

# A Study On Comparative Analysis of GST Revenue

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**Abstract:** In this study the research work has been carried out to analysis the comparison of GST revenue in the era of today's economy. In this research paper introduction of GST which was help to study out the types of GST and what are the diversification has been done by the government to enhance the indirect tax for the levied people. Now in this paper the research methodology has been carried out by the researcher to know the comparison of GST revenue. So here this paper is based on exploratory research design and data are cited in this paper were collected through the secondary source like statistical data available on various website and many more on research paper and literature review as well as from some of the magazines and GSTINDIA TYPING article apart from it carried out the data to done the research analysis for comparison of revenue. The main objective of the study was to gain the depth knowledge to understand the tax system evolution as well as understanding the features and current tax system how to work in regime of GST with collection of revenue. There are some limitation in this paper like data are difficult to find and GST is still maturity phase and data are more fluctuation in the tax regime. In this paper the data analysis carried out by the researcher like year wise GST revenue collection from 2017 to 2019. So her as we seen in the project about GST revenue collection of different year gives you about increasing revenue position after implementation of GST. There is need for more analytical based research for successful implementation result analysis reveals that quarter wise analysis of GST collection showing in increasing ratio of year 2019 rather than 2018.

**Keywords:** GST, Collection of revenue, Tax.

## 1. Introduction

GST is one indirect tax for the whole nation, which will make India one unified common market. The GST intends to subsume most indirect taxes under a single taxation regime. GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Credits of input taxes paid at each stage will be available in the subsequent stages of value addition, which makes GST essentially a tax only on value addition at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages. This is expected to help broaden the tax base, increase tax compliance, and reduce economic distortions caused by inter-state variations in taxes.

This multiplicity of taxes at the State and Central levels has resulted in a complex indirect tax structure in the country that is ridden with hidden costs for the trade and industry. In order to simplify and rationalize indirect tax structures, Government of India attempted various tax policy reforms at different points of time. A system of VAT on services at the central government level was introduced in 2002. The states collect taxes through state sales tax VAT, introduced in 2005, levied on intra-state trade and the CST on inter-state trade. Despite all the various changes the overall taxation system continues to be complex and has various exemptions Since GST subsumed indirect taxes of both central government (excise duty, service tax, custom duty, etc.) and state governments (VAT, Luxury tax, etc.), both the governments now depend on GST for their indirect tax revenue. Therefore, the GST rate is composed of two rates. Intra-state transactions will carry one of CGST and one of SGST (in case of state) or CGST and UTGST (in case of union territory). Therefore, while making an intra-state sale (i.e., sale within the same state), the CGST collected will go to the central government and the SGST collected will go to the respective state government in which sale is made. Similarly, SGST or UTGST are replaced with IGST when intra-state transactions are involved.

**CSGT:**

CGST refers to the Central GST tax that is levied by the Central Government of India on any transaction of goods and services tax taking place within a state.

**SGST:**

SGST full form is State Goods and Services Tax. SGST (State GST) is one of the two taxes levied on every intrastate (within one state) transaction of goods and services.

**IGST:**

IGST full form is Integrated Goods and Services Tax. Integrated GST (IGST) is applicable on interstate (between two states) transactions of goods and services, as well as on imports. This tax will be collected by the Central government and will further be distributed among the respective states.

**UTGST:**

UTGST full form is Union Territory Goods and Services

Tax. The Union Territory Goods and Services Tax, commonly referred to as UTGST, is the GST applicable on the goods and services supply that takes place in any of the five Union Territories of India, including Andaman and Nicobar Islands, Dadra and Nagar Haveli, Chandigarh, Lakshadweep and Daman and Diu.

**A. GST Rate in India**

All products and services fall under four tax slabs under the GST regime –

- 5% Slab
- 12% Slab
- 18% slab
- 28% slab



**2. Effect of GST On Indian Economy**

Reduces tax burden on producers and fosters growth through more production. The current taxation structure, pumped with myriad tax clauses, prevents manufacturers from producing to their optimum capacity and retards growth. GST will take care of this problem by providing tax credit to the manufacturers.

