

GST: 66 crore returns filed so far

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Finance ministry today informed more than 66 crore GST returns have been filed so far and lower tax rates have helped increased compliance. Sharing the details in a series of tweets, the finance ministry said GST has simplified compliance for all taxpayers and the GST Council also recommended several trade beneficial clarifications in light of the Covid-19 pandemic.

"It is now widely acknowledged that GST is both consumer and taxpayer-friendly. While high tax rates of the pre-GST era acted as a disincentive to paying tax, the lower rates under GST helped to increase tax compliance. More than 66 crore GST returns have been filed so far," the ministry tweeted.

A nationwide GST, which



subsumed 17 local levies like excise duty, service tax and VAT and 13 cesses, was rolled out on 1 July 2017. Under GST, businesses with an annual turnover of up to Rs 40 lakh are exempt from the tax. Additionally, those with a turnover up to Rs 1.5 crore can opt for the composition scheme and pay only 1 per cent

tax. For services, businesses with turnover up to Rs 20 lakh in a year are GST exempt. A service provider having turnover up to Rs 50 lakh in a year can opt for composition scheme for services and pay only 6 per cent tax.

"The multiple markets across India, with each state charging a different rate of tax, led to great inefficiencies and costs of compliance. Under GST, compliance has been improving steadily, with around 1.3 crore taxpayers registered," said the ministry.

Tweeting with the hashtag "4yearsofGST", the ministry said GST has reduced the rate at which people have to pay tax. "The revenue neutral rate as recommended by the RNR Committee was 15.3 per cent. Compared to this, the weighted GST rate at present, according to the RBI, is only 11.6 per cent."

GST has significantly eased

one of the most complex indirect tax systems and a company looking to do business in every state had to make as many as 495 different submissions. Under GST, that number has reduced to just 12, it added.

"With the continuous simplification of procedures and rationalisation of rate structures so as to make GST compliance easy for common man as well as the trade, we have been able to achieve economic integration of the country with a humane touch," the ministry added.

Under GST, a four-rate structure that exempts or imposes a low rate of tax of 5 per cent on essential items and top rate of 28 per cent on cars is levied. The other slabs of tax are 12 and 18 per cent. In the pre-GST era, the total of VAT, excise, CST and their cascading effect led to 31 per cent as tax payable, on an average.