

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA UNSTARRED QUESTION NO. 1916
TO BE ANSWERED ON FRIDAY, THE 21st DECEMBER, 2018
30 Agrahayana, 1940, (SAKA)

Impact of GST on Revenue Gap

1916. DR. MANOJ RAJORIA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Goods and Services Tax (GST) has been able to bridge the revenue gap of the Government, both at Central and State level and if so, the details thereof;
- (b) if not, the steps taken by the Government to achieve the fiscal targets for the year 2018-19; and
- (c) the details of the efforts being made to implement the Fiscal Responsibility and Budget Management Act in letter and spirit?

ANSWER

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

(a) & (b): The average gross collection of Central Goods and Services Tax (CGST), State Goods and Services Tax (SGST), Integrated Goods and Services Tax (IGST) and Cess for FY 2017-18 and FY 2018-19 have been Rs. 89885 crores and Rs. 97040 crores (till November'18) respectively. The GST collection in the current FY (2018-19) has been showing improvement compared to last FY (2017-18). Further, the Goods and Services Tax (Compensation to States) Act, 2017 was passed by the Parliament to provide for compensation to the States for the loss of revenue arising on account of implementation of the Goods and Services Tax (GST).

To improve revenue collection, the steps which are being taken include introduction of e-way bill, simplification of measures for filing tax returns, steps to capture invoice details of transactions so that the same could be matched with credit taken and verification of transition credit availed by tax payers. Further, in the GST regime tax base has been increased. At present, about 11621024 tax payers are registered with GSTIN which includes both regular tax payers as well as tax payers under composite scheme.

(c): Implementation of the Fiscal responsibility and Budget Management Act, 2003 is of utmost priority for the Government. Section 3 of the FRBM Act, 2003 which deals with Fiscal Policy statements to be laid before the Parliament, states that the Central Government shall lay the following Statements before the Parliament annually—

1. the Medium-term Fiscal Policy Statement, shall set forth a three-year rolling target for prescribed fiscal indicators with specification of underlying assumptions

2. the Fiscal Policy Strategy Statement shall contain the policies of the Central Government for the ensuing financial year, the strategic priorities of the Central Government, the key fiscal measures and rationale for any major deviation in fiscal measures and an evaluation as to how the current policies of the Central Government are in conformity with the fiscal management principles under FRBM Act.

3. the Macro-economic Framework Statement shall contain an assessment of the growth prospects of the economy with specification of underlying assumptions

4. the Medium-term Expenditure Framework Statement shall set forth a three-year rolling target for prescribed expenditure indicators with specification of underlying assumptions and risk involved.

The first three statements mentioned above were laid in Parliament along with the Union Budget 2018-19, while the Medium-term Expenditure Framework Statement, 2018 was presented on 7th August, 2018. Section 7 of the FRBM Act deals with 'Measures to enforce compliance'. Section 7 (1) states that the trends in receipts and expenditure in relation to the Budget shall be reviewed on half-yearly basis and the outcome of such review shall be laid in both Houses of Parliament. In compliance to the provisions of the Act, the Statement on Half yearly Review of the trends in receipts and expenditure in relation to the budget at the end of the financial year 2017-2018 was laid in Lok Sabha on 3rd August, 2018.