Different tax barriers, such as check posts and toll plazas, lead to wastage of unpreserved items being transported. This penalty transforms into major costs due to higher needs of buffer stock and warehousing costs. A single taxation system will eliminate this roadblock.

There will be more transparency in the system as the customers will know exactly how much taxes they are being charged and on what base.

GST will add to the government revenues by extending the tax base.

GST will provide credit for the taxes paid by producers in the goods or services chain. This is expected to encourage producers to buy raw material from different registered dealers and is hoped to bring in more vendors and suppliers under the purview of taxation.

GST will remove the custom duties applicable on exports. The nation’s competitiveness in foreign markets will increase on account of lower costs of transaction.

Boost export and manufacturing activity and leading to substantive economic growth.

Help in poverty eradication by generating more employment.

**3. Impact of GST On Consumer**

*The effects and benefits of GST on Consumers:*

**A. Reduction in the price of goods and services**

GST is a value-added tax that is collected at each level of a supply chain. In the earlier indirect tax regime, in certain cases, the tax paid on procurements was not available for setting off the output tax liability. For e.g. the excises paid by manufacturers were not available for set-off against State-level VAT. So what they did was suppose the manufacturing cost was Rs.100 and the excise paid on it is Rs.12.5. Now, as he won’t get the credit of excise against VAT or Service tax, he will not include or pay VAT on 100 but will make the bill of 112.5 at the time of sale and thus VAT will be charged on Rs.112.5. This is nothing but an increase in cost ultimately. It is known as the cascading effect of tax i.e. (tax on taxes). In GST this cascading effect shall be removed as the Input Tax Credit (ITC) shall be available for all goods and services at each and every stage of the supply chain. So, now the final price of goods and services is expected to be lower due to the seamless flow of ITC between the manufacturer, retailer and service provider. This shall lead to a reduction of cost thereby reduction in prices which is charged to ultimate consumers.

**B. Uniform prices throughout the country**

In the previous tax regime, we had State Value Added Tax (VAT) which was levied on Sale of goods. As the rate of tax was different from States to States, there was variation in prices. Also, certain taxes and duties (eg. entry tax) was levied only in certain states. As GST is ONE NATION ONE TAX, there is a uniform price for all the products and services throughout the nation, there does not arise any such complexities.

**C. Trust in Simpler Tax System**

The previous indirect tax structure was very complicated to understand for a layman. GST will increase the level of transparency and trustworthiness of the Consumer on Tax Administrators as well as Business because everything is computerized. This shall boost the trust of consumers in a simplified tax system.

**D. Better accessibility of goods and services**

As all the goods and services are charged one rate across the nation, the consumer does not travel across the states to make purchases for the purpose of saving tax. Further, the online shopping companies will plan their operations to reduce the lead time, while managing the warehousing facilities, which today are contingent on filling complexities of the present tax structure.

Above all points showed how the GST can benefit the consumers, but there is an adverse effect which is enumerated below:

**E. To Burn a hole in the consumer’s pocket in the name of cess and costlier Services**

There were many exemptions provided for various Services earlier. But under GST exemptions have been given only where necessary. Thus, the businessmen will pass the ultimate

economic tax burden to the consumers. Also on certain goods like tobacco products, aerated water, motor cars; additional cess is being levied which is known as “compensation cess”; thus making the goods costlier. Moreover, certain services such as accommodation in hotels, work contracts, movie tickets, etc. to get costlier as previous service tax charged was around 15% and the current GST rate charged for them is 18% or 28%.

#### 4. Impact of GST On Traders

##### Positive Impact on Traders

##### No dispute good Versus Service:

In present regime of tax structure, the big issue is whether the transaction amount to sale of good or service. Though this dispute still may arise from view of time/place of supply from good or time/place of supply of services as both are separately given. However, net impact is neutral, on either of them needs to pay GST.

