

Unpaid GST dues to states for FY21 at ₹74,398 cr: Mitra

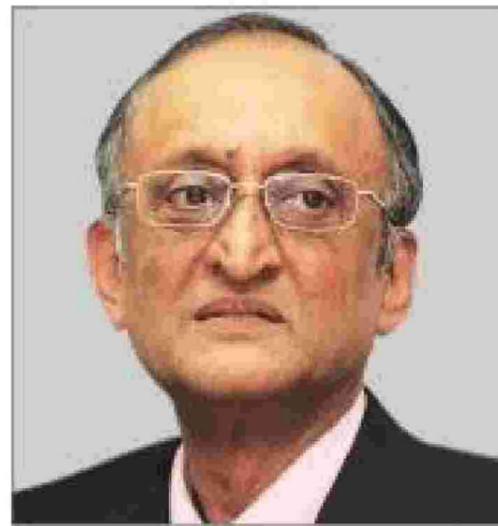
FE BUREAU

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UNPAID GOODS AND services tax (GST) shortfall compensation to states stood at ₹74,398 crore for FY21, West Bengal finance minister Amit Mitra said on Wednesday even as he slammed what he called erosion of the commitment to work out a consensus in the GST Council meetings.

“We are passing through dangerous times for the GST regime itself, when states’ own revenues are in dire distress with a growth of (-) 3% during FY 2020-21. The gap between protected revenue and revenue collected has ballooned to ₹2,75,606 crore. The actual compensation due to the states for 2020-21 has reached ₹74,398 crores,” Mitra wrote in a letter to Union finance minister Nirmala Sitharaman. Fraudulent transactions hit a peak of ₹70,000 crore according to Nandan Nilekani’s presentation to the GST Council, he added.

The GST Council meetings have become “acrimonious, vexing and almost toxic with erosion of mutual trust”, he said. “Many of us as ministers are also concerned that the GST Implementation Committee (GIC) consisting of officers, from a few states and mainly from the Gol, have started amending rules and presenting them only for the information of the GST Council — not for discussion and



West Bengal finance minister Amit Mitra also slammed what he called erosion of the commitment to work out a consensus in the GST Council meetings

ratification,” he added.

Speaking to FE recently, Kerala finance minister KN Balagopal said that the weighted average GST rate declined to 11.5% or thereabouts (against the revenue neutral rate estimated of over 15%), causing loss of revenue. “Cooperative federalism is at stake. GST hasn’t yielded the promised revenue productivity. Let us at least learn from experience and restructure the tax. There are also genuine concerns over the (lack of) democratic functioning of the GST Council. It is up to the Union government to display statesmanship and remedy the damage caused by GST to states’ finances and fiscal powers,” he said.