ABSTRACT
Goods and Service Tax (GST), a unified tax for the nation, was a major step in the history of indirect taxes of India which came into action on July 1, 2017 by the Finance Ministry. Since the implementation of GST, on one hand the tax payers were relieved because the cascading effect (tax on tax) has been eliminated and multiple taxed had been subsumed into one tax, but on the other hand there is a condition chaos and confusion among common man. The main aim of this research paper is to bring the real picture of tax revenues collected by the government every month, since its implementation and also to enlist various challenges and issues being faced by the people in context with GST.

Keywords: GST, Tax revenue, Implementation

INTRODUCTION
The tax system acts as a backbone of any developing nation, the revenue generated through which is the biggest source of income for that nation. In India also revenue from tax collection acts as the biggest source of income for its socio-welfare activities. India is having the most complicated tax mechanism in the world, especially indirect tax systems. Methods of imposing taxes, exemptions, abatements and other benefits are different in different states. India always needed a simple tax structure which can describe the whole mechanism in the simplest possible way. The basic two drawbacks of past indirect tax system were cascading effect and non-uniformity of tax collection among states. Goods and Service Tax (GST) introduced with a view to compensate those drawbacks.

OBJECTIVES OF THE STUDY
1. To understand the basic concept of GST.
2. To look over the trend of tax revenues collected by the government since its implementation.
3. To highlight the major challenge and issues faced after the implementation of GST.

BASIC CONCEPT OF GST
Clause 366(12A) of the Constitution Bill defines GST as “goods and services tax” means any tax on supply of goods, or services or both except taxes on the supply of the alcoholic liquor for human consumption. So GST is a comprehensive tax levy on manufacture, sale and consumption of goods and services at a national level.

Implementing a new tax, encompassing both goods and services, to be implemented by the Centre, 29 States and 2 Union Territories, in a large and complex federal system, via a constitutional (101st Amendment) Act 2016, following the passage of Constitution 122nd Amendment Bill requiring broad political consensus, affecting potentially 4-5 million tax entities, and marshalling the latest technology...
to use and improve tax implementation capability, is perhaps unprecedented in modern global tax history and is considered as biggest tax reform since 1947 (Nabi and Vivek, 2017).

GST was first introduced in 1954 by France and now it applicable in almost 150 countries. Most of the countries followed unified GST while some countries like Brazil, Canada follow a dual GST system where tax is imposed by both Central as well as State Government. Introduction of GST is a significant step in the reformation of indirect taxation system in India. For nearly thirteen years, there has been a proposal to implement GST in India. GST stands for Goods and Services Tax levied by the Government with a view to replace all other indirect taxes. In India, the idea of GST was looked upon in 2004 by the Kelkar Committee. The Committee was convinced that a dual GST system shall be able to tax almost all the goods and services and the Indian economy shall be able to have wider market of tax base, improve revenue collection and more realistic approach towards efficient allocation of resources.

GST was launched at a function in Central Hall of Parliament on 1st July, 2017 (Friday midnight). GST, which embodies the principle of "one nation, one tax, one market", is aimed at unifying the country’s $2 trillion economy and 1.3 billion people into a common market. (Aggrawal, 2017).

Goods and Services fall under five tax categories: 0 per cent, 5 per cent, 12 per cent, 18 per cent and 28 per cent with the implementation of GST. There are four types of GST namely:

a) SGST – State GST, collected by the State Govt.
b) CGST – Central GST, collected by the Central Govt.
c) IGST – Integrated GST, collected by the Central Govt.
d) UTGST – Union Territory GST, collected by the Union Territory

GST was implemented with a far sightedness that the elimination of multiple taxes will improve the ease of doing business for corporates and it will be an advantage for consumers in terms of a reduction in the overall tax burden on goods. "Inflation will come down, tax avoidance will be difficult, India's GDP will be benefitted and extra resources will be used for welfare of poor and weaker section,” were the words of Finance Minister Arun Jaitley at GST launch event in Parliament.

SINGLE TAXATION SYSTEM

The following Central and state taxes shall be brought under the umbrella of GST:-

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TREND IN COLLECTION OF TAX REVENUES

Since the implementation of GST, there has been a major variation in the collection of indirect tax revenues by the government. In the month of July, first month of the implementation of the GST tax regime, the Centre and states have collected Rs 92,283 crore as Goods and Services Tax (GST). The amount is marginally higher than the projected target of Rs 91,000 crore, as said by the Finance Minister Arun Jaitley. He said that 64.42 per cent of the total registered taxpayers filed GST returns for July, excluding composition dealers and registrants.

Based on the calculated targets in the 2017-18 Budget, central government’s July tax revenue should have been Rs 48,000 crore and that of states at Rs 43,000 crore, the combined target of the two being Rs 91,000 crore. An amount of Rs 47,469 crore has been collected as Integrated GST (IGST), including Rs 20,964 crore as IGST from imports. 38.38 lakh people have filed returns out of 59.57 lakh registrants and 72.33 lakh taxpayers have migrated to the new GSTN system, out of which 58.53 lakh have completed all formalities and the number of new registrants on GSTN was 18.83 lakh.