##### Composition levy Increased

In current regime of taxation the limit under Composition Scheme is 40 lakhs whereas under GST it is increased up to 50 Lakhs. It is beneficial as 10 lakhs in turnover is a big thing from trader point of view.

##### Credit of Excise Duty and Service tax:

In current regime of taxation then a trader is not eligible to take credit of input service as well as the Excise duty. However, in GST regime he will be eligible to take all credits and it will make positive impact on trader.

##### No Margin to Disclose

Currently a trader who wants to pass on the CENVAT Credit of excise duty needs to obtain dealer registration and have to disclose the margin. But now this is no more relevant as trader is eligible to take credit as well as no requirement of separate dealer registration.

##### No Reversal of Credit on goods sent for stock transfer

Currently as stock transfer is not liable to Vat as well as CST hence, credit pertains to goods sent to stock transfer needs to be reversed. However, in GST Regime stock transfer got made taxable, hence No reversal of credit is required.

##### Credit of CST

In current regime of tax, on inter- state purchases CST paid became the cost to the trader as the Credit was not available whereas under GST regime it will be available as IGST Credit.

#### 5. Research Methodology

##### A. Research Design

This paper is based on exploratory research technique and data cited in this paper were collected via secondary sources available like statistical data available on various websites of Indian Government like Finance Ministry (finmin.gov.in), GST Council (gstcouncil.gov.in), “GST INDIA TYPING” and “INDIA GST NEWS” on internet websites and many more; literature review from journal papers; annual reports; newspaper reports; and wide collection of magazine based

articles on GST. Based on the analysis of above-mentioned data collection sources, the objectives of the study are defined and research design is drafted which is highly descriptive in nature.

##### Objectives of the research undertaken

- To gain an in-depth understanding of GST taxation system evolution.
- Understanding in - depth the concept of new taxation system introduced - Goods and Services Tax (GST) in India.
- Understanding the features, working, and differentiating the current taxation system in India v/s GST.
- To evaluate the collection of GST revenue of different years.
- To Analysis the data yearly wise, monthly wise and Quarter wise comparing them.

##### Limitation

- The data are difficult to find.
- GST is still in maturity phase, so tax reforms can occur from time to time via GST council meetings regarding finalization of tax rates and even imposition of new rates and even deduction of existing rates.

#### 6. Data Analysis

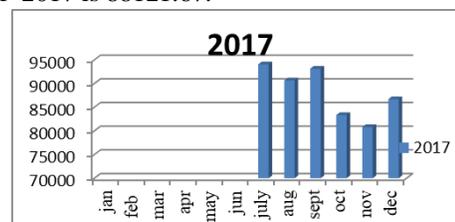
##### Yearly wise comparison

- GST revenue collection of 2017, 2018, 2019 (figures in crore)

MONTHS	2017	2018	2019
JANUARY		86318	102000
FEBUARY		85174	97247
MARCH		103458	106577
APRIL		103458	113865
MAY		94016	100289
JUNE		95610	99939
JULY	94063	96500	102000
AUGUST	90669	93960	98203
SEPTEMBER	93141	94442	91916
OCTOBER	83346	100710	95380
NOVEMBER	80808	97367	103491
DECEMBER	86703	94700	103184
AVERAGE	88121.67	95476.08	101174.3

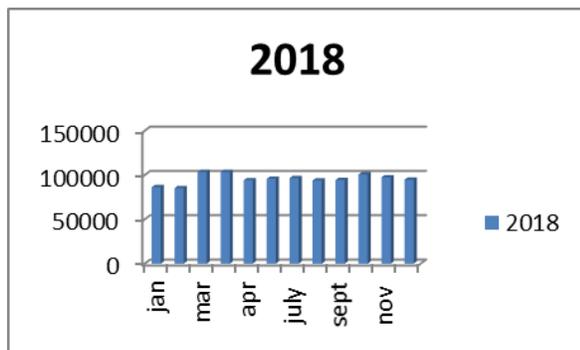
##### GST revenue collection of the year of 2017:

