slab include Race club, Supply of drinks in AC Restaurants in 5-star or above rated hotel, Accommodation in the hotel, where room rent is 7500/-or above per night per room.

II. CONCLUSION

Lokesh Kumar Jatav The commissioner of MP(Commercial Tax) claims the GST collection increases by 22% to RS 22,206 Crore in Fiscal year 2021-2022 which was 18231.82 crore Rs amid the pandemic . It shows the improvement in economy. Automobile Industry FMCG and Pharma industries are doing well though Tourism hotel and restaurant industry is growing slowly. Online platform of GST brings transparency in registration process and easily approachable to tax payers. It helps to regularise the unorganised sector with uniformity in tax structure. Less paper work is practising in GST.

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