



---

**A STUDY ON THE STATE-WISE COLLECTION OF GST IN INDIA**

---

**Kriti Sharma<sup>1</sup> Dr Mani Bhatia<sup>2</sup>**

<sup>1</sup>PhD Scholar, IIS (Deemed to be University), Jaipur Rajasthan

<sup>2</sup> Associate Professor, IIS (Deemed to be University), Gurukul Marg, SFS Manasarovar, Hans Vihar, Kalyanpura, Mansarovar, Jaipur, Rajasthan

**Corresponding Author- Kriti Sharma**

**Email: [iisuniversity@iisuniv.ac.in](mailto:iisuniversity@iisuniv.ac.in)**

---

**Abstract**

*It has replaced the former indirect tax with the GST, In India, there are two tiers of government, the centre and the states. Three lists—the Union List, the State List, and the Concurrent List—in the seventh schedule of a constitution specify the topics that each level has jurisdiction over. In light of this, the federal government and the states are responsible for collecting taxes. The unified GST, which went into effect in 2017, has drawn harsh criticism from a variety of groups, ranging from politicians to regular residents, both inside and outside the country. Additionally, given this context, it is important to examine the structure and tax rates of the GST and determine whether they are appropriate for a nation like India, which has a dual government system and a variety of taxes with varying tax rates. The collection has fallen short of budgetary goals for the past two fiscal years, and due to the pandemic. Any decrease in GST revenue will affect state finances through a reduction in tax devolution and the union government's ability to manage its budget. The impact of structural modifications to the GST, such as raising the GST threshold and lowering tax rates for a wide range of products and services, may have been lessened on the Indian economy, however, the revenue effect of these policy choices cannot be insignificant. This article makes an effort to examine the GST contribution and collection in India. It was discovered that IGST, which accounted for almost 50% of the overall GST collection, generated the biggest amount of tax revenue, with SGST making up the remaining 25%.*

*Index term: GST, Indirect tax, Revenue*

**Introduction**

To control macroeconomic imbalances and enhance economic performance in any country, the government uses taxes as a key weapon in its fiscal policy. direct communication over indirect Since different tax structures may have varied effects on the policy objectives of efficiency, equality, and sustainability, taxation is foundational to the best plan of the tax structure. The GST, imposed on the majority of goods and services that can be purchased, has transformed India into a single market for its diverse population of 1.35 billion people. By eliminating interstate highway tariff barriers and combining federal, state, and municipal taxes under a single GST, the \$2.4 trillion economies is fundamentally attempting to restructure itself. After more than a decade of work, the Goods and Services Tax (GST) was finally implemented in India on July 1st, 2017. It took the place of an outdated system of scattered and intricate indirect taxes made up of numerous central and state taxes. In the previous tax system, states unilaterally imposed entry tariffs on all items that entered their jurisdiction, which had a negative impact on the economy and caused

inefficiency. In addition to harmonising the rates for goods and services, the new GST was created to establish a uniform administrative and policy framework for taxing the supply of goods and services from across the entire country. To solve this issue, the government created the single taxation system which applies to all taxes to avoid the numerous problems with both the taxation system and also to concentrate power in the hands of a single person. Its implementation represents a significant advancement in India's indirect tax reform. A single tax is created by combining many federal and state taxes. It will be simpler to reduce the entire tax burden on products, which is now projected just to be between 28 to 30 percent, thanks to the simplicity of this tax and easier terms for a movement of trade between states without blocking for hours at boundaries for entry tax or state tax, as well as it is easier terms for a significant reduction in work. With improved product supply efficiency, increased tax credit flow, the elimination of border checkpoints, and adjustments in tax rates, the GST seeks to reduce the cascade of taxes (tax on tax) with the hope that prices of goods and services will decline.

The intention to execute GST nationally is to create a situation where everyone engaged could benefit.

### Overview of the history of GST

In 1986, Shri. VP Singh, India's then-finance minister, said that the country's current taxation system needed to be completely revised. He so introduced the idea of a unified taxation system for the entire country. An empowered committee perform periodically in the year 2000, led by Asim Dasgupta and Vijay Kelkar, the chairman of the 13th Finance Commission at the time, proposed that the GST be replaced with the current tax system. In addition to submitting a discussion paper on GST welcoming debate in the public domain in November 2009, the Empower Committee also published its report titled A Model and Strategy of Goods and Services Tax (GST) in India in April 2008. The 115th Amendment Act was tabled in the Lok Sabha to obtain legal approval for the GST in the year 2011. Since the majority of the same was sent to the standing committee Members requested that the bill be revised and resubmitted. Bill 122, the proposed constitutional amendment, facilitated the introduction of the current GST system in 2014. In May, Lok Sabha voted to pass the bill. 2015, the Rajya Sabha in August 2016, and lastly, the 101st Constitutional India's amendment act was passed and put into effect on July 1st, 2017. The Indian GST structure adopts the dual GST system that is used in Canada.

