States see sharp erosion in GST mop-up for April

AGENCIES
New Delhi

The COVID-19 outbreak and nationwide lockdown is severely denting the revenue collections of states pushing them to look at possible revenue earning measures including phased opening of liquor vends and pan and gutka shops in the first phase of relaxations for restarting economic activity post lockdown.

Sources in the state government departments said that GST collections, one of the prime sources of revenue for the states, is seriously compromised in the month of April with several state governments reporting serious fall in collections that are as high as 80-90% some cases.

Concerned about the steep fall, the Centre is yet to declare the GST collection numbers for April though monthly GST collection numbers for a particular month is announced on the first day of the next month.

The delay, officials say, is because the government deferred allowed delayed filing of GSTR 3B returns for 15 days from the due date of April 20 to ease compliance burden on taxpayers during lockdown.

The worst hit seems to be states such as Delhi, West Bengal, Assam, Andhra Pradesh that are reporting fall in April GST collections to the tune of 90%. In case if Delhi, officials have indicated that they have collected just Rs 300 in April against normal monthly collection of Rs 3,000 crore.

Similarly, Assam seems to have collected just about Rs 200 crore as GST in April against close to Rs 1,000 crore at this point of the year.

West Bengal is also facing serious fall in tax collections as lockdown has completely stopped service sector activity while manufacturing also remains suspended.