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Aug GST mop-up rises 28% to ₹1.43 lakh Cr

GROSS GOODS and Services Tax (GST) collection rose to Rs 1,43,612 crore in August (for sales in July) , sequentially lower than in July but 28.2 per cent higher year-on-year , showed data released on Thursday by the Finance Ministry. Revival in consumption, high inflation rate and partial impact of the rate hike decision taken in the 47th GST council meeting-which came into effect from July 18 along with broader economic recovery supported the increase in GST revenues. The recovery, alongside better compliance amid enforcement actions to curb evasion also bolstered mop-up . Further the collection gained as revenues from import of goods were 57 per cent higher, while that from domestic transactions (including import of services) were 19 per cent higher. Chess from sun/luxury goods such as automobiles, tobacco and aerated drinks recorded a 6.8 per cent decline over last month which experts said indicates a lower demand for such goods. Monthly GST revenues have been over the Rs-1.4 lakh crores mark for the last six months. The Finance Ministry said the year-on-year growth in revenues during April- August is 33 per cent , continuing to " display very high buoyancy ". This is a clear impact of various measures taken by the Council in the past to ensure better compliance. Better reporting coupled with economic recovery has been having a positive impact on the GST revenues on a consistent basis". E-way bills, used in interstate transactions, also picked up. During July 7.4 crore e-way bills were generated, slightly above 7.4 crore in June and 19 per cent higher than 6.4 crore in July 202. Pursuant to decision taken in the 47th GST council meeting GST exemption was withdrawn from "pre-packaged and labelled" retail packs which include food items such as curd, lassi, puffed rice, wheat flour, buttermilk, but items sold loose or unlabelled continue to remain exempt. Per- packaged and pre-labelled food items such as grains, curd, lassi, paneer, jaggery, wheat flour, puffed rice, buttermilk, and meat/ fish (except fresh and frozen) are now taxed at 5 per cent , at par with branded items. Moreover, correction of inverted duty structure translated into a rate hike for household items such as LED lamps, printing/ drawing ink, power driven pumps, Tetra Pak to 18 percent from 12 per cent, and for solar water heaters , finished leather to 12 per cent to 5 per cent.

Experts said despite a sequential dip, GST revenues are strong with a pickup in economic activity and are expected to improve going ahead with the onset of the festive season. At least 16 states/UTs recorded a higher than 20 per cent growth in GST collection in their regions even though most remained below national growth rate 28 per cent. Experts said collection is likely to overshoot the budgetary targets set for this fiscal. Of the gross GST revenue of RS 1,43,612 crore ,CGST – the tax levied on infra- state supplies of goods and services by the Centre is Rs 24,710 crore and SGST – the tax levied on intra - state supplies of goods and services by the state is Rs 30,951 crore , the ministry said. IGST – tax levied on all inter- state supplies of goods and services is Rs 77,782 crore (including Rs 42,067 crore collected on import of goods) and cees Rs 10,168 crore (including Rs 1,018 crore collected on import of goods) , its said . The Centre has settled Rs 29,524 crore to CGST and Rs 25,119 crore to SGST from IGST.

***(*Pawan Manoj Singh/F.Y.B.Com./ B/ 57)**

GST evasion, ITC misuse over Rs 5 Crore may face prosecution

Prosecution Can Be launched against offender in case where the amount of evasion or misuse of input tax credit (ITC) is more than Rs 5 crore under the goods and services tax (GST) regime, a set of instruction issued by the GST investigation winning under the finance ministry said. Further, in case of public limited companies, prosecution cannot be launched “indiscriminately against all the director of the company” but should be restricted to only person who over saw day to day operation of the company and have taken “active part in committing the tax evasion or had connived at it,” it said. The monetary threshold, however, will not be applicable for habitual evaders or cases where arrest has been made and prosecution can be launched in such cases irrespective of the monetary amount, the instruction read. “Sanction of prosecution has serious repercussions for the person involved; therefore, the nature of evidence collected during the investigation should be carefully assessed. One of the important considerations for deciding whether prosecution should be launched is the availability of adequate evidence. The standard of proof required in a criminal prosecution is higher than adjudication proceeding has the case has to be established beyond reasonable doubts.”

Prosecution should not be filed merely because a demand has been confirmed in the adjudication proceedings or should not be launched in case of technical nature, or where additional claim of tax based on difference on opinion regarding interpretation of law, the probe wing said. “The evidence collected should be adequate to established beyond reasonable doubt that the person had guilty mind, knowledge of the offence, or in any manner possessed mens-rea(criminal intent) for committing the offence.” Prosecution should normally be launched where the amount of tax evasion or misuse of ITC, or fraudulently obtained refund is more than Rs 5 crore, it added.

(Neil zobin baria/F.y.B.Com./A/04)

Corporate tax mop-up rises 34% in first 4 mths of FY23

CORPORATE TAX collections grew 34 per cent during the current financial year till July 31, the Finance Ministry said Friday, without detailing the absolute figures of the revenue collections. "The corporate tax collections during FY 2022-23 (till 31st July,2022) register a robust growth of 34% over the corporate tax collections in the corresponding period of FY 2021-22 @FinMin India," the Income Tax Department said in a series of tweets. During 2021-22 corporate tax collections stood at Rs 7.23 lakh crore, a growth of over 58 per cent from 2020-21, it said. "Even when compared to collections of FY 2018-19 (pre-COVID period), the collections of FY 2021-22 are higher by over 9 per cent. The positive trend of growth continues, but for the overall impact of the COVID-19 pandemic during FY2020-21, when the corporate tax collections took a temporary hit," it said.

This indicates that the "simplified tax regime with low rates and no exemptions has lived up to its promise", it said. As per data released by the Controller General of Accounts, the corporate tax collections stood at Rs 1.46 lakh crore in April-July of previous financial year. As per latest government data, in April-June, the government collected Rs 1.61 lakh crore as corporate tax, up 29.84 per cent year-on-year. Earlier in the day.some opposition leaders pointed to revenue loss through corporate tax cut and linked it to the ongoing debate of distribution of freebies by political parties. Under the new regime introduced in September 2019, the corporate tax rate for all existing companies was cut to 22 percent (without surcharge and cess) from 30 per cent earlier. A tax rate of 15 per cent was announced under Section 115BAB for newly incorporated domestic companies , which make fresh investment by March 31 2023 for manufacturing, production, research or distribution, research or distribution of such articles or things manufactured . this was extended by one year in this year's Budget to March 31,2024.

(Sonam dinesh Sharma/ F.Y.B.Com./B/55)

No GST on residential premises if rented out for personal use: Govt

The government on Friday and GST will not be applicable on residential units if they are rented out to private persons for personal use. The government dismissed media reports which claimed that there is an 18 per cent Goods and Services Tax (GST) on house rent paid by tenants. In a tweet, the government said GST would be levied only when the residential unit is rented out to a business entity. "No GST when it is rented to private person for personal use. NO GST even if proprietor or partner of firm rents residence for personal use,"it said. KPMG in india Partner Indirect Tax Abhishek Jain said the clarification provides relief to GST-registered proprietors or partners in GST-registered firms who take on rent immovable property for their personal use such as renting of a house for family accommodation.

(Ankita vasant sodaye/F.Y.B.Com./B/32)