### What is dual GST?

Dual GST refers to the proposed model's two components, which are

1. CGST - The Goods and Services Tax levied by the Central Government
2. SGST - The Goods and Service Tax levied by the State Government

For each state, there would be two different statutes: one CGST statute and one SGST statute.

The "Concurrent dual GST" approach has been implemented by India. The following presumption underpins the necessity for a dual GST model

1. The Center and the States both have concurrent power to enact taxes upon domestic goods and services under the current system.
2. The Dual GST concept entails the simultaneous but separate imposition of two taxes by the Center and the States;
3. The imposition and levy of responsibility burden would be the same for the Center and

the States, allowing for equal operation of both.

Based on where goods and services are located, the Dual GST Model levies taxes. There is no tax on goods produced in a state or a union territory.

- (a) Amounts would be paid to a Central Government under the Central GST (CGST), and
- (b) The State Government or the Union Territory Administrator would receive the State GST (SGST) or Union Territory GST (UTGST) (as applicable)

As the territory up to 12 nautical miles within the ocean is a portion of a State or Union Territory nearest to the sea, CGST and SGST also will apply to Union Territories with both legislatures, such as Delhi and Pondicherry and SGST or UTGST will be required.

### Advantages of GST

1. Eliminating the cascading tax effect
2. Raising the registration requirement
3. Small business composition scheme
4. The GST procedure is straightforward and can be completed online.
5. Lower compliance rates
6. E-commerce has a specific treatment.
7. Improve logistics efficiency
8. Organizing and regulating the unorganised sector

### Statement of Research Problem

With its dual administration, The Indian Constitution is distinguished by its separation of powers, written constitution, the supremacy of the law, rigidity of the law, independent judiciary, and bicameralism. established a federal system of government. The Indian Constitution does, however, also include numerous unitary or non-federal elements. Additionally, India is described as a "Union of States" in Article 1 of the Indian Constitution. India is referred to as a "Union," but its constitution is federal. According to Dr. B. R. Ambedkar, the term "Union of States" has gained favour over "Federation of States" for two reasons: first, unlike the American Federation, the Indian Federation is not the result of an agreement among the states, and second, the states do not have the authority to break away from the federation. Due to its invincibility, the federation is a Union. In India, there are two levels of government: the centre and the states. The Seventh Schedule of the Constitution contains three lists that outline the subjects that each level of government has authority over the Union List, the State List, and the Concurrent List. In light of this, the federal government and the states are responsible for collecting taxes. There is a need to investigate

the layout and rates of GST and determine whether they are appropriate for a country like India given its dual government, numerous taxes, and various rate structures. The unified GST, which was implemented in 2017, has received harsh criticism from a variety of sources, ranging from political to ordinary, not only in the country but also from abroad. This essay makes an effort to examine the GST in India's composition, collection, and business-wise contribution.

#### Purpose of the study

1. Before the GST, there was no uniformity in the state-by-state distribution of tax rates.
2. As a result of "Tax on Tax," there appears to be a tax cascade. When paying state-level VAT or sales tax, traders cannot take credit for service tax and excise duty paid in the state of manufacturing.
3. There have been no refunds on state tax payments that could be used in another state. As a result, goods prices are artificially inflated to the point where they are "Tax on Tax."
4. GST, which is part of tax reform, creates significant opportunities for the country's financial sector.

#### Objective

1. To study India's GST revenue collection
2. To study India's state-by-state contribution to the GST Revenue

#### Scope of the study

Detailed analysis of GST Revenue Collection from the financial year 2019-20 to 2021-22 and the CAGR are both included in this report. Additionally, it examines state-by-state revenue collection.

