

LOK SABHA
UNSTARRED QUESTION NO. 1314

TO BE ANSWERED ON MONDAY, DECEMBER 08, 2025/AGRAHAYANA 17, 1947 (SAKA)

DIRECT TAX COLLECTIONS AND GST COMPENSATION

1314. SHRI ARVIND DHARMAPURI

Will the Minister of FINANCE be please to state:

- (a) the details of trend of direct tax collections in the country since 2014, year-wise;
- (b) the total GST compensation dues released to all States across the country including Telangana during the last five years;
- (c) whether the Government has reviewed the recent GST-related reforms and the recommendations of the GST Council;
- (d) if so, the details thereof indicating the reforms proposed or undertaken on the basis of those outcomes,
- (e) whether the Government has assessed the impact of the recent GST compliance measures on the tax base and ease of doing business for small enterprises;
- (f) if so, the details thereof along with the specific results observed in this regard; and
- (g) the steps being taken by the Government to expand the tax base while simplifying compliance for small businesses?

ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): Year-wise total direct tax collected in the country from FY 2013-14 to 2024-25 is enclosed at **Annexure 'A'**.

(b): GST Compensation released to all States for five years from FY 2017-18 to FY 2022-23 is enclosed as **Annexure 'B'**.

(c) & (d): GST rates are prescribed on the recommendations of GST Council, which is a constitutional body comprising members from States/UTs and Centre. The GST Council in its 56th meeting held on 3rd September, 2025, has recommended a comprehensive rate rationalization and structural simplification of the tax structure. These recommendations have been notified by the Central Government with effect from 22nd September, 2025.

Some of the major policy measures under taken/being taken by the Government are as follows:-

- i. Sanction of risk-based provisional refund has been introduced to facilitate refund claims on account of zero-rated supply of goods or services or both. The amendment to the CGST Rules provides for the provisional release of 90% of eligible refunds in low-risk cases. This facility has also been extended to refund claims filed on account of inverted duty structure (IDS) as an interim trade-facilitation measure. Further, specified categories of registered persons who are not eligible for provisional refund have also been notified.
- ii. An optional simplified GST registration scheme has been introduced, under which registration shall be granted on an automated basis within three working days from the date of submission of the application in the case of low-risk applicants and those who, based on their own assessment, determine that their output tax liability on supplies to registered persons will not exceed ₹2.5 lakh per month.

- iii. An amendment relating to post-sale discounts has been made by omitting the requirement to establish the discount through an agreement entered into before or at the time of supply and by removing the requirement to specifically link the discount with the relevant invoices. The earlier circular prescribing procedures for suppliers—particularly regarding proof of ITC reversal by recipients—has been withdrawn, thereby reducing compliance burdens and restoring reliance on the statutory provisions without insistence on additional procedural evidence.
- iv. A circular has been issued to clarify certain issues pertaining to post-sale discounts with the objective of removing ambiguity and preventing legal disputes in this area.

(e) to (g) : Some of the measures undertaken by the Government to simplify tax compliance for small businesses are as under:

Indirect Taxes (GST)

- i. The threshold limit of annual turnover for registration under GST for entities engaged in supply of goods has been increased to Rs. 40 lakhs (other than some special category States) effective from April 1, 2019, which was initially Rs. 20 lakhs. This ensures that no GST compliance is required by such small units below the above threshold turnover and no GST is required to be paid by such units upto the said threshold turnover.
- ii. The threshold limit of annual turnover for supply of goods under composition scheme has been increased to Rs. 1.5 crore (other than some special category States) effective from 1st April 2019, which was initially Rs. 75 lakhs. Such taxpayers under composition scheme are required to file a return on annual basis, thus reducing their compliance burden substantially.
- iii. A scheme of quarterly return filing and monthly payment (QRMP) has been introduced where small taxpayers with turnover up to Rs. 5 crores have an option to file returns on quarterly basis, instead of monthly return.
- iv. Functionality for filing of NIL GST monthly return through SMS has been created for benefit of taxpayers.
- v. Refund process has been made completely electronic with the process of filing, processing and sanction of refund done completely electronically.
- vi. To reduce compliance burden on small taxpayers, exemption has been provided from filing annual return to taxpayers having annual Aggregate Turnover upto Rs. 2 crores.
- vii. To facilitate and ease return filing process, an auto-generated return with editing facility is being provided to the taxpayers on the portal based on details of the outward supplies furnished by the taxpayer and their suppliers.
- viii. UPI, Credit Card and IMPS have been provided as additional modes for payment of GST to facilitate taxpayers and to further encourage digital payment.
- ix. To facilitate small taxpayers in making supply of goods through e-commerce operators (ECOs), the requirement of mandatory registration for intra-state supply of goods through ECOs has been waived off with effect from 01.10.2023 subject to fulfillment of certain conditions.
- x. Retrospective amendment w.e.f. 01.07.2017 has been made to increase the time limit to avail input tax credit in respect of any invoice or debit note pertaining to the financial years 2017-18, 2018-19, 2019-20 and 2020-21, through any GSTR 3B return filed upto 30.11.2021.
- xi. Section 128A has been inserted in Central Goods and Services Tax Act, 2017, leading to waiver of interest and penalties for demand notices issued under Section 73 of the CGST Act for the fiscal years 2017-18, 2018-19 and 2019-20, in cases where the taxpayer pays the full amount of tax demanded in the notice upto 31.03.2025.
- xii. Amendment has been made in Section 107 and Section 112 of Central Goods and Services Tax Act, 2017, for reducing the amount of pre-deposit required to be paid for filing of appeals under GST.
- xiii. To reduce burden of late fee on smaller taxpayers, late fee structure has been rationalized, from June, 2021 tax period onwards, by aligning the upper cap of late fee with tax liability/ turnover of the taxpayer.