In the month of August, the tax revenue collected under Goods and Services Tax (GST) is Rs 90,669 crore. As per Ministry figures, the total CGST revenue for August 2017 stands at Rs 14,402 crore, whereas SGST revenue is Rs. 21,067 crore. The tax revenue collected under IGST came to a total of Rs 47,377 crore, out of which IGST from imports was Rs 23,180 crore during August 2017. The Compensation Cess collected against demerit and luxury commodities under GST for August is Rs 7,823 crore.

These figures exclude the GST to be paid by 10.24 lakh assessees who opted for the composition scheme. There are still a number of assessees who didn’t file their return either for July or August, 2017.

The government has collected Rs 92,150 crore as Goods and Services Tax (GST) from 42.91 lakh businesses, the finance ministry gave its report for the month of September. Of this, Rs 14,042 crore is on account of Central GST, while Rs 21,172 crore of State Government.

Integrated GST collections came out to be Rs 48,948 crore, of which Rs 23,951 crore was on account of imports. “The total revenue of GST for the month of September 2017 is Rs 92,150 crore,” finance ministry said in a statement. Collection under compensation cess stood at Rs 7,988 crore, of which Rs 722 crore is compensation cess from imports in September.

In the month of October, the latest GST collections figures have slipped by almost 10 per cent to Rs 83,346 crore as compared to Rs 92,000 crore in the previous month because the GST Council cut the tax on as many as 200 items ranging from chocolates to cosmetics to artificial fur coats and wrist watches. As many as 50.1 lakh GST returns were filed for the month of October.

GST collections slipped to Rs 80,808 crore in November, down from over Rs 83,000 crore in the previous month. The total collection of GST until 25 December stood at Rs 80,808 crore for November and 53.06 lakh returns have been filed for the month, as per the statement of Finance Ministry. Out of Rs 80,808 crore collected, Rs 7,798 crore is on account of compensation cess in November. Besides, Rs 13,089 crore has been collected as Central GST, Rs 18,650 crore as State GST, Rs 41,270 crore as IGST.

As per official data available, GST collections in the month of July was over Rs 95,000 crore while in August, the figure was over Rs 91,000 crore. In September, it was over Rs 92,150 crore. Over rs.83, 000 crore was collected for the month of October, which slipped down to rs.80,808 crore for the month of November. Analysts and observers have attributed the decline in the tax collection to the series of tax rate cuts by the government in order to govern the prices and ease the pain for certain businesses.

Explaining the downward trend in tax revenue under GST, the ministry said initially Integrated GST was paid on transfer of goods from one state to another. "As and when the final transaction of these
goods takes place, the credit for IGST is being utilized for payment of SGST and CGST and therefore, the inflow of new taxes is low," it said.

The GST Council in its 23rd meeting on November 10, 2017 recommended widespread changes in the Goods and Services Tax (GST). The council has decided to keep the highest 28% tax on luxury and sinful items as a result 177 items have been shifted to the 18% bracket. GST on many items has also been reduced. Tax rate of some items altered from 28% to 12%, some items have been shifted from 18% to 12% tax bracket, some moved from 18% to 5% slab and some from 5% to nil. There have also been some significant changes in taxation rates of some services

MAJOR CHALLENGES

1. Small shopkeepers face problems in creating different invoices for goods with different GST rates. Since, it is almost impossible to maintain separate invoices because they have so many types of items with different GST categories, so it is always a matter of confusion among them.

2. Filing of GST return has now become a major cause of headache among the businessmen as they still don’t know the exact procedure for filing the return. The reason could be lack of awareness among them which should have been a priority before the GST implementation.

3. How can it be called as a single tax system where there are five different tax rates? It further adds fuel to fire when there is a shift of items from one slab to another and multiplies the chaos in the minds of people. It causes instability due to variability of tax rates.

4. Lack of skilled staff with updated GST subject knowledge and training is again a big challenge.

5. The GST portal is not so much user-friendly, there are huge setbacks regarding its timely updates and proper working. It is even accepting the wrong details from taxpayers. The website gets hanged up on the day of filing the return. After accepting the wrong details successfully, the GST portal does not allow any changes to wrong filings. The system does not allow the tax payer to file the return for next month, if there is even a single mistake in the filing. Due to the complexity of the system and lack of professional knowledge, the small businesses have to bear the additional cost of hiring experts, which ultimately increase their operation costs.

6. GST was implemented w.e.f. July 1, 2017, during the middle of the year 2017-18. Older tax structure to be followed for the first three months and GST for the rest of the year. This automatically resulted in confusion and compliance issues.

7. Many small businesses across small cities in India face problems due to online return filing and payments because they are not tech-savvy and do not have the resources for fully computerized compliance.

8. Workload among the assesses has been increased due to filing of 3 returns monthly and 1 annual return which makes total 37 return to be filed annually.

9. Some common problems faced by the tax payers are digital signature errors, log-in issues, migrating to GSTN because of non validation of PAN, determining of HSN code etc.

REFERENCES