As we know GST is implemented in India as on 1<sup>st</sup> July of 2017. As per ministry of finance the amount of revenue collection in the month of July is Rs. 94063, in August is Rs. 90669, September is Rs. 93141, October is Rs. 83346, November is Rs. 80808, December is Rs. 86703. The average amount of 2017 is 88121.67.



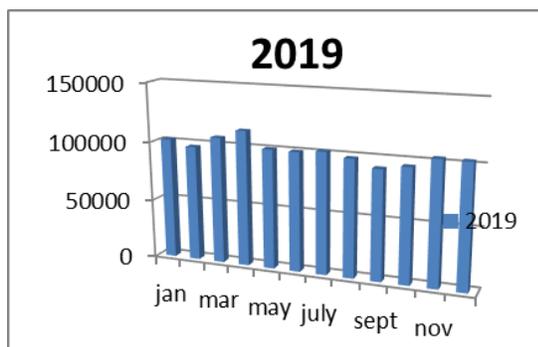
*GST revenue collection of year 2018:*

Here we are having monthly collection statics from GST Tax, gets revenue from GST tax in monthly in thousand's crore. The revenue amount collected in January is Rs. 86316, February is Rs. 85174, March is Rs. 103458, April is Rs. 103458, May is Rs. 94016, June is Rs. 95610, July is Rs. 96500, August is Rs. 93960, September is Rs. 94442, October is Rs. 100710, November is Rs. 97367 and December is Rs. 94700. The total average is 95476.08. As we comparing the average data of 2018 is increasing by 8.34%. The ratio of GST revenue collection is more than the year of 2017.



*GST revenue collection of year 2019:*

The GST revenue collection of year 2019, the amount collected in January is Rs. 102000, February is Rs. 97247, March is Rs. 106577, April is Rs. 113865, May is Rs. 10289, June is Rs. 99939, July is Rs. 102000, August is Rs. 98203, September is Rs. 91916, October is Rs. 95380, November is Rs. 103491 and in December is Rs. 103184. The total average is 11174.3. As we comparing with total average of 2017 and 2018 the Average of 2019 is comparatively more. The ratio of revenue collected is increasing by 5.96%. The year of 2019 highly collected revenue as compared to 2017 and 2018.



*Quarter wise comparison:*

Quarter	2017	2018	2019
Q1		274950	305824
Q2		293084	314093
Q3	277873	284902	292119
Q4	250857	292777	302055
Total	528730	1145713	1214091

*First quarter:*

GST revenue collection on Quarterly base, as we comparing the fiRs.t Quarter of 2018 is Rs. 274950 and fiRs.t Quarter of 2019 is Rs. 305824. The ratio of fiRs.t Quarter of 2019 is increasing by 11.22%.

*Second quarter:*

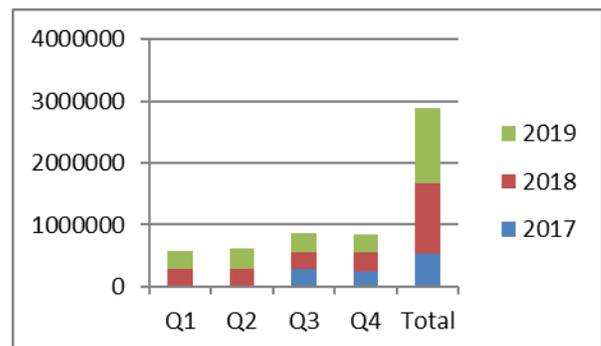
The second Quarter of 2018 is Rs. 293084 and second Quarter of 2019 is Rs. 314093. The ratio of second Quarter of 2018 is increasing by 7.16%. So GST revenue collection is more of 2019.

