

# CREATING CERTAINTY: THE HINDU EDITORIAL ON THE GOODS AND SERVICES TAX

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December 07, 2023 12:10 am | Updated 12:58 am IST

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The Goods and Services Tax (GST), which turns six and a half years old this month, has yielded almost 3.4 lakh crore through [October](#) and [November](#). While [revenues in October](#) marked the second highest monthly collections, November's kitty is the third highest. Both these months also recorded accelerated revenue growth after a sequence of slowing upticks that culminated with September [recording a 27-month trough of 10.2%](#). October's GST inflows were up 13.4% and November's by 15.1%, with revenues from domestic transactions up 20%, the highest in 14 months. Festive fervour surely bolstered last month's nearly 1.68 lakh crore of GST revenues, which were based on transactions in October, and that trend may persist this month as well on the back of anticipated last-minute Deepavali spending. Prior to this two-month spike, GST revenues had crossed 1.65 lakh crore on only three occasions, which were typically driven by year-end compliances. Now, the average monthly collection so far in 2023-24 stands at 1.66 lakh crore, and economists believe central GST receipts may surpass Budget estimates even if one factors in a relative slowdown in the final quarter of this year.

With revenues buoyant, in no small part due to tighter compliance and a crackdown on tax evaders, the government must consider resetting its ambitions and work towards making the GST a truly good and simple tax, as it was promised to be. At a recent industry interaction, responding to concerns about the manner in which a spate of GST demand notices and investigations have unfolded in recent months, Finance Minister Nirmala Sitharaman said the GST is still at a stage of moving from "uncertainty to certainty" on some grounds and those aspects are being sorted out now. That certainty needs to be pursued at a broader level to provide genuine comfort to investors about India's tax regime being stable and predictable. For one, pending taxpayer appeals against central GST levies have risen by a quarter this year to hit nearly 15,000 cases by October and it is necessary that appellate tribunals cleared by the GST Council become operational at the earliest to unwind this pendency and set clear precedents for future tax treatment disputes. It is equally critical to lay down a road map to bring in excluded items such as petroleum and electricity into the GST framework as well as the rejig of its complicated multiple rate structure. With the general election ahead, some dithering on such reforms may be understandable, but the GST Council must not lose focus of the unfinished agenda and keep deliberating on its to-do list, so that these steps can be fast-tracked after the Lok Sabha election.

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