

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

UNSTARRED QUESTION NO.4131

TO BE ANSWERED ON FRIDAY THE 10TH AUGUST, 2018
SHRAVANA 19, 1940 (SAKA)

IMPACT OF LOWERED GST RATES ON GST COLLECTION

**4131. SHRI SUMEDHANAND SARSWATI:
SHRIMATI SANTOSH AHLAWAT:**

Will the Minister of FINANCE be pleased to state:

(a) whether the Goods and Services Tax (GST) collection is likely to decrease by Rs. 100 billion due to lowering of GST rates on more than 100 products recently and if so, the details thereof;

(b) whether the Government has prepared any action plan to compensate the said decrease in GST collection and if so, the details thereof; and

(c) if not, the details of measures being taken by the Government to maintain the fiscal deficit at the level of 3 per cent of GDP?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)

(a): The GST Council in its 28th meeting held on 21.07.2018 has recommended for reduction in GST rates on certain products. The broadly estimated revenue implication of these recommendations is about Rs. 10,000 crore

(b): A number of measures, such as e-way bill, revised business process for availing ITC and revised return are being taken which will improve compliance. Rationalization of rates shall also improve tax compliance. Thus, strategic measures taken by Government in GST will improve the tax buoyancy significantly.

(c): Fiscal Deficit target for 2018-19 is budgeted at 3.3 percent of GDP. This is in line with the FD target of 3%, to be achieved by March 31, 2021 according to Section 4 (1) (a) of the Fiscal Responsibility and Budget Management Act, 2003.

The Government manages FD targets and Fiscal deficit through regular assessment of revenues and expenditure with all the Ministries / Departments of the Government of India. A half-yearly review is undertaken by the minister-in-charge of the Ministry of Finance of the trends in receipts and expenditure in relation to the budget and the outcome of such reviews is placed before both Houses of Parliament as per Section 7 (1) of the FRBM Act, 2003.

The Medium Term Fiscal Policy Statement and the Fiscal Policy Strategy Statement which are laid in Parliament along with the Union Budget provide a detailed roadmap for achieving fiscal targets.