#### Hypotheses

##### Alternate hypotheses (h1):

1. The GST has a significant effect on revenue collection.

#### Sources and methods of data collection

The data were analysed using basic statistical techniques like CAGR (Compound Annual Growth Rate) and percentage for the period from 2019–20 to 2021–2022, The current analysis is based on secondary data periodically collected and published by PIB

The formula for calculating CAGR (Compound Annual Growth Rate)

$$CAGR = \left( \frac{EV}{BV} \right)^{\frac{1}{n}} - 1 \times 100$$

where:

*EV* = Ending value

*BV* = Beginning value

*n* = Number of years

#### Result and Discussion

Table:1 Monthly GST collection from 2019-20 to 2021-22

Month	Trends in GST collection			Growth
	GST Collection in FY 2019-20	GST Collection in FY 2020-21	GST Collection in FY 2021-22	
April	113865	32172	139708	0.11
May	100289	62151	97821	-0.01
June	99939	90917	92800	-0.04
July	102083	87422	116393	0.07
August	98202	86449	112020	0.07
September	91916	95480	117010	0.13
October	95380	105155	130127	0.17
November	103492	104963	131526	0.13
December	103184	115174	129780	0.12
January	110818	119875	140986	0.13
February	105366	113143	133026	0.12
March	97597	123902	142095	0.21
Total	1222131	1136803	1483292	1.19

Source: PIB Various Publication

The above table shows that the year 2021–2022 saw the greatest GST collection of Rs. 1483292,

while the previous year saw a reduction to Rs. 1136803. The GST was only introduced in July

of that year, which resulted in the minimum GST collection of Rs. 7, 40, 649. But even so, from October 2020 onwards, the GST collection amazingly set a benchmark of monthly collections exceeding One lakh crore consecutively even amid lockdown during this pandemic due to the widespread COVID-19. This demonstrates that certain businesses,

particularly telecommunication, power corporations, and healthcare and medications performed well during this lockdown to revamp India's GDP. The total GST collection is anticipated to increase at a compound annual growth rate (CAGR) of 1.19 percent from 2019 to 2022.

Chart: 1 Show Compound Annual Growth Rate of GST

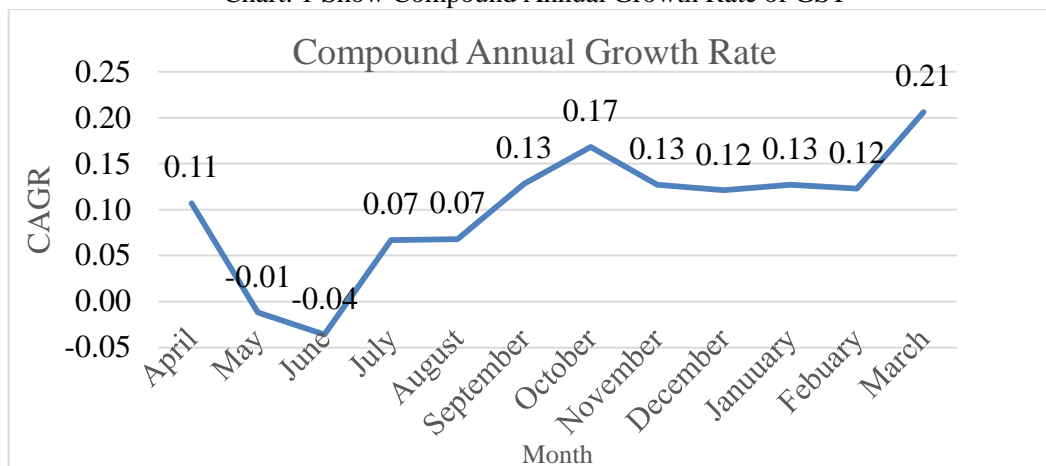
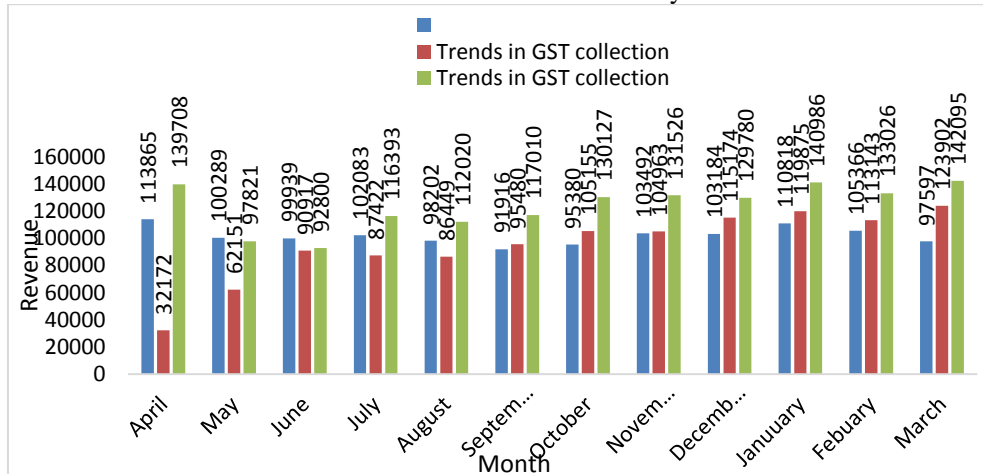