*Third quarter:*

The third Quarter of 2017 of Rs. 277873, third Quarter of 2018 is Rs. 284902 and third Quarter of 2019 is Rs. 292119. The ratio of 2017 is 2.46 %, ratio of 2018 is 2.52% and ratio of 2019 is 2.53%. As we comparing of three yearRs. of ratio the year of 2019 is more than 2018, 2017.

*Fourth quarter:*

The fourth Quarter of 2017 is Rs. 250857, fourth Quarter of 2018 is Rs. 292777 and fourth Quarter of 2019 is Rs. 302055. The ratio of 2019 is by increasing 3.17% as compared to yearRs. of 2017 and 2018. As we clearly see that collection of GST revenue in the year 2019 has been increased the as compared 2017 and 2018.



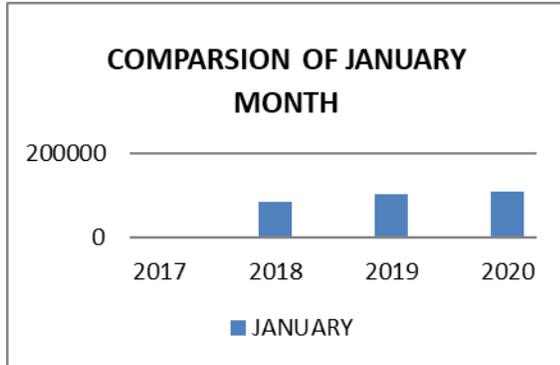
*Months wise comparison:*

*January*

GST revenue collection (figure in crore)

MONTHS	2017	2018	2019	2020
JANUARY		86318	102000	110000

The GST Collection in the month of January 2020 hits a record of Rs. 1, 10,000 crore. Thus, it stands as the second-highest monthly collection since the implementation of Goods and Service Tax in India. The Total gross GST revenue collected in the month of January 2019 is Rs. 1, 02,000 crore. Further, this is for the third time that GST Revenue collection has crossed One Lakh Crore. The total gross GST collections over the last three-month period have been 14% higher than the corresponding period last year of 2018.

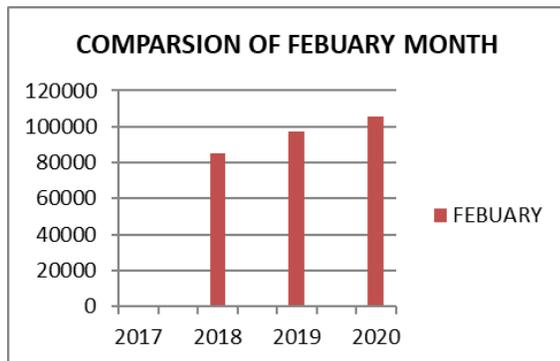


February:

GST Revenue collection (figures in crore)

MONTHS	2017	2018	2019	2020
FEBRUARY		85174	97247	105366

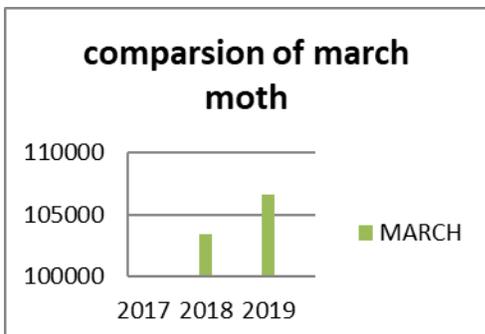
The Government collects ₹ 1, 05, 366 crore GST revenue for the month of February 2020. However, this is a little down as compared to the previous month. The GST revenue for February 2018 was ₹ 85,174 crore and the revenue for the month of February 2019 is ₹ 97,247 crore. Therefore, it is a growth of 13.12% over the revenue in the same month last year.