- xiv. Decriminalization of certain offences have been carried out in Central Goods and Services Tax Act, 2017.
- xv. In order to simplify the registration process, an optional simplified GST registration scheme has been introduced wherein registration shall be granted on an automated basis within three working days from the date of submission of application in case of low risk applicants and applicants who based on their own assessment, determine that their output tax liability on supplies to registered persons will not exceed Rs. 2.5 lakh per month.
- xvi. On the compliance front, usage of data analytic tools, third party data from other sources and artificial intelligence is being used to identify tax evaders to take targeted enforcement action to enhance GST collection.

Direct Taxes

Rationalisation of tax audit provisions:

In order to reduce the compliance burden in filing tax audit report u/s 44AB of the Income-tax Act, 1961 (the Act) by small and medium enterprises where cash transactions (both receipts and payments) are less than 5% in business, the threshold limit of total sales/turnover/gross receipts for filing tax audit report has been increased from time to time. Vide Finance Act, 2020, the threshold limit was increased in these cases from Rs.1 Cr to Rs.5 Cr which was further increased to Rs.10 Cr vide Finance Act, 2021. Therefore, these small businesses with turnover upto Rs.10 Cr are not required to file tax audit report subject to conditions

Increasing threshold limits for presumptive taxation:

Section 44AD of the Income-tax Act, 1961 provides for a presumptive taxation scheme for small businesses where a sum equal to 8% or 6% of the turnover or gross receipts is deemed to be the profits and gains from business subject to certain conditions. Vide Finance Act, 2023, the threshold limit for availing this benefit was increased from Rs.2 Cr to Rs.3 Cr in cases where amounts/ aggregate amounts received during the financial year in cash does not exceed 5% of the total turnover/gross receipts.

Similarly, Section 44ADA of the Act provides for a presumptive taxation scheme for small professionals where a sum equal to 50% of the gross receipts is deemed to be the profits and gains from business subject to certain conditions. Vide Finance Act, 2023, the threshold limit for availing this benefit was increased from Rs.50 lakh to Rs.75 lakh in cases where amounts/aggregate amounts received during the financial year in cash does not exceed 5% of the total gross receipts.

Further, any person who declares profits and gains for the financial year in accordance with the presumptive scheme under section 44AD or section 44ADA of the Act are not required to file tax audit report u/s 44AB of the Act.

Annexure-A

Total Direct Tax Collected in the Country from 2014-15 to 2024-25

(Figures in Rs. Crore)

Financial Year	Total
2013-14*	6,38,596
2014-15*	6,95,792
2015-16*	7,41,945
2016-17*	8,49,713
2017-18*	10,02,738
2018-19*	11,37,718
2019-20*	10,50,681
2020-21*	9,47,176
2021-22*	14,12,422
2022-23*	16,63,686
2023-24*	19,60,166
2024-25*#	22,26,375#

*Source: Time series Data published on the official website of Income-tax Department

#Provisional figures.

Details of GST Compensation released for the year**(Rs. In Crore)**

S.No	Name of State/UT	GST compensation released for FY 2017-18	GST compensation released for FY 2018-19	GST compensation released for FY 2019-20	GST compensation released for FY 2020-21	GST compensation released for FY 2021-22	GST compensation released for FY 2022-23	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Andhra Pradesh	382	0	2865	7397	6139	2222	19005
2	Arunachal Pradesh	0	0	0	0	0	0	0
3	Assam	980	454	1306	2606	1796	568	7710
4	Bihar	2922	2805	5441	8111	7070	501	26849
5	Chhattisgarh	1589	2608	4538	6130	5740	1876	22481
6	Delhi	326	5868	9148	16658	14561	3557	50118
7	Goa	281	694	1304	2175	2078	464	6996
8	Gujarat	4277	8788	15558	26993	20190	5251	81057
9	Haryana	1461	3835	6811	11089	10370	3153	36719
10	Himachal Pradesh	1088	2084	2619	3203	3343	892	13229
11	J & K	1053	1599	3115	4242	3929	489	14427
12	Jharkhand	1368	1106	2278	4329	3501	1167	13749
13	Karnataka	7670	12465	18463	31708	27988	7966	106260
14	Kerala	2102	3757	8173	13118	13022	3192	43364
15	Madhya Pradesh	2668	3402	6735	11340	9993	2897	37035
16	Maharashtra	3077	8454	18874	47604	35882	7206	121096
17	Manipur	0	0	0	0	0	0	0
18	Meghalaya	113	114	147	384	161	6	925
19	Mizoram	0	0	0	11	0	0	11
20	Nagaland	0	0	0	14	0	0	14
21	Odisha	2344	4237	5328	8060	7259	1638	28866
22	Puducherry	387	693	1057	1669	1123	377	5307
23	Punjab	5225	9764	12738	17136	16887	4793	66542
24	Rajasthan	2989	2570	7085	12229	9088	2162	36123
25	Sikkim	6	0	0	3	0	0	9
26	Tamil Nadu	1018	5366	11423	23204	19793	4863	65668
27	Telangana	0	0	2996	8442	6130	1608	19177
28	Tripura	140	176	284	446	407	0	1453
29	Uttar Pradesh	2431	0	9168	21337	17956	3852	54744
30	Uttarakhand	2071	2485	3400	4442	4525	1161	18085
31	West Bengal	1608	2041	6609	12261	12896	2939	38353
	Total	49576	85367	167462	306341	261827	64801	935373