Chart No: 2 GST Revenue collection chart for the financial year from 2019-20 to 2021-22



(Sources: <http://gstcouncil.gov.in/gst-revenue>)

### Inferences

- The total gross GST revenue for the March month of 2022 was 1,42,095 crores, made up of 9,417 crores in cess and 25,830 crores from CGST, 32,378 crores via SGST, and 74,470 crores via IGST (including 39,131 crores from imported products) (including 981 crores on import of goods).
- An all-time peak of Rs. 1,40,986 crores were reached in January 2022, however, in March 2022 the gross GST revenue broke that record.
- As part of the customary settlement, the government moved 25,032 crores via IGST towards the SGST & 29,816 crores to CGST. Additionally, the Centre distributed

Rs. 20,000 crores of IGST between the States/UTs and the Centre this month on an as-needed basis. Monthly & special settlements, the combined revenue of the Centre and a state in March 2022 is 67410 crores via SGST and 65646 crores via CGST.

- During the month, the Centre also paid States and UTs a total of Rs 18,252 crores in GST compensation. GST collections in March 2022 were 46 percent greater than that for March 2020 and 15 percentage points higher than just those for the same month a year prior.
- In comparison to the same month last year, revenues from domestic transactions (which

include imports of services) were up 11% and revenues from product imports were up 25% during the month.

7. Even being a smaller month, the overall amount of e bills created in Feb 2022 is 6.91 crores, compared to 6.88 crores in January 2022, indicating a faster recovery of company activity.
8. The fourth quarter of the Fiscal Year 2021–22 had an average monthly gross GST revenue of 1.38 lakh crore, up from the first,

second, and third quarters, respectively, there have been 1.10 lakh crore, 1.15 lakh crore, and 1.30 lakh crore.

9. The increased GST, which has been accompanied by economic recovery, is a result of anti-evasion efforts, including action against bogus billers. The increase in revenue has also been aided by the Council's numerous rate rationalisation initiatives to address the inverted duty structure.

### Ranking

**Table: 2 GST Revenues by State Growth in March 2022**

	State	March 2021	March 2022	Growth
1	Jammu and Kashmir	352	368	5%
2	Himachal Pradesh	687	684	0%
3	Punjab	1362	1,572	15%
4	Chandigarh	165	184	11%
5	Uttarakhand	1304	1,255	-4%
6	Haryana	5710	6654	17%
7	Delhi	3926	4112	5%
8	Rajasthan	3352	3,587	7%
9	Uttar Pradesh	6265	6,620	6%
10	Bihar	1,196	1348	13%
11	Sikkim	214	230	8%
12	Arunachal Pradesh	92	105	14%
13	Nagaland	45	43	-6%
14	Manipur	50	60	18%
15	Mizoram	35	37	5%
16	Tripura	88	82	-7%
17	Meghalaya	152	181	19%
18	Assam	1,005	1115	11%
19	West Bengal	4,387	4472	2%
20	Jharkhand	2,416	2550	6%
21	Odisha	3,285	4125	26%
22	Chhattisgarh	2,544	2720	7%
23	Madhya Pradesh	2,728	2935	8%
24	Gujarat	8,197	9158	12%
25	Daman and Diu	3	0	-92%
26	Dadra and Nagar Haveli	288	284	-2%
27	Maharashtra	17,038	20,305	19%
29	Karnataka	7,915	8750	11%
30	Goa	344	386	12%
31	Lakshadweep	2	2	36%
32	Kerala	1,828	2089	14%
33	Tamil Nadu	7,579	8023	6%
34	Pondicherry	161	163	1%
35	Andaman and Nicobar Islands	26	27	5%
36	Telangana	4,166	4242	2%
37	Andhra Pradesh	2,685	3174	18%
38	Ladakh	14	23	72%
97	Other Territory	122	149	22%
99	Centre Jurisdiction	141	170	20%
	<b>Grand Total</b>	<b>91,870</b>	<b>1,01,983</b>	<b>11%</b>

(Sources: <http://gstcouncil.gov.in/gst-revenue>)

**Findings**

1. The total GST revenue collected in March 2022 broke the previous record of 1,40,986 crore obtained in January 2022.
2. It was discovered that the expected compounded annual increase (CAGR) of the overall GST collection for the years 2019 to 2022 is 1.19 percent.
3. Income in March 2022 was 46 percent greater than revenue in March 2020 and 15 percent higher than revenue in the same month the year before.
4. Compared to the identical month of the previous year, the income from domestic transactions, which includes the import of services, was 11 percent higher during the month and the income from imported commodities was 25 percent higher.
5. Although being a smaller month, there were 6.91 crores more e-way invoices recorded in February 2022 than there were in January (2022), which suggests that economic activity is recovering more quickly.
6. Anti-evasion efforts, particularly those taken against false billers, have been supporting the increased GST along with the economic recovery. The Council's numerous rate reduction initiatives to fix the inverted tariff structure have also contributed to the increase in revenue.
7. As it can be measured from table no.2 state-wise growth. High growth is shown in Ladakh with 72% and the lowest growth is shown in Daman and Diu with -92%
8. Overall growth of state-wise is 11%

**Conclusion**

One of the best choices the Indian government had always made in this area is the establishment of the GST. For about the same reason, all parliamentarians gather at Parliament House for a celebration on July 1st to mark India's Financial Freedom Day. The switch to a GST, which is approved by 159 nations, would be challenging, difficult and uncertain to be expected. At some point, India was forced to submit to such a regime. Even while the structure isn't perfect, once it's in place, it will strengthen India's economy and increase its appeal to foreign direct investment. India previously consisted of 7 union territories, one with its own set of taxes, and 29 smaller tax economies. Since it does away with the necessity for different federal and state tax rates, this is a well and recognised system. You must register for GST when you own a business since it will help you keep track of your operations every

week and will also benefit the Indian government. This is because you will be required to submit a company statement of account every week under GST.

**Suggestion**

As this article has shown, the GST income collection is good and is rising every fiscal year. However, there are key areas where it needs improvement: Increasing revenue collection efficiency, Encouragement of the adoption of the appropriate tax technology, reducing caving to rate-cut demands, Including exempt products under the scope of the GST and reduction of the interest and penalty waiver for unpaid tax returns.

**References**

1. Kumar, D. V. (2016). GST: Positive and Negative Effects on Common Man in India. *Journal of commerce and trade*, 11(2), 113-117.
2. Khan, M. S., & Soni, R. (2018). Impact of GST on Textile Hub of Mumbai (Bhiwandi, Dist. Thane). *Account and Financial Management Journal*, 3(02), 1318-1322.
3. Saravanan, S., & Chandra, M. K. (2017). Assessment and Impact of Existing Indirect Tax to Goods and Service Tax in India. *International Journal of Scientific Research in Computer Science, Engineering and Information Technology*, 2(3), 623-629.
4. Pranesh, D. (2016). Implementation of goods and service tax (GST) in India and its control over the tax collection. *Journal of Commerce and Trade Society for Advanced Management Studies*, 11(1), 28-35.
5. R.Rajasekaran, P. Pavithran. An analysis of GST collection (State Wise) with the special reference to the calendar year (2019- 2020). *International Journal of Innovative Research in Technology*, volume 6 issue 12/ISSN: 2349-600
6. Suresh, P., & Sivakumar, T. (2016). Overview of GST in India. *KAIV International Journal of Economics, Commerce and Business Management*, 3(4), 290-304.
7. Desai, R. R., & Patel, A. D. (2015). Goods and Services Tax in India: an opportunity and challenges. *International Journal of Current Research*, 7(11), 1-3.

13. Vasanthagopal, R. (2011). GST in India: A Big Leap in the Indirect Taxation System. International
14. Journal of Trade, Economics and Finance, 2(2), 144-146.
15. Dr A. Jagan Gopu and Dr R. Ravikumar A study on the collection, composition and business-wise contribution of GST in India. ISSN: 2249-6661 (UGC Care Journal) Vol-44 No.-01(XIII): 2021
16. [pib.gov.in](http://pib.gov.in)
17. [ijirt.org](http://ijirt.org)
18. [gstcouncil.gov.in](http://gstcouncil.gov.in)