March:

GST revenue collection (figure in crore)

MONTHS	2017	2018	2019
MARCH		103458	106577



The total GST revenue collection for the month of March of

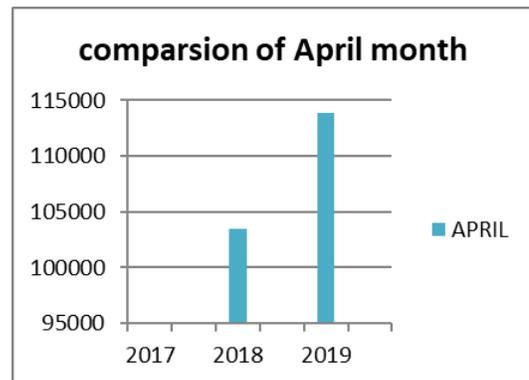
2019 is 1, 06,577 crore. However, the GST collection target for the financial year 2019-20 has been budgeted at Rs 13.71 lakh crore. Therefore, the government aims to achieve 13 times more revenue in this year. As we comparing the year of 2018 collected less revenue than 2019.

April:

GST revenue collection (figure in crore)

MONTHS	2017	2018	2019
APRIL		103458	113865

As per the latest press release out from ministry of finance, GST Revenue crosses 1 lakh crores for the month of April 2018. Let us go through in detail of GST revenue collection and return filings status for the month of April 2018. The total GST revenue collected in April 2018 was Rs. 1, 03,458 crores. The contribution of Composite Dealers to this is Rs.579 crore. 2019 has recorded highest GST collection since its rollout (01.7.2017) in India. The total gross collection is Rs. 1, 13,865 crore. There is a growth of 10.05% this month, compared to April 18 when it was Rs. 1, 03,458 crore.

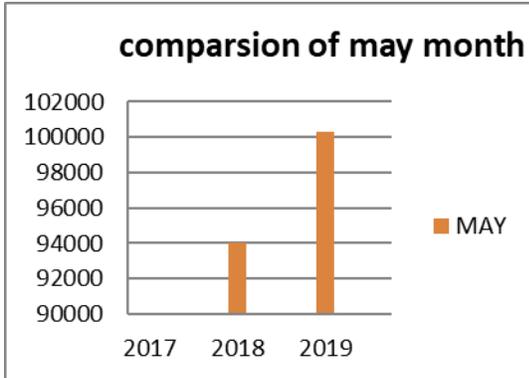


May:

GST revenue collection (figure in crore)

MONTHS	2017	2018	2019
MAY		94016	100289

The total GST Revenue collection for the month of May 2018 is 94016 Crore Rupees. Though current month's revenue collection is less compared to last month's revenue, still the gross revenue collection in the month of May (Rs. 94,016 crore) is much higher than the monthly average of GST collection in the last Financial Year (Rs. 89,885 crore). The April revenue figure was higher because of year end effect. The total gross collection of GST revenue for the month of May 2019 is Rs. 1, 00,289. This is a growth of 6.67% over the last year in the same month.



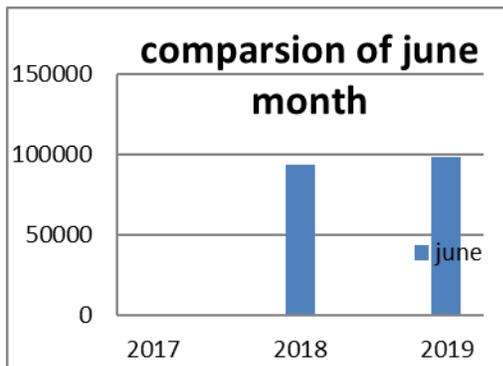
GST action month-wise data shows the trend of revenue fluctuation in India. The total GST Revenue collection for the month of July 2017 is 94063 Crore Rupees. The total GST Revenue collection for the month of July 2018 is 96500 Crore Rupees. The total Revenue of GST collection for the month of July 2019 is Rs. 1,02,000 crore. There is a growth of 5.80% revenue compared to the last year in the same month. The government releases Rs. 17,789 crore to states as GST compensation for the months of April – May 2019.

*June:*

GST revenue collection (figure in crore)

MONTHS	2017	2018	2019
JUNE		95610	99939

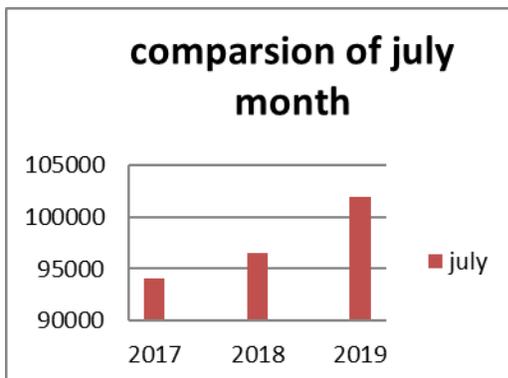
The total GST Revenue collection for the month of June 2018 is 95610 Crore Rupees. The total Revenue of GST collection for the month of June 2019 is Rs. 99,939 crore. It shows decline previous month as compared to May 2019.



*July:*

GST revenue collection (figure in crore)

MONTHS	2017	2018	2019
JULY	94063	96500	102000

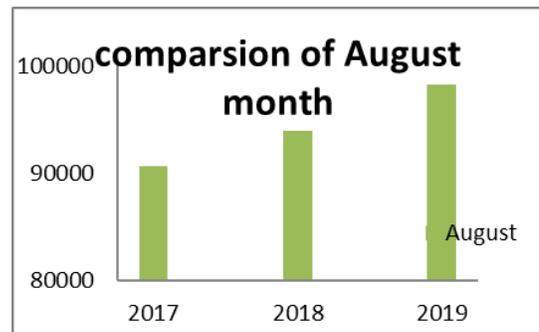


*August:*

GST revenue collection (figure in crore)

MONTHS	2017	2018	2019
AUGUST	90669	93960	98203

The total GST Revenue collection for the month of August 2018 is Rs. 90669. The total GST Revenue collection for the month of August 2018 is 93960 Crore Rupees. The total GST Revenue collection for the month of August 2019 is 98,202 crore. This is a growth of 4.51% compared to the last year in the same month.

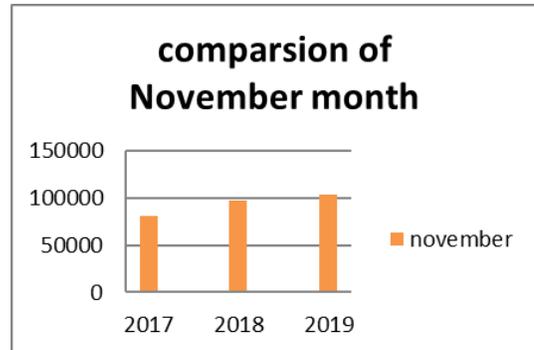
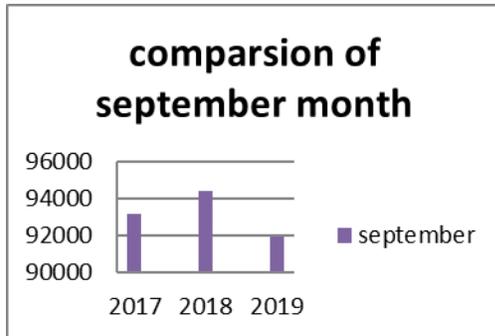


*September*

GST revenue collection (figure in crore)

MONTHS	2017	2018	2019
SEPTEMBER	93141	94442	91916

The total gross GST revenue collection for the month of September 2018 is Rs. 93141 and total gross GST revenue collection for the month of September 2018 is Rs. 94,442 crore. The total GST collection for the month of September 2019 slips down by 6286 crores as compared to August 2019. Thus the final collection for September 2019 is 91,916 crore. Further, the revenue during September 2019 is declined by 2.67% as compared to last year during the same month. However, during the quarter April-September, 2019 versus 2018, the domestic component has grown by 7.82%. While the GST on imports has shown negative growth and the total collection has grown by 4.90% during the period.



October:

GST revenue collection (figure in crore)

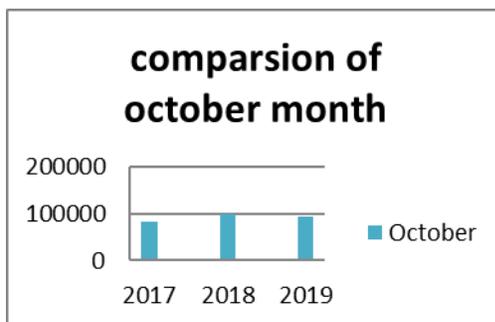
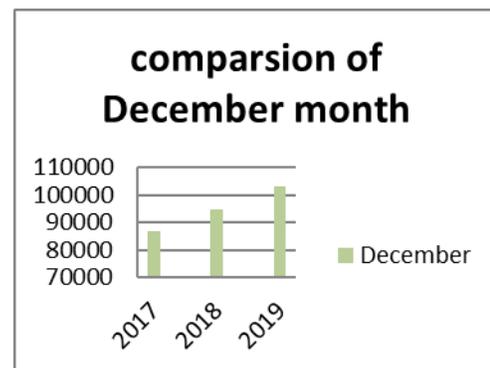
MONTHS	2017	2018	2019
OCTOBER	83346	100710	95380

The total GST revenue collection for the month of October, 2018 is Rs. 83346. The total GST revenue collection for the month of October, 2018 is Rs. 100,710 crore. The GST revenue collection for the month of October 2019 is gone up by Rs. 3464 crores as that of the previous month. However, it is deep by Rs. 5330 crores as compared to October 2018. It is noticed that during April-October, 2019 vis-à-vis 2018, the domestic component has grown by 6.74%. However, GST on imports has shown negative growth. Thus, the overall total collection has grown by 3.38%.

December:

GST revenue collection (figure in crore)

MONTHS	2017	2018	2019
DECEMBER	86703	94700	103184



November:

GST revenue collection (figure in crore)

MONTHS	2017	2018	2019
NOVEMBER	80808	97367	103491

The GST revenue collection for the month of November 2017 is Rs. 80808. GST Revenue collection for the month of November 2018 crosses 97,000 Crore Rupees. The total gross Good and service tax revenue collected in the month of November 2018 is Rs. 97,637 crore. The total gross GST collection for the month of November 2019 is Rs. 1, 03,492 crore. This month's collection is treated as an impressive recovery after two months of negative growth.

### 7. Result Analysis

The result of the study suggests that the Yearly wise comparison of GST revenue collection. The average GST revenue collection of year 2019 is greater than year of 2018 and 2017.

The result of the study suggests that the quarter wise Analysis of GST revenue collection showing in increasing ratio of year 2019 rather than 2018.

The result of the study suggests that Month wise Analysis of GST revenue collection showing that there is fluctuation Amount collecting of GST revenue collection. As we comparing the three-year data month wise different months collecting revenue is in increasing ratio.

### 8. Conclusion

The concept of GST was introduced and proposed in India a few year back, but implementation has been done by the current BJP government under the leadership of the Prime Minister Shri Narendra Modi on July 1<sup>st</sup> 2017. The new government was in strong favor for the implementation of GST in India by seeing many positive implication as discussed above in the project. GST will improvise tax collection and busted of Indian economy y development and break tax barriers between central and state government. No doubt GST will give India a clear and

transparent and taxation system. As we seen in the project about GST revenue collection of different year gives you about increasing revenue position after implementation of GST. There is need for more analytical based research for successful implementation